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)

2025 ANNUAL REPORT

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

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

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

CORPORATE INFORMATION

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

CHAIRMAN'S STATEMENT

WORLD-CLASS INTEGRATED LOGISTICS SERVICES

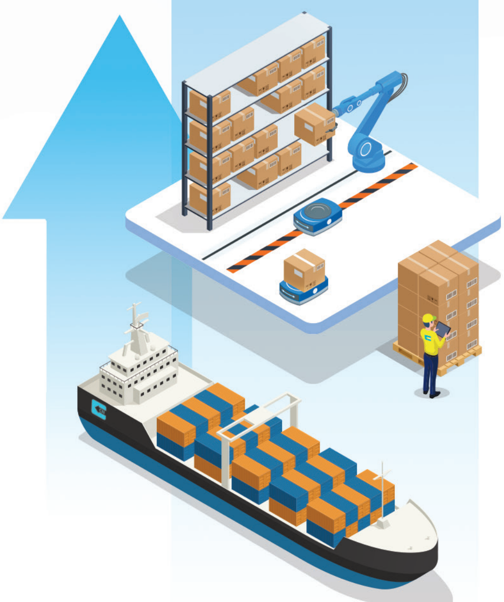
A Passion For Service

30+
OFFICES WORLDWIDE

100+
COVERAGE

800+
EMPLOYEES

Lau Shek Yau John
Chairman and executive Director



DEAR SHAREHOLDERS,

On behalf of the board (the "Board") of directors (the "Directors") of CN Logistics International Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I am pleased to present you the annual results for the year ended 31 December 2025 (the "Year", "FY2025").

BUSINESS REVIEW

The global logistics industry continued to operate in a complex and evolving environment during 2025. While signs of recovery have gradually emerged across major markets, the pace of improvement has remained uneven, and the macroeconomic backdrop continues to be shaped by geopolitical tensions, evolving trade policies and persistent uncertainties in global supply chains. Against this backdrop, the Group has adopted a prudent and disciplined approach, focusing on resilience, adaptability and long-term positioning.

The year under review carries particular significance for CN Logistics, as 2025 marked the fifth anniversary of the Group's listing on the main board of The Stock Exchange of Hong Kong. Since our listing in 2020, CN Logistics has continued to enhance its corporate governance, operational transparency and strategic focus, laying a solid foundation for sustainable growth as a listed company.

During the Year, the Group recorded revenue of HKD3,007.1 million, marking an approximate 9.5% year-on-year increase, reflecting stable demand across its diversified logistics services and the contribution from multiple business segments. Net profit is recorded as HKD22.8 million. Overall profitability was moderated by a combination of external factors, including tariff-related adjustments in trade flows and cautious customer sentiment. These developments underscore that, while recovery is underway, challenges remain and market conditions have yet to fully normalise. In appreciation of our shareholders' unwavering support, the Board of Directors proposed a final dividend of HK1 cent per share, reinforcing our commitment to delivering value while continuing to invest in strategic growth opportunities.

Diversity of business remains a cornerstone of the Group's strategy. Over the years, CN Logistics has evolved from a traditional logistics service provider for luxury brands into a multi-faceted logistics partner supporting eCommerce platforms, cruise operators, automotive customers and aerospace-related supply chains. By maintaining a balanced portfolio across multiple logistics verticals and service models, the Group has been able to mitigate cyclical fluctuations in individual sectors, while progressively building capabilities in higher value-added and specialised services. This not only strengthens the Group's risk management framework, but also supports the creation of a more sustainable growth platform as global trade patterns and customer requirements continue to evolve.

In particular, the Group continued to develop eCommerce related logistics solutions amid a rapidly evolving global trade environment. While the broader eCommerce segment faced headwinds due to tariff-related demand shifts and cost pressures, the Group focused on refining service offerings and strengthening engagement with platform customers. The management has been proactively reviewing business arrangements and operating strategies to enhance resilience and support sustainable growth of the Group.

Our strategic footprint across Southeast Asia has delivered encouraging outcomes, reflecting early recognition of structural opportunities under the Regional Comprehensive Economic Partnership (RCEP) framework and shifting manufacturing patterns. This year, the Vietnam office delivered strong performance supported by new client wins, while the Cambodia and Indonesia offices also reported significant increases in activity, underlining the value of our regional presence and local network development. In Europe, operations in Italy continued to serve as an important source of revenue, with stable performance despite the broader industry headwinds.

OUTLOOK

Established in 1991, the Group will mark its 35th anniversary in 2026, a milestone that reflects more than three decades of commitment to service excellence and steady development alongside the global trade landscape. Looking ahead, while uncertainties remain in the global economic and trade environment, a leveraging on the Group's diversified business portfolio and the experience gained since listing, we are well positioned to navigate ongoing challenges and pursue disciplined growth.

In an increasingly interconnected and dynamic global trade environment, the Board recognises that the role of logistics is evolving beyond delivery execution. Logistics increasingly serves to support customers' growth and expansion through reliable, flexible and integrated solutions. By maintaining a balanced business portfolio across sectors and regions, the Group aims to support customer needs in a disciplined manner while managing exposure to market volatility. In parallel, the Group will continue to focus on operational efficiency, service enhancement and prudent capital allocation, with the objective of delivering sustainable value to its shareholders over the long term.

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, customers, business partners and employees for their continued trust and support. As we approach important milestones in the Group's history, we remain committed to advancing the Group with resilience, with the objective of delivering sustainable value to shareholders over the long term.

Lau Shek Yau John
Chairman and Executive Director

Hong Kong, 31 March, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group primarily engages in the provision of comprehensive logistics services, comprising air freight forwarding services, distribution and logistics services, ocean freight forwarding services and cruise logistics services, with a primary focus on high-end fashion (including luxury and affordable luxury), fine wine products. Our long-standing clients include various globally renowned premium and luxury brands, as well as other apparel companies.

The Group operates local offices in 20 countries and regions, which includes the People's Republic of China ("PRC"), Hong Kong, Taiwan, Italy, Japan, the United States of America ("USA"), Malaysia, Thailand, Vietnam, South Korea, France, Switzerland, Indonesia, Netherlands and Cambodia. In addition, the Group has established partnerships with more than 100 business partners, covering over 100 countries across the globe.

During FY2025, the global logistics industry continued to expand amid the increasingly complex operating environment, generating revenue of approximately USD 11.23 trillion, representing a year-on-year increase of about 12.5%, which was contributed by the continued growth in eCommerce activities, adoption of technologies and infrastructural development, particularly in the Asia-Pacific region. Nevertheless, geopolitical tensions, evolving trade policies and persistent economic uncertainties resulted in uneven regional performance across the PRC, Southeast Asia, USA and Europe, reinforcing the importance of operational resilience and adaptability within the industry.

Against this backdrop, the Group recorded an increase in business volume during the FY2025, with revenue rising year-on-year by 9.5% to HK$3,007.1 million (FY2024: HK$2,745.5 million). The improvement in performance reflected sustained demand for logistics services across the Group's core markets. Net profit attributable to equity shareholders is recorded as HK$15.4 million in FY2025 (FY2024: HK$32.0 million). The pressure on profitability across the sectors was mainly brought by heightened volatility in the eCommerce segment, shifts in trade flows and a more cautious market environment. The Group remains focused on maintaining operational discipline while navigating near-term challenges under the prevailing economic conditions.

Regional Analysis — Greater China

During FY2025, revenue contributed by the Group's PRC office increased by 8.8% to HK$694.6 million (FY2024: HK$638.1 million). The improvement was attributable to a gradual recovery in consumer sentiment, which supported stronger demand for logistics services, particularly from eCommerce-related customers.

To reinforce its role as a trusted partner for luxury brands and premium fashion retailers, the Group remained focused on enhancing customer loyalty and operational efficiency by introducing cutting-edge logistics services and pursuing new business opportunities.

Regional Analysis — Europe

Serving as a vital channel between premium Asian products and high-purchasing-power customers, Europe remained pivotal to the Group's global strategy. In FY2025, the Group recorded resilient demand for its logistics services in Europe, supported by continued consumer interests in luxury goods and the ongoing expansion of eCommerce, with solid performance in air freight forwarding and last-mile delivery services.

Nevertheless, as the China's luxury market recovery progressed at a gradual pace, outbound shipment volumes moderated, which in turn affected related logistics demand. As a result, the Group maintained a stable revenue at HK$657.2 million, as compared to HK$708.7 million in FY2024 in the European region. The Group considers this adjustment indicative of short-term market dynamics rather than a structural change in demand.

Regional Analysis — Southeast Asia

Fuelled by the implementation of the Regional Comprehensive Economic Partnership (RCEP), the Group continued to pursue opportunities in emerging economies in Southeast Asia, strengthening its presence in high-growth markets. As a key pillar of its global expansion and revenue diversification strategy, the Group has deepened its presence in Southeast Asia, attracting an expanding client base and generating stronger business activity. Encouraging results have been demonstrated during FY2025, particularly in Cambodia and Indonesia offices, which have delivered significant growth in business volume.

In FY2025, the regional offices in Vietnam recorded a revenue of HK$128.6 million, representing year-on-year growth of 46.1%. The growth was mainly driven by new manufacturing clients secured and existing clients during the year, which boosted business volumes and revenue in the region. Meanwhile, the Indonesia and Cambodia office recorded a revenue of HK$18.1 million and HK$43.5 million, representing year-on-year growth of 13.2% and 194.5%, respectively. These results underscore the effectiveness of the Group's regional strategy and commitment to capturing high-potential Southeast Asian markets.

CN Express — Resilient Operations Amid Headwinds

During FY2025, leveraging the Group's global network, CN Express International Limited and its subsidiaries ("CN Express") continued to provide integrated, one-stop eCommerce logistics solutions to major platforms across the Asia-Europe corridor, covering origin warehousing, international freight forwarding and last-mile delivery.

CN Express handled over 20 thousands small parcels daily despite the implementation of U.S. tariff policies, which affected cross-border eCommerce activities and resulted in a more challenging operating environment. In response, the Group maintained close engagement with its strategic partners and key customers, focusing on service stability, operational efficiency and relationship management, with a view to preserving long-term cooperation and positioning the business for future growth as market conditions improve. As a result, the Group recorded a revenue of approximately HK$582.6 million from CN Express in FY2025 (FY2024: HK$315.2 million), contributing around 19.4% to Group's revenue.

CN Express ranked top 3 in market share of eCommerce business in South Africa's custom clearance and last mile delivery services in 2025.

Cruise Logistics — Stable Amid Sector Recovery

The global tourism sector advanced its post-pandemic recovery over FY2025, with experiential travel sustaining demand momentum. In this environment, the Group maintained reliable replenishment and logistics services for major cruise operators across key international ports.

Client caution following the April 2025 "reciprocal tariffs" announcement, alongside broader industry prudence amid shifting trade policies, led to measured segment activity. Revenue totalled approximately HK$468.5 million (FY2024: HK$430.3 million), contributing around 15.6% to Group revenue and reflecting the segment's characteristic stability.

Capitalising on New Market Opportunities

During FY2025, the Group continued to diversify its revenue streams through expansion into high-value verticals. In August 2025, the Group launched a dedicated aerospace logistics service to address the increasing complexity and specialised requirements of global aviation and aerospace supply chains. Leveraging its service expertise and operational capabilities, the Group has begun to access potential opportunities across advanced manufacturing and global trade ecosystems.

In parallel, the Group continued to advance its sustainability agenda by embedding green solutions into its core logistics offerings, supporting cleaner and more responsible supply chains. The Group has partnered with Finnair to promote the adoption of sustainable aviation fuel, further strengthening the "CNL Green Solutions" initiative. In addition, the Group expanded its electric vehicle fleet in Hong Kong through a collaboration with Ample, reinforcing the Group's commitment to reducing environmental impact across its logistics operations.

Financial Results

The Group recorded revenue of approximately HK$3,007.1 million during FY2025 (FY2024: HK$2,745.5 million), representing an increase of approximately 9.5%. Gross profit amounted to approximately HK$498.2 million during FY2025 (FY2024: HK$514.3 million).

Segmental Analysis

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

Air Freight Forwarding Services

The air freight forwarding business constituted the largest segment of the Group, representing approximately 46.4% of the Group's total revenue in FY2025 (FY2024: 42.9%). The 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. The Group is a member of the International Air Transport Association in Hong Kong, PRC, Taiwan, Italy, France and Japan which provide 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.

The air freight forwarding business recorded revenue of approximately HK$1,393.9 million for FY2025 (FY2024: HK$1,178.6 million), representing an increase of approximately 18.3% as compared to FY2024. The gross profit was approximately HK$135.3 million (FY2024: HK$159.0 million). The increase in revenue was mainly due to significant contribution from the express and small parcel business from the CN Express Group.

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 FY2025, 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.

For FY2025, the revenue from this segment was approximately HK$832.6 million (FY2024: HK$780.4 million), representing an increase of approximately 6.7% as compared to FY2024. The gross profit was approximately HK$127.1 million (FY2024: HK$180.1 million). The increase in revenue was mainly 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.

For FY2025, the revenue from this segment was approximately HK$468.5 million (FY2024: HK$430.3 million), representing an increase of approximately 8.9% as compared to FY2024 and the gross profit was approximately HK$160.5 million (FY2024: HK$129.2 million), representing a growth of 40.9%. The increase in revenue and gross profit was mainly due to increase in the number of drydock projects secured in FY2025 resulting from further growth in the cruise industry.

Distribution and Logistics Services

The distribution and logistics segment contributed approximately 10.4% of the total revenue of the Group during FY2025 (FY2024: 13%).

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 31 December 2025, the Group managed and operated 32 distribution centres with a total gross floor area of approximately 931,000 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.

For FY2025, the revenue from this segment was approximately HK$312.0 million (FY2024: HK$356.2 million). Gross profit of the segment increased from HK$46 million for FY2024 to approximately HK$53.7 million in FY2025, representing an increase of approximately 16.8%. 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 and Financial Resources

The Group has adopted a prudent financial and surplus funds management approach towards its treasury policies. The Group strives to reduce exposure to credit risks by performing ongoing credit assessments and evaluations on the financial status of its customers. To manage liquidity risks, 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 as at 31 December 2025 was approximately HK$167.2 million (31 December 2024: HK$143.9 million). The current ratio of the Group was 1.15 (31 December 2024: 1.15).

As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately HK$299.6 million, representing an increase of approximately 17.5% from approximately HK$255 million as at 31 December 2024. For FY2025, the Group had operating cash inflow of approximately HK$87.3 million (FY2024: operating cash inflow of approximately HK$58.8 million). As at 31 December 2025, the Group's outstanding bank loans and overdrafts amounted to approximately HK$457.2 million (as at 31 December 2024: approximately HK$384.1 million). The gearing ratio of the Group was approximately 35.6% as at 31 December 2025 (as at 31 December 2024: 35.2%). The gearing ratio was calculated as the net of the total of bank loans and overdrafts and cash and cash equivalent 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 2024: net cash position). The Group will continue to secure financing as and when the need arises.

Foreign Exchange Risks

During FY2025, the Group's operation was mainly financed by funds generated from its operation and borrowings. As at 31 December 2025, 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 such bank facilities for guarantees on payment to certain airline supplies and performance bonds to customers of the Group as at FY2025 (FY2024: 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 FY2025.

Significant Investments

During FY2025, the Group did not hold any material investment.

Capital Expenditure Commitments

As at 31 December 2025, the Group had no material capital commitment (FY2024: Nil) which are contracted but not provided for.

Material Acquisitions and Disposal of Subsidiaries and Associated Companies

There were no material acquisition or disposal of subsidiaries or associated companies of the Company during FY2025.

Contingent Liabilities

As at 31 December 2025, 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 31 December 2025 was HK$359.7 million (as at 31 December 2024: HK$345.8 million), being the amount of the facilities drawn by the Group as at 31 December 2025.

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 31 December 2025, certain interest-bearing bank borrowings of the Group were secured by pledged bank deposit amounted to approximately HK$2.3 million (31 December 2024: HK$2.3 million).

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 a third party independent from 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 31 December 2025:

	Net proceeds HK$ million	Unutilised amount as at 1 January 2025 HK$ million	Amount utilised during FY2025 HK$ million	Unutilised amount as at 31 December 2025 HK$ million	Expected timeline for utilisation
The Subscription					
Expansion of business and local presence in Hainan Province in the PRC, Southeast Asia and the United Kingdom	35.6	22.4	17.2	5.2	On or before 2 June 2027

During FY2025, 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.

EVENTS AFTER THE REPORTING PERIOD

There has been no material events affecting the Group which occurred since the end of FY2025.

PROSPECT

Despite ongoing challenges such as geopolitical tensions, evolving tariff policies and uncertainties in global trade dynamics, the Group adopts a cautious but constructive view on the outlook of the global logistics sector. According to the International Monetary Fund's January 2026 update, global economic growth is expected to remain steady, with global real GDP projected to grow at approximately 3.3% in 2026. This reflects a gradual and uneven recovery across regions, supported by stabilising demand but tempered by structural and policy-related headwinds.

While uncertainties persist, including the potential for further shifts in trade policy and heightened geopolitical risks, the Group will continue to monitor these trends closely and adapt its operations to meet evolving market demand. By leveraging its diversified business portfolio and established global network, the Group aims to pursue sustainable development and capture opportunities presented by the broader economic recovery.

The Group will focus on strengthening service capabilities, deepening strategic partnerships and enhancing operational efficiency to drive organic growth and unlock long-term value through the following strategic initiatives:

1. Expanding Into New Verticals to Diversify Revenue Streams

The Group will continue to pursue selective expansion into specialised logistics verticals, with the objective of broadening its revenue base and enhancing service differentiation.

With a focus on broadening its customer base across key aviation markets, the Group will continue to advance its aerospace logistics capabilities through a measured and selective approach. This includes exploring opportunities to expand engagement with clients in the China market, while maintaining ongoing support for established airline customers in Singapore and Taiwan. In parallel, the Group is seeking to deepen its participation along the aviation supply chain through cooperation with industry counterparties, enhancing service scope and operational experience over time.

Building on its prior experience in specialised logistics, including the perishable and automotive sectors, the Group's entry into aerospace logistics represents a disciplined extension into a sector with relatively higher technical requirements. Management expects contributions from this segment to be incremental, with further development subject to customer adoption and market conditions.

2. CN Express — Strong Long-Term Outlook on eCommerce Logistics

Despite revenue setback in 2025, the Group remains confident in the significant long-term growth potential of this sector. According to Business Research Insights, the global eCommerce logistics market is projected to grow at a CAGR of 12.91% from 2026 to 2035, expanding from USD628.9 billion to over USD1.87 trillion, reflecting the structural expansion of cross-border eCommerce and the increasing need for reliable, integrated logistics solutions. The Group believes these trends are likely to provide a supportive demand environment over the longer term.

Driven by rising demand for resilient, one-stop supply chain solutions, this expansion presents substantial opportunities for the Group to broaden its service footprint into emerging markets and accelerate investment in enhancing its logistics capabilities. The Group is well positioned to capture this growth by building on its integrated Asia-Europe platform and deepening partnerships with leading e-commerce platforms worldwide.

3. Favourable Structural Outlook of Cruise Logistics

Notwithstanding short-term demand fluctuations, the Group expects the cruise logistics segment to benefit from the continued recovery of global tourism and the expansion of cruise capacity in the coming years. According to market report, global cruise tourism market size is expected to increase from approximately USD7.8 billion in 2025 to USD8.54 billion in 2026. This growth reflects the gradual resumption of global tourism activities, together with the expansion of cruise capacity and ongoing improvements in port infrastructure.

Notwithstanding the generally improving industry environment, near-term demand may remain subject to external uncertainties and cautious client behaviour. The Group will continue to adopt a prudent operating approach while maintaining service readiness and client engagement, positioning itself to capture opportunities as industry conditions further stabilise.

HUMAN RESOURCES

As at 31 December 2025, the Group employed 878 employees (as at 31 December 2024: 861 employees). During FY2025, employee cost, including Directors' remuneration, was approximately HK$348,570,000 (FY2024: approximately HK$339,199,000). 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 FY2025, 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 FY2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities. As at 31 December 2025, there were no treasury shares being held by the Company.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK1 cent per ordinary Share absorbing a total amount of HK$3,004,890 for FY2025 (FY2024: HK1 cent per ordinary Share), which is subject to the approval of the Shareholders at the forthcoming AGM to be held on Friday, 29 May 2026. Subject to the approval by the Shareholders, the proposed final dividend is expected to be paid on Friday, 17 July 2026 to all Shareholders whose names to be appeared on the register of members of the Company on Friday, 26 June 2026.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

BIOGRAPHIES OF DIRECTORS

Executive Directors

Mr. Lau Shek Yau John ("Mr. Lau"), aged 78, is an executive Director of the Group and the chairman of the Board and Nomination Committee of the Company. Mr. Lau was appointed as Director on 14 December 2017 and re-designated as non-executive Director and executive Director on 1 April 2020 and 14 February 2023, respectively. Mr. Lau is the founder of the Group and is responsible for providing strategic advice at Board level and has been serving as a director and employee of certain group companies of our controlling shareholder. He joined the Group as a director of Cargo Services Airfreight Limited on 23 October 1991.

Mr. Lau has over 35 years of experience in trading, shipping and logistics industry in Hong Kong and China. Mr. Lau is the founder and has been the executive chairman and executive director of eCargo Holdings Limited ("eCargo"), a company listed on the Australian Securities Exchange (ASX: ECG) and principally engages in the provision of software development services to its customers to develop their eCommerce platform and trading of food products, since its listing in November 2014. Mr. Lau is also a director of certain subsidiaries of the Group. Mr. Lau obtained a bachelor's degree in social science from The University of Hong Kong in October 1971.

As of 31 December 2025, Mr. Lau was not interested in any Shares or shares of the associated corporations of the Company.

Mr. Ngan Tim Wing ("Mr. Ngan"), aged 61, is an executive Director and the chief executive officer of the Group, the chairman of the Risk and Compliance Committee and a member of Remuneration Committee and Corporate Governance Committee of the Company. Mr. Ngan is responsible for the overall strategic development, and leading the business development of the Group. He was appointed as a Director on 16 January 2020 and re-designated as an executive Director on 1 April 2020. Mr. Ngan has over 30 years of experience in management of logistics and freight forwarding business. He first joined the Group on 12 August 1994 as a marketing manager in the airfreight department of CS Airfreight, and was then promoted to deputy managing director of CS Airfreight in January 2000. Mr. Ngan became the chief executive officer of the Group in September 2019. Mr. Ngan is also a director of certain subsidiaries of the Group. Prior to joining the Group, Mr. Ngan acquired knowledge and experiences in marketing and sales in the freight forwarding industry by holding the positions of marketing manager and accounting and sales officer in logistic companies from 1989 to 1994. Mr. Ngan obtained a bachelor's degree in science from the University of Waterloo in Canada in May 1990.

As of 31 December 2025, Mr. Ngan was interested in certain Shares. Please refer to the section headed "Directors' Report — Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" for further details.

Ms. Chen Nga Man ("Ms. Chen"), aged 45, is an executive Director and deputy chief executive officer of the Group, the head of the wine department who is responsible for the overall operational management of the wine department. She was appointed as an executive Director on 1 April 2020. Ms. Chen has more than 20 years of experience in sales and marketing in the freight forwarding industry. She joined the Group on 15 October 2001 as the sales executive of CS Airfreight. She became the assistant managing director of CN Logistics HK in May 2016. Ms. Chen is also a director of certain subsidiaries of the Group. Ms. Chen completed her secondary education in Hong Kong in June 1997.

As of 31 December 2025, Ms. Chen was interested in certain Shares and shares of the associated corporations of the Company. Please refer to the section headed "Directors' Report — Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" for further details.

Ms. Augusta Morandin ("Ms. Morandin"), aged 67, is an executive Director of the Group, a member of the Risk and Compliance Committee of the Company and the management director of the import, export and co-loading department in Switzerland and Italy, responsible for the day-to-day operational management of the import, export and co-loading department in CN Switzerland and CN Italy. She was appointed as an executive Director on 22 December 2021. Ms. Morandin has more than 40 years of experience in the freight forwarding industry in Italy. Prior to joining the Group, Ms. Morandin has served as the overseas division management of Italsempione S.p.A., a private Italian freight forwarding company, from May 1992 to August 2012. From October 1987 to April 1992, Ms. Morandin worked as a seafreight trade manager in LDS International Freight Forwarders. Ms. Morandin has served as the export seafreight manager and area manager in SGS Società Generale di Sorveglianza S.p.A from March 1979 to September 1987. From July 1977 to February 1979, Ms. Morandin has worked in the OPS Roadfreight department of Deugro International Freight Forwarders S.p.A. Since September 2012, Ms. Morandin has joined the Group and has been a management director of CN Switzerland and CN Italy. Ms. Morandin graduated from high school in Italy in July 1977.

As of 31 December 2025, Ms. Morandin was interested in certain Shares. Please refer to the section headed "Directors' Report — Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" for further details.

Mr. Fabio Di Nello ("Mr. Di Nello"), aged 53, is an executive Director of the Group and the management director of the import, export and co-loading department in Switzerland and Italy, responsible for the day-to-day operational management of the import, export and co-loading department in CN Switzerland and CN Italy. He was appointed as an executive Director on 22 December 2021. Mr. Di Nello has over 30 years of experience in the freight forwarding industry in Italy. Prior to joining the Group, Mr. Di Nello worked in Italsempione S.p.A. a private Italian freight forwarding company, from May 1995 to April 2012, with his last position as the overseas division manager. Since May 2012, Mr. Di Nello has joined the Group and has been a management director of CN Switzerland and CN Italy. Mr. Di Nello graduated from high school in Italy in July 1991.

As of 31 December 2025, Mr. Di Nello was interested in certain Shares. Please refer to the section headed "Directors' Report — Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" for further details.

Non-Executive Director

Mr. Zissis Jason Varsamidis ("Mr. Varsamidis"), aged 50, is a non-executive Director of the Group and a member of the Remuneration Committee of the Company. He was appointed as a non-executive Director on 5 September 2024. Mr. Varsamidis has also been a director of Asian Terminals Inc., since June 2021. Asian Terminals Inc,. is a company listed on The Philippine Stock Exchange, Inc. (PSE: ATI) and, as a director, Mr. Varsamidis principally engages in corporate governance, compliance and the overall direction of the business. Mr. Varsamidis is currently the Chief Financial Officer of DP World Asia Pacific. With nearly 30 years of experience, Mr. Varsamidis is an accomplished financial manager with his expertise in strategic direction, investment management and financial control which bring strength and vigour to the DP World APAC leadership team. Prior to becoming the Chief Financial Officer of DP World Asis Pacific in 2020, Mr. Varsamidis was the Chief Financial Officer of DP World Australia for seven years. Mr. Varsamidis started his career in 1997 as an analyst with the then-P&O Group. During his time with P&O Group from 1997 to 2005, he moved up the ranks, taking on different portfolios such as Regional Treasurer, Operations Projects (Infrastructure) Manager, and National Strategy and Development Manager.

Mr. Varsamidis holds a Master of Applied Finance from Securities Institute of Australia and is an executive graduate of the Maritime Academy in New York.

Independent Non-Executive Directors

Mr. Lam Hing Lun Alain ("Mr. Lam"), aged 66, was appointed as an independent non-executive Director of the Group, the chairman of Audit Committee and a member of Nomination Committee, Corporate Governance Committee and Risk and Compliance Committee of the Company on 17 September 2020. He obtained a master's degree in business administration from The University of Hull in the United Kingdom in June 1997. Mr. Lam has over 30 years of experience in accounting and finance.

Mr. Lam has been an executive director and financial director of Oriental Watch Holdings Limited ("Oriental Watch"), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0398) which principally engages in the trading of watches since April 2003. Before he became the executive director and finance director of Oriental Watch in April 2003, he was the financial controller of Oriental Watch during the period from August 1992 to April 2003, and has been the company secretary of Oriental Watch since August 1992.

He was admitted as a fellow of The Association of Chartered Certified Accountants in May 1996 and an associate member of the Hong Kong Institute of Certified Public Accountants in September 1991.

Mr. Chan Chun Hung Vincent ("Mr. Vincent Chan"), aged 62, was appointed as an independent non-executive Director of the Group, the chairman of Remuneration Committee and a member of Audit Committee and Nomination Committee of the Company on 17 September 2020. He obtained a Bachelor of Arts degree from The University of Hong Kong in November 1986 and a master's degree in business administration from Alliance Manchester Business School (former known as The Victoria University of Manchester) in the United Kingdom in July 1988. Mr. Vincent Chan has over 30 years of experience in private equity management. He has been a venture partner at Beyond Ventures in Hong Kong since August 2024 and was a partner from October 2023 to July 2024. He was the senior managing director and head of Asia of Samena Capital Hong Kong Limited from January 2016 to March 2021.

From 1991 to 2016, he served several private equity investment companies including HSBC Equity Management Limited, Suez Asia Holdings (Hong Kong) Limited, JAFCO Investment (Asia Pacific) Ltd and Spring Capital Asia, Limited. He was an independent non-executive director of Santech Holdings Limited, a company listed on the National Association of Securities Dealers Automated Quotations ("NASDAQ") (stock code: STEC), from June 2022 to August 2024 and has been an independent non-executive director of IceCure Medical Ltd., a company listed on the NASDAQ (stock code: ICCM), since December 2022. He was the non-executive director of Memories Group Limited, a company listed on the Catalist board of Singapore Stock Exchange from February 2019 to January 2023. Mr. Vincent Chan has been serving as the independent non-executive director of ITC Properties Group Limited, a company listed on the main board of the Stock Exchange (stock code: 0199) since November 2025.

Mr. Chan is currently the treasurer and an executive director of the Hong Kong Venture Capital and Private Equity Association. He is currently a committee member of the 16th election of the Chinese People's Political Consultative Conference in Chengdu* (中國人民政治協商會議成都市委員會). He was a member of the Main Board and GEM Listing Committee of the Hong Kong Stock Exchange from May 2007 to May 2012 and a member of the Main Board and GEM Listing Review Committee of the Hong Kong Stock Exchange from July 2020 to August 2024. He is currently a non-executive director of the Securities and Futures Commission of Hong Kong and was a member of the Public Shareholders Group of the Securities and Futures Commission of Hong Kong from July 2005 to March 2011.

He was admitted as a chartered financial analyst of The Institute of Chartered Financial Analysts in September 1993.

Mr. Chun Chi Man ("Mr. Chun"), aged 65, was appointed as an independent non-executive Director of the Group, the chairman of Corporate Governance Committee and a member of Audit Committee and Remuneration Committee of the Company on 17 September 2020. Mr. Chun has over 25 years of experience in property industry in the PRC and Hong Kong. He obtained a bachelor's degree of Science from University of Salford in the United Kingdom in July 1987. Mr. Chun was the independent non-executive director of Shangshan Gold International Holdings Limited (previous known as Tokyo Chuo Auction Holdings Limited), a company listed on the Main Board of Hong Kong Stock Exchange (stock code: 1939), which principally engages in auctioneering a wide variety of Chinese and Japanese artworks from September 2018 to June 2025.

He is currently a member of the 1st election of the Chinese People's Political Consultative Conference in Chongming District of Shanghai* (中國人民政治協商會議上海市崇明區委員會).

Mr. Roussel Christophe Albert Jean ("Mr. Roussel"), aged 61, has more than 30 years of experience in global procurement and supply chain management in the consumer goods industry. He obtained a master's degree in international relationships and laws in December 1987 and a pre-doctoral research degree in international affairs in June 1988 from Paris-Sorbonne University in France. Mr. Roussel has been the vice-chairman, Asia-Pacific, and executive vice-president of global sourcing and production of Gap Inc., an American fashion retailer, from February 2017 to November 2022. From January 2004 to March 2015, Mr. Roussel worked as chief executive officer of international sourcing and inbound logistics of Tesco plc, a multinational groceries and general merchandise retailer headquartered in the United Kingdom. He has also served as the international sourcing director of Carrefour, a French retailer, from April 1992 to February 2002. Mr. Roussel is currently the managing director of Big Ideas Ltd., a boutique consultancy firm established by him in 2015, where he was responsible for providing strategic planning in supply chain management.

Senior Management

Mr. Tsang Chiu Ho ("Mr. Tsang"), aged 41, is the chief financial officer of the Group and company secretary of the Company who is responsible for the overall financial management, investor relations management and company secretarial matters of the Group. Mr. Tsang joined the Group on 17 June 2019. He was appointed as the company secretary on 10 March 2020. Mr. Tsang has over 15 years of experience in the finance, accounting and general management. Prior to joining the Group, Mr. Tsang worked in Kidsland International Holdings Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2122) which principally engages in toy retailing in Hong Kong and toy and infant product retailing and wholesaling in the PRC from May 2017 to July 2018, where his last position was financial controller. Mr. Tsang was also the senior finance manager of SenseTime Group Limited, which principally engages in the development of artificial intelligence technologies, from November 2016 to May 2017; the finance manager of TCL Communication Limited, which principally engages in distribution of mobile devices, from October 2015 to October 2016. Mr. Tsang also worked in Ernst & Young, which principally engages in the provision of advisory, assurance, tax and transaction services, from December 2010 to August 2014 and his last position was manager of assurance department.

Mr. Tsang was admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants in January 2011. Mr. Tsang is also a director of a subsidiary of the Company. He obtained a bachelor's degree of business administration from The Chinese University of Hong Kong in December 2007.

DIRECTORS' REPORT

The Board is pleased to present the Directors' Report and the audited consolidated financial statements of the Group for FY2025.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are provision of freight forwarding services, cruise logistics services and distribution and logistics services. The principal activities of the principal subsidiaries are set out in note 14 to the financial statements.

DEBENTURES ISSUED

The Company did not have any debentures in issue for FY2025.

EQUITY-LINKED AGREEMENTS

The following equity-linked agreements of the Group were entered into during FY2025 and/or subsisting as at 31 December 2025:

(i) the Share Option Scheme and the Share Award Scheme, the details of which are set out in the paragraph headed "Directors' Report — Share Option Scheme" and "— Share Award Scheme" below.

Save as abovementioned, at no time during FY2025 or as at 31 December 2025 was the Company a party to any equity-linked agreement.

RESULTS AND DIVIDEND

The results of the Group for FY2025 are set out in the consolidated statement of profit or loss on page 103.

The Board recommended the payment of a final dividend of HK1 cent per ordinary Share absorbing a total amount of HK$3,004,890 for FY2025 (FY2024: HK1 cent per ordinary Share), which is subject to the approval of the Shareholders at the forthcoming AGM to be held on Friday, 29 May 2026. Subject to the approval by the Shareholders, the proposed final dividend is expected to be paid on Thursday, 17 July 2026 to all Shareholders whose names to be appeared on the register of members of the Company on Thursday, 26 June 2026.

DIVIDEND POLICY

The declaration of dividends is subject to the discretion of the Board and the approval of the Shareholders. The Company considers stable and sustainable returns to the Shareholders to be its goal. In deciding whether to propose a dividend and in determining the dividend amount, the Directors will take into account the Company's operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions, capital expenditures and future development requirements, shareholders' interests and other factors which they may deem relevant at such time. Any declaration and payment as well as the amount of the dividends will be subject to (i) the Articles, which provide that dividends may be declared by the Company at a general meeting, but no dividend shall be declared in excess of the amount recommended by the Board, and (ii) the applicable laws of the Cayman Islands, which provide that dividends may be paid out of the profits of a company or out of sums standing to the credit of its share premium account and that no dividend may be paid out of the share premium account unless, immediately following the date on which the dividend is paid, the Company is able to pay its debts as they fall due in the ordinary course of business. Any future declarations of dividends may or may not reflect historical declarations of dividends and will be at the absolute discretion of the Directors. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles. The dividend policy of the Company will continue to be reviewed by the Board from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 180. This summary does not form part of the audited consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business during FY2025, which includes particulars of important events affecting the Group during FY2025 and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. In addition, an analysis of the Group's performance using financial key performance indicators is included in the section headed "Management Discussion and Analysis" in this annual report and a discussion of the principal risks and uncertainties facing by the Group is included in the section headed "Management Discussion and Analysis" and note 27 to the financial statements in this annual report. The review forms part of this Directors' Report.

RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND EMPLOYEES

Suppliers

The Group maintains solid and long-term business relationships with key service suppliers.

The Group is able to secure cargo space to fulfil customers' demand, which derives cost effectiveness and long-term business benefits.

Customers

The Group's customer base mainly includes direct customers and freight forwarder customers. The direct customers cover high-end fashion retailers, brand owners, as well as wholesalers and retailers of wine. The Group has the mission to provide excellent customer service in air freight and sea freight and all range of logistic services whilst maintaining long term profitability, business and asset growth. Various means have been taken to strengthen the communications between customers and the Group in the provision of excellent customer service towards market penetration and expansion.

Employees

Employees are regarded as the most important and valuable assets of the Group. The objective of the Group's human resource management is to reward and recognise high-performing staff by providing a competitive remuneration package and to promote career development and progression by offering appropriate training and providing opportunities within the Group for career advancement. The Group has always maintained a good working relationship with the employees. During FY2025, none of the employees had any labour dispute or claim involving and against the Group.

Compliance with Laws and Regulations

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing responsibility to monitor adherence and compliance with all significant legal and regulatory requirements. These policies and procedures are reviewed regularly. As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group for FY2025.

INTERESTS OF DIRECTORS IN COMPETING BUSINESS

As at 31 December 2025, none of the Directors or their respective associates was considered to be interested in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

SHARE OPTION SCHEME

The Company adopted 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 4.5 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 Listing Date. As at 1 January 2025, 31 December 2025 and the date of this report, 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 annual report.

SHARE AWARD SCHEME

The Board adopted the 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 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 2025, 31 December 2025 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 annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 11 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital are set out in note 26 to the financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During FY2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

RESERVES

Details of the movements in the reserves of the Group and the Company during FY2025 are set out in the consolidated statement of changes in equity on page 108 of this annual report and note 26 to the financial statements, respectively.

Distributable reserves of the Company at 31 December 2025 amounted to approximately HK$409.1 million.

DIRECTORS

The Directors during FY2025 and up to the date of this annual report were:

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

In accordance the Articles 105(a), Ms. Chen Ngan Man, Mr. Lau Shek Yau John, Mr. Lam Hing Lun Alain and Mr. Chan Chun Hung Vincent will retire at the forthcoming AGM and all of them, being eligible, offer themselves for re-election at the forthcoming AGM.

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 31 December 2025, 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 SFO), which were required to be: (a) notified to the Company and 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, 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 (Note 2)
Mr. Ngan	Beneficial owner	21,241,203 Shares (L)	7.1%
Ms. Chen	Beneficial owner	1,256,099 Shares (L)	0.4%
Ms. Morandin	Beneficial owner	10,000,000 Shares (L)	3.3%
Mr. 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 31 December 2025, 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 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors, 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 (c) as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Connected Transactions" and "Continuing Connected Transactions" below and in note 29 to the financial statements, no transaction, arrangement and contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of FY2025 or at any time during FY2025.

PERMITTED INDEMNITY PROVISION

Under the Articles, the Company had a permitted indemnity provision (as defined in section 469 of the Companies Ordinance) in force for the benefit of the Directors throughout FY2025 and as at the date of this annual report, pursuant to which the Company shall indemnify any Director against any liability, loss suffered and expenses incurred by the Director in connection with any legal proceedings in which he/she is involved by reason of being a Director, except in any case where the matter in respect of which indemnification is sought was caused by the fraud or dishonesty of the Directors. The Company has maintained insurance cover for Directors' and officers' liabilities in respect of legal actions against the Directors arising out of corporate activities. The insurance coverage is reviewed on an annual basis. During FY2025, no claim was made against the Directors.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Ngan and Ms. Chen, being the executive Directors, has entered into a service contract (as supplemented) with the Company. The Company issued letters of appointment to Mr. Lam Hing Lun Alain, Mr. Chan Chun Hung Vincent and Mr. Chun Chi Man, all being the independent non-executive Directors. The principal particulars of these service contracts and letters of appointment are (i) for a term of three years commencing from the Listing Date, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the service contracts and the letters of appointment may be renewed subject to the provisions of the Articles and the applicable Listing Rules.

Mr. Lau has signed a letter of appointment as a non-executive Director of the Company on 17 September 2020 for a term of three years commencing from the Listing Date. On 14 February 2023, he has been re-designated from a non-executive Director to an executive Director and has entered into a new service contract (as supplemented) with the Company. The principal particulars of the service contract are (i) for a term of three years commencing from 14 February 2023, renewable automatically for a successive term of one year each, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the service contract may be renewed subject to rotation, retirement and re-election requirements pursuant to the provisions of the Articles and the applicable Listing Rules.

Each of Ms. Morandin and Mr. Di Nello, both being the executive Directors, has entered into a service contract with the Company. The principal particulars of these service contracts are (i) for a term of two years commencing from 22 December 2021, renewable automatically for a successive term of one year each, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the service contracts may be renewed subject to the provisions of the Articles and the applicable Listing Rules.

The Company entered into a letter of appointment (as supplemented by a supplemental letter of appointment dated 1 January 2025) with Mr. Zissis Jason Varsamidis, being the non-executive Director, on 5 September 2024. The principal particulars of the letter of appointment (as supplemented) are (i) for a term of two years commencing from 5 September 2024, renewable automatically for a successive term of one year each, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the letter of appointment (as supplemented) may be renewed subject to the provisions of the Articles and the applicable Listing Rules.

The Company issued letter of appointment to Mr. Roussel Christophe Albert Jean, being the independent non-executive Director, on 11 July 2023. The principal particulars of the letter of appointment are (i) for a term of two years commencing from 11 July 2023, renewable automatically for a successive term of one year each, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the letter of appointment may be renewed subject to the provisions of the Articles and the applicable Listing Rules.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

RETIREMENT SCHEMES

The Group operates and participates in a number of defined contribution and defined benefit plans. Particulars of these retirement plans are set out in note 25 to the financial statements.

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

As of 31 December 2025, 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	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. 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 31 December 2025, 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.

RELATED PARTY TRANSACTIONS

During FY2025, the Group conducted certain transactions with parties regarded as "related parties" under the applicable accounting standards, details of which are set out in note 28 to the financial statements. Save as disclosed in the sections headed "Connected Transactions" and "Continuing Connected Transactions" in this report, the other related party transactions were either not regarded as connected transactions or were exempt from reporting, announcement, and shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

During FY2025, the Group has conducted the following connected transaction.

Lease of Properties

On 31 December 2024, Siyan Baopin Supply Chain Management (Shanghai) Co., Ltd* (思顏寶品供應鏈管理（上海）有限公司), an indirectly wholly-owned subsidiary of the Company (as tenant) entered into four lease agreements (the "2025 Lease Agreements") with CS China (the "Landlord") in respect of the renewal of lease of four premises located in the PRC as warehouses of the Group, for a term of one year commencing from 1 January 2025 and expiring on 31 December 2025. The total value of the right-of-use asset acquired by the Group under the 2025 Lease Agreements is approximately RMB6,288,000, calculated with reference to the present value of the aggregated lease payments under the 2025 Lease Agreements.

As at the date of the 2025 Lease Agreements, CS China is indirectly wholly-owned by DP World, a controlling Shareholder indirectly holding approximately 57.85% of the total issued share capital of the Company. Thus, CS China is regarded as an associate of DP World and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the 2025 Lease Agreements constitute a connected transaction of the Company.

For further details of the transactions, please refer to the announcement of the Company dated 6 January 2025.

CONTINUING CONNECTED TRANSACTIONS

During FY2025, the Group has conducted the following continuing connected transactions (the "Continuing Connected Transactions") which were required to be disclosed pursuant to the Listing Rules.

Section A — Continue Connected Transactions with annual caps

Empire Transportation Company Limited ("Empire")

On 17 September 2020, the Company entered into a trucking services agreement (the "Empire Trucking Services Agreement") with Empire, pursuant to which Empire, as a trucking service provider, agreed to provide trucking services to the Group in Hong Kong. The initial term of the Empire Trucking Services Agreement was one year commencing from 1 January 2020, which was subsequently renewed on 29 December 2020 for a term of three years commencing from 1 January 2021. On 23 January 2024, CN LOGISTICS LIMITED (嘉宏物流有限公司), an indirect non-wholly owed subsidiary of the Company entered into a trucking services agreement (the "2024 Empire Trucking Services Agreement") with Empire to further renew the Empire Trucking Services Agreement for a term of three years commencing from 1 January 2024 to 31 December 2026. Pursuant to the 2024 Empire Trucking Services Agreement, the service fees payable to Empire will be determined in accordance with the fee schedule as set out in the agreement which set out the amount of service fees applicable to each service depending on, among others, the customers being served, the number of cartons to be delivered, type of products being delivered, location of pick-up point and delivery destination, and time of delivery (e.g. business days or public holidays).

Empire was wholly-owned by the brother of Mr. Ngan, an executive Director and chief executive officer of the Group. As such, Empire is an associate of Mr. Ngan and hence a connected person of the Company under Chapter 14A of the Listing Rules.

The annual caps for the transactions contemplated under the 2024 Empire Trucking Services Agreement for each year ended/ending 31 December 2024, 2025 and 2026 are HK$14,000,000, HK$15,000,000 and HK$16,000,000 respectively.

During FY2025, the amount of transaction conducted under the 2024 Empire Trucking Services Agreement was HK$11,703,000.

Please refer to the announcement of the Company dated 23 January 2024 for details of the 2024 Empire Trucking Services Agreement.

Transway Logistics Company Limited ("Transway")

On 17 September 2020, the Company entered into a trucking services agreement (the "Transway Trucking Services Agreement") with Transway, pursuant to which Transway, as a trucking service provider, agreed to provide trucking services to our Group in Hong Kong. The initial term of the Transway Trucking Services Agreement was one year commencing from 1 January 2020, which was subsequently renewed on 29 December 2020 for a term of three years commencing from 1 January 2021. On 23 January 2024, CN LOGISTICS LIMITED (嘉宏物流有限公司), an indirect non-wholly owed subsidiary of the Company entered into a trucking services agreement (the "2024 Transway Trucking Services Agreement") with Transawy to further renew the Transway Trucking Services Agreement for a term of three years commencing from 1 January 2024 to 31 December 2026. Pursuant to the 2024 Transway Trucking Services Agreement, the service fees to be paid to Transway will be determined in accordance with the fee schedule as set out in the agreement which set out the amount of service fees applicable to each service depending on, among others, the customers being served, the number of cartons to be delivered, type of truck or van being engaged, location of pick-up point and delivery destination, and time of delivery (e.g. business days or public holidays).

Transway was owned as to 50% by the sister of Mr. Ngan and as to 50% by the brother-in-law of Mr. Ngan. By virtue of the relationship of its shareholders with Mr. Ngan, Transway is a deemed connected person of the Company under Rule 14A of the Listing Rules.

The annual caps for the transactions contemplated under the 2024 Transway Trucking Services Agreement for each of the year ended/ending 31 December 2024, 2025 and 2026 are HK$4,000,000, HK$5,000,000 and HK$6,000,000 respectively.

During FY2025, the amount of transaction conducted under the 2024 Transway Trucking Services Agreement was HK$3,258,000.

Please refer to the announcement of the Company dated 23 January 2024 for details of the 2024 Transway Trucking Services Agreement.

CN France HK (for itself and as trustee for the benefit of its subsidiary)

On 3 November 2022, the Company entered into a master agency agreement (the "2023 CN France Master Agency Agreement") with CN France HK (for itself and as trustee for the benefit of its subsidiary from time to time) ("CN France Group"), pursuant to which CN France HK (for itself and as trustee for the benefit of the members of the CN France Group) and the Company (for itself and as trustee for the benefit of the members of the Group (excluding CN France Group)) appoints each other as the agent for the provision of air and ocean freight forwarding services in France and/or other countries and regions where the members of the Group and the members of the CN France Group operate in for a term of three years from 1 January 2023 to 31 December 2025 (both days inclusive).

Pursuant to the terms and conditions of the 2023 CN France Master Agency Agreement, the service fee constituted by an accepted air freight order or ocean freight order shall be on normal and usual commercial terms and (where the Group acts as the agent) such service fee shall be on terms no less favourable to the Group than those then offered by the Group to other Independent Third Party customers for similar services of comparable quality.

Throughout FY2025, CN France HK is a non-wholly owned subsidiary of our Company. Ms. Chen, an executive Director, through her wholly-owned investment holding company, owns 30% of the entire issued share capital of CN France HK. As such, CN France HK and its subsidiaries are regarded as connected subsidiaries of the Company and hence members of the CN France Group are connected persons of the Company under Chapter 14A of the Listing Rules.

The annual caps for the transactions contemplated under the 2023 CN France Master Agency Agreement (i) as to the service fees payable to CN France Group for the financial year ended 31 December 2025 is HK$54,000,000; and (ii) as to the service fees payable by CN France Group for the financial year ended 31 December 2025 is HK$2,500,000.

During FY2025, (i) cost of services charged by CN France Group and (ii) revenue derived from CN France Group under the 2023 CN France Master Agency Agreement were HK$13,697,000 and HK$1,534,000 respectively.

On 31 December 2025, the parties entered into a master agency agreement (the "2026 CN France Master Agency Agreement") to further renew the transactions for a term of one year from 1 January 2026 to 31 December 2026 (both days inclusive). For details of the 2026 CN France Master Agency Agreement, please refer to the announcement of the Company dated 31 December 2025.

Section B — Pre-existing Continuing Connected Transactions without annual caps

DP World HK

On 29 August 2024, the Company entered into a master agency agreement (the "DP World Group Master Agency Agreement") with DP World HK (a wholly-owned subsidiary of DP World), pursuant to which DP World HK and the Company appointed each other (including their associates) as the non-exclusive agent for the provision of freight forwarding services in jurisdictions in which the Group or DP World HK Group has local presence. The term of the DP World Group Master Agency Agreement is for a period from 29 August 2024 to 31 December 2026.

DP World is one of the Controlling Shareholders and thus a connected person of the Company under Chapter 14A of the Listing Rules.

During FY2025, (i) cost of services charged by DP World HK Group; and (ii) revenue derived from DP World HK Group under the DP World Group Master Agency Agreement were HK$302,694,000 and HK$187,164,000, respectively.

For details, please refer to the announcement of the Company dated 6 September 2024.

Confirmation by Independent Non-Executive Directors

The independent non-executive Directors have reviewed and confirmed that the Continuing Connected Transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation by the Auditor of the Company

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the connected transactions or continuing connected transactions, and confirms that the Group has followed the relevant pricing policies and guidelines (where applicable) as set out in the respective agreements governing the above-mentioned continuing connected transactions conducted during FY2025. KPMG, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. KPMG have issued their letter containing their findings and conclusions in respect of the Continuing Connected Transactions pursuant to Rule 14A.56 of the Listing Rules, in particular, KPMG has confirmed that nothing has come to their attention that cause them to believe that the Continuing Connected Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transaction involving the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iv) in respect of Section A — Continuing Connected Transaction with annual caps, have exceeded the annual caps as set by the Company.

The auditor has included an emphasis of matter paragraph (without modification) in its letter which states that: "We draw attention to the transactions between DP World Logistics Hong Kong Limited and its associates and the Group as set out in the section B of the attached list of continuing connected transactions. These are pre-existing continuing connected transactions as set out in the Main Board Listing Rule 14A.60. Accordingly, no annual caps were set by the directors of the Company for these transactions and we do not provide a conclusion on whether these transactions have exceeded an annual cap. Our conclusion is not modified in respect of this matter".

CONTRACT OF SIGNIFICANCE

Save for the transactions as disclosed in the section headed "Continuing Connected Transactions" and in note 28 to the financial statements, no controlling Shareholder or any of its subsidiaries has any contract of significance with the Company or its subsidiaries during FY2025.

ARRANGEMENTS FOR THE DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Scheme" in this annual report, at no time during FY2025 was there any arrangement to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the Directors or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate entity.

MANAGEMENT CONTRACTS

Save as disclosed in the Prospectus and the section headed "Continuing Connected Transactions", no contracts of significance concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or subsisted during FY2025.

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Shares during FY2025.

ENVIRONMENTAL POLICIES

The Group is committed to environmental protection and values corporate social responsibilities. The Group continues to update internal policies and programs for environmental risk prevention to ensure compliance with requirements of applicable industrial and local standards, laws, regulations and policies. The Group also continues to implement environmental protection, energy saving and emission reduction projects to improve environmental management, setting a solid foundation for better future development.

PRINCIPAL RISKS AND UNCERTAINTIES

Discussion of the principal risks and uncertainties faced by the Group is included in note 27 to the financial statements and such contents form part of this Directors' Report.

MAJOR CUSTOMERS AND SUPPLIERS

During FY2025, purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year; and revenue attributable to the Group's five largest customers accounted for less than 30% of the total revenue for the year.

As at 31 December 2025, save for the Controlling Shareholder Group and the EV Cargo Group, (i) all of our five largest customers for FY2025 were Independent Third Parties; and (ii) none of our Directors, their close associates or our Shareholders (whom to the knowledge of our Directors own more than 5% of the issued Shares) had any interest in any of our five largest customers for FY2025.

REMUNERATION POLICY

Remuneration of the employees of the Group is determined with reference to various factors, including but not limited to, the job responsibilities, qualifications and experience of the employees, as well as the prevailing market rates. The Group also makes contributions to pension schemes and provides other employees benefits in accordance with the applicable laws and regulations. Further, the Company has adopted the Share Option Scheme and the Share Award Scheme with an aim to provide incentives and rewards to selected participants, including selected employees of the Group.

Remuneration of Directors and members of the senior management of the Group are recommended by the Remuneration Committee with reference to, among other things, their qualifications, experience, duties and responsibilities and performance, as well as the performance of the Group and the prevailing market conditions. The Remuneration Committee also conducts regular review of the remuneration of Directors and members of the senior management.

PRE-EMPTIVE RIGHTS

There is no provisions for pre-emptive rights under the Articles, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the current information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained the prescribed minimum public float under the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.51B(1)

On 26 November 2025, Mr. Chan Chun Hung Vincent, an independent non-executive Director, was appointed as an independent non-executive director of ITC Properties Group Limited, a company listed on the Stock Exchange (stock code: 0199).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive) for the purpose of determining the right to attend and vote at the forthcoming AGM. In order to be qualified for attending and voting at the forthcoming AGM, unregistered holders of Shares should ensure that 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, 22 May 2026. The record date for determining the entitlement of the Shareholders to attend and vote at the Annual General Meeting will be Friday, 29 May 2026.

Conditional on the passing of the resolution approving the declaration of the proposed final dividend at the forthcoming AGM, the register of members of the Company will also be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026 (both days inclusive) for the purpose of determining the entitlement to the proposed final dividend in respect of FY2025. Subject to the passing of the relevant resolution at the forthcoming AGM, the proposed final dividend in respect of FY2025 is expected to be paid on Friday, 17 July 2026. In order to be qualified for the proposed final dividend (subject to the approval of the Shareholders at the forthcoming AGM), unregistered holders of Shares should ensure that 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 the address stated above for registration not later than 4:30 p.m. (Hong Kong time) on Monday, 22 June 2026. The record date for determining the final dividend will be Friday, 26 June 2026.

AUDITORS

The consolidated financial statements for FY2025 have been audited by KPMG whose term of office will expire upon the conclusion of the AGM. KPMG will retire, and being eligible, offer themselves for re-appointment. A resolution for their re-appointment as the auditors of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

Mr. Lau Shek Yau John
Chairman and Executive Director

Hong Kong, 31 March 2026

CORPORATE GOVERNANCE 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. For avoidance of doubt, the amendments made to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for the financial years commencing on or after 1 July 2025, and for this corporate governance report and annual report, the Company shall refer to the then effective CG Code. 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 FY2025. 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.

A. The Board

A1. Responsibilities and Delegation

The Board is responsible for the leadership, control and management of the Company and oversees the Group's business, strategic decision and performances in the attainment of the objective of ensuring effective functioning and growth of the Group and enhancing value to investors. All the Directors carry out their duties in good faith, take decisions objectively and act in the interests of the Company and its Shareholders at all times.

The Board reserves for its decision on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

All Directors have timely access to all relevant information as well as the advice and services of the Company Secretary and senior management, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any Director may request for independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request made to the Board.

The senior management of the Company are delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Group. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the above-mentioned officers. The Board has the full support of the senior management to discharge its responsibilities.

A2. Board Composition

The composition of the Board for FY2025 and up to the date of this report is as follows:

Executive Directors:

Mr. Lau Shek Yau John	(chairman of the Board and chairman of the Nomination Committee)
Mr. Ngan Tim Wing	(chief executive officer, chairman of the Risk and Compliance Committee and member of the Remuneration Committee and Corporate Governance Committee)
Ms. Chen Nga Man	
Ms. Augusta Morandin	(member of Risk and Compliance Committee)
Mr. Fabio Di Nello	

Non-executive Director:

Mr. Zissis Jason Varsamidis	(member of Remuneration Committee)

Independent non-executive Directors:

Mr. Lam Hing Lun Alain	(chairman of the Audit Committee and member of the Nomination Committee, the Corporate Governance Committee and the Risk and Compliance Committee)
Mr. Chan Chun Hung Vincent	(chairman of the Remuneration Committee and member of the Audit Committee and the Nomination Committee)
Mr. Chun Chi Man	(chairman of the Corporate Governance Committee and member of the Audit Committee and Remuneration Committee)
Mr. Roussel Christophe Albert Jean	

Throughout FY2025, the Board has met the requirements of the Listing Rules 3.10 and 3.10A of having a minimum of three independent non-executive directors (representing at least one-third of the Board) with at least one of them possessing appropriate professional qualifications and accounting and related financial management expertise.

The members of the Board have skills and experience appropriate for the business requirements and objectives of the Group. Executive Directors are responsible for different business and functional division of the Group in accordance with his/her expertise. The independent non-executive Directors bring different business and financial expertise, experiences and independent judgement to the Board and they are invited to serve on the Board committees of the Company. Through participation in Board meetings, taking the lead in managing issues involving potential conflicts of interests, the independent non-executive Directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the Shareholders.

To the best knowledge of the Directors, the Directors and senior management have no financial, business, family or other material/relevant relationships with one another.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in light of the independence guidelines set out in the Listing Rules.

A3. Chairman and Chief Executive

Throughout FY2025, the roles and duties of the chairman of the Board and the chief executive officer of the Group are held by separate persons in order to ensure a balance of power and authority and preserve a balanced judgement of views. Currently, Mr. Lau Shek Yau John takes up the role of chairman of the Board and is providing leadership and being responsible for the effective functioning and leadership of the Board, whereas Mr. Ngan Tim Wing is the chief executive officer of the Company, focusing on the Company's business development and daily management and operations generally.

A4. Appointment and Re-election of Directors

Each of Mr. Ngan Tim Wing and Ms. Chen Nga Man, being the executive Directors, has entered into a service contract (as supplemented) with the Company. The Company issued letters of appointment to Mr. Lam Hing Lun Alain, Mr. Chan Chun Hung Vincent and Mr. Chun Chi Man, all being the independent non-executive Directors. The principal particulars of these service contracts and letters of appointment are (i) for a term of three years commencing from the Listing Date, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the service contracts and the letters of appointment may be renewed subject to the provisions of the Articles and the applicable Listing Rules.

Mr. Lau has signed a letter of appointment as a non-executive Director of the Company on 17 September 2020 for a term of three years commencing from the Listing Date. On 14 February 2023, he has been re-designated from a non-executive Director to an executive Director and has entered into a new service contract (as supplemented) with the Company. The principal particulars of the service contract are (i) for a term of three years commencing from 14 February 2023, renewable automatically for a successive term of one year each, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the service contract may be renewed subject to rotation, retirement and re-election requirements pursuant to the provisions of the Articles and the applicable Listing Rules.

Each of Ms. Augusta Morandin and Mr. Fabio Di Nello, both being the executive Directors, has entered into a service contract with the Company. The principal particulars of these service contracts are (i) for a term of two years commencing from 22 December 2021, renewable automatically for a successive term of one year each, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the service contracts may be renewed subject to the provisions of the Articles and the applicable Listing Rules.

The Company entered into a letter of appointment (as supplemented by a supplemental letter of appointment dated 1 January 2025) with Mr. Zissis Jason Varsamidis, being the non-executive Director, on 5 September 2024. The principal particulars of the letter of appointment (as supplemented) are (i) for a term of two years commencing from 5 September 2024, renewable automatically for a successive term of one year each, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the letter of appointment (as supplemented) may be renewed subject to the provisions of the Articles and the applicable Listing Rules. Mr. Zissis Jason Varsamidis had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 5 September 2024 and he has confirmed that he understood his obligations as a director of a listed issuer.

The Company issued letter of appointment to Mr. Roussel Christophe Albert Jean, being the independent non-executive Director, on 11 July 2023. The principal particulars of the letter of appointment are (i) for a term of two years commencing from 11 July 2023, renewable automatically for a successive term of one year each, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the letter of appointment may be renewed subject to the provisions of the Articles and the applicable Listing Rules.

According to the Articles, one-third of the Directors for the time being (if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors should be eligible for re-election at the relevant AGM. In addition, any new Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of Shareholders after his/her appointment, whereas any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM. The Director appointed by the Board as aforesaid shall be eligible for re-election at the relevant general meeting.

At the forthcoming AGM, Ms. Chen, Mr. Lau, Mr. Lam and Mr. Chan shall retire by rotation pursuant to the Articles. All of the above retiring Directors, being eligible, will offer themselves for re-election at the AGM. The Board and the Nomination Committee recommended their re-appointment. The circular of the Company, sent together with this report, contains detailed information of the said Directors as required by the Listing Rules.

A5. Training and Continuing Development for Directors

Each newly appointed Director shall receive formal induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Trainings and professional development for Directors are arranged whenever necessary. In addition, reading material on new or changes to salient laws and regulations applicable to the Group are provided to Directors from time to time for their studying and reference.

The Directors are required to submit to the Company details of the training they received in each financial year for the Company's maintenance of proper training records of the Directors. During FY2025, the Directors participated in the following continuous professional development:

Directors	**Types of training** (Note)
Executive Directors	
Mr. Lau Shek Yau John	A and B
Mr. Ngan Tim Wing	A and B
Ms. Chen Nga Man	A and B
Ms. Augusta Morandin	A and B
Mr. Fabio Di Nello	A and B
Non-executive Director	
Mr. Zissis Jason Varsamidis	A and B
Independent non-executive Directors	
Mr. Lam Hing Lun Alain	A and B
Mr. Chan Chung Hung Vincent	A and B
Mr. Chun Chi Man	A and B
Mr. Roussel Christophe Albert Jean	A and B

Notes:

A: attending seminars, conferences and/or briefings on directors' duties and corporate governance, regulatory updates, and/or financial and economic development

B: reading regulatory updates, newspapers, journals and/or other business, financial and economic publications

A6. Directors' Attendance Records at Meetings

The attendance records of each Director at the Board and Board committee meetings and the general meetings of the Company held during FY2025 are set out below:

	Number of meetings Attended/Held during FY2025 (Note 1)						
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Governance Committee	Risk and Compliance Committee	General Meeting
Executive Directors:							
Mr. Lau Shek Yau John	7/7	N/A	N/A	1/1	N/A	N/A	1/1
Mr. Ngan Tim Wing	7/7	N/A	2/2	N/A	1/1	1/1	1/1
Ms. Chen Nga Man	7/7	N/A	N/A	N/A	N/A	N/A	1/1
Ms. Augusla Morandin	7/7	N/A	N/A	N/A	N/A	1/1	0/1
Mr. Fabio Di Nello	7/7	N/A	N/A	N/A	N/A	N/A	1/1
Non-executive Director:							
Mr. Zissis Jason Varsamidis	7/7	N/A	2/2	N/A	N/A	N/A	1/1
Independent non-executive Directors:							
Mr. Lam Hing Lun Alain	7/7	2/2	N/A	1/1	1/1	1/1	1/1
Mr. Chan Chun Hung Vincent	7/7	2/2	2/2	1/1	N/A	N/A	1/1
Mr. Chun Chi Man	7/7	2/2	2/2	N/A	1/1	N/A	1/1
Mr. Roussel Christophe Albert Jean	7/7	N/A	N/A	N/A	N/A	N/A	1/1

A7. Model Code for Securities Transactions

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. 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 throughout FY2025.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors in advance.

A8. Independent Views to the Board

The Board has adopted the board independence evaluation mechanism (the "Mechanism") which sets out the principles and guidelines for the Company to ensure independent view and input to be available to the Board. Continuing improvement and development of the Board of the Company and its committee processes and procedures through Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director. The Mechanism is designed to ensure a strong independent element on the Board of the Company, which allows the Board to effectively exercise independent judgment to better safeguard shareholders' interests.

B. Board Committees

The Board has established five Board committees, namely, the Remuneration Committee, the Nomination Committee, the Audit Committee, the Corporate Governance Committee and the Risk and Compliance Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference which are available on the Hong Kong Stock Exchange's website and the Company's website (except for the terms of reference of the Risk and Compliance Committee which are available to Shareholders upon request). All the Board committees should report to the Board on their decisions or recommendations made.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

B1. Remuneration Committee

The members of the Remuneration Committee during FY2025 were as follows:

Executive Director:
Mr. Ngan Tim Wing

Non-executive Director:
Mr. Zissis Jason Varsamidis

Independent non-executive Directors:
Mr. Chan Chun Hung Vincent *(Chairman)*
Mr. Chun Chi Man

Throughout FY2025, the Company has met the Listing Rule requirements of having the majority of the Remuneration Committee members being independent non-executive Directors as well as having the Committee chaired by an independent non-executive Director.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's remuneration policy and structure and the remuneration packages of Directors and members of senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by the Board with reference to the performance of the individual and the Company as well as market practice and conditions and the review and/or approval of matters relating to share schemes under Chapter 17 of the Listing Rules.

During FY2025, the Remuneration Committee has held two meetings (the attendance records of each committee member are set out in section A6 above). The Remuneration Committee performed the following major works during the year:

- General review and discussion of the remuneration packages, policy and structure of the Directors and the senior management of the Group, and make recommendation to the Board;
- Consideration of and recommendation to the Board on the remuneration packages for the newly appointed Director during the year.

Pursuant to the CG Code, the annual remuneration of the members of the senior management by band for FY2025 is set out below:

Remuneration band (HK$)	Number of individuals
1,500,000–1,999,999	1

Details of the remuneration of each Director for FY2025 are set out in note 7 to the financial statements contained in this report.

B2. Nomination Committee

The members of the Nomination Committee during FY2025 were as follows:

Executive Director:
Mr. Lau Shek Yau John *(Chairman)*

Independent non-executive Directors:
Mr. Lam Hing Lun Alain
Mr. Chan Chun Hung Vincent

Throughout FY2025, the Company has met the CG Code of having a majority of the committee members being independent non-executive Directors and having the committee chaired by the chairman of the Board.

The principal responsibilities of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge, experience and diversity perspectives) of the Board at least annually, assist the Board in maintaining a board skills matrix and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identify qualified and suitable individuals to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; assess the independence of independent non-executive Directors; to support the Company's regular evaluation of the Board's performance, including and among others, annual assessment of each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his or her responsibilities effectively; and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive of the Company.

The Terms of Reference of the Nomination Committee is updated and published on the Stock Exchange dated 31 December 2025.

For the nomination process of new Director, the Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable). The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

The Company has adopted a director nomination policy which sets out the criteria and process of selection and performance evaluation and provides guidance to the Board on nomination and appointment of Directors. The Board believes that the defined selection process is good for corporate governance in ensuring the Board continuity and appropriate leadership at Board level, and enhancing better Board effectiveness and diversity as well as in compliance with the applicable rules and regulations.

The Company also recognises and embraces the benefit of having a diverse Board to enhance the quality of its performance. To comply with Rule 13.92 of the Listing Rules and the CG Code, a board diversity policy was adopted by the Company, pursuant to which the Nomination Committee is responsible for monitoring the implementation of the board diversity policy and assessing the Board composition under diversified perspectives (including but not limited to gender, age, cultural and educational background, or professional experience). The Nomination Committee shall report its findings and make recommendations to the Board, if any. Such policy and objectives will be reviewed from time to time to ensure their appropriateness in determining the optimum composition of the Board.

During FY2025, the Nomination Committee has held one meeting (the attendance records of each committee member are set out in section A6 above). The Nomination Committee performed the following major works during the year:

- Review of the existing structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group;

- Consideration of and recommendation to the Board on the re-election of the retiring Directors at the Company's AGM to be held on 29 May 2026; and

- Assessment of the independence of the four independent non-executive Directors.

The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained during FY2025 in accordance with the board diversity policy. Accordingly, the Nomination Committee considered that no measurable objectives shall be set for implementing the board diversity policy. The Nomination Committee will continue to monitor and review the diversity and composition of the Board.

Gender Diversity

As at 31 December 2025, the Board consists of eight male members and two female members, and the ratio of male to female in the workforce of the Group (including senior management) was approximately 38%: 62%. The Nomination Committee considered that the Board and the workforce was sufficiently diverse in terms of gender having taken into consideration the industry in which the Group operates, the roles and required skills of the workforce and the availability of candidates in the market. The Board targets to maintain the gender ratio of the Board and the workforce at a similar level. The Board will monitor the gender diversity in the Board and the workforce from time to time and set numerical target(s) as and when needed. The Board and the Nomination Committee will continue to search for potential candidates for the sake of developing a pipeline of potential successors to the board to enhance gender diversity.

B3. Audit Committee

The members of the Audit Committee during FY2025 were as follows:

Independent non-executive Directors:

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

The Company has met the Listing Rules requirements regarding the composition of the Audit Committee throughout FY2025. All members of the Audit Committee are independent non-executive Directors. Mr. Lam Hing Lun Alain possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The Company has adopted a whistle-blowing policy for promoting high corporate governance standards and deterring wrongdoings. The policy aims at encouraging and enabling employees of the Group at all levels and those who deal with the Company (e.g. customers and suppliers) to report violations or suspected violations and to raise serious concerns about possible improprieties in financial reporting or other matters of the Group. The Company aims to cultivate a "speak up" culture and encourage employees and all relevant parties to report improprieties to enhance corporate governance.

The main duties of the Audit Committee are reviewing the financial information and reports of the Group and considering any significant or unusual items raised by the financial officers of the Group or external auditor before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditor and making the relevant recommendation to the Board; and reviewing the Company's financial reporting system, internal control and risk management systems and the effectiveness of the internal audit function.

During FY2025, the Audit Committee has held two meetings (the attendance records of each committee member are set out in section A6 above). The Audit Committee performed the following major works during the year:

- Reviewed and discussed the annual financial statements, results announcement and annual report for the FY2025, the relevant audit findings of the Company's external auditor;

- Reviewed and discussed the interim financial statements, results announcement and interim report for the six months ended 30 June 2025 and the relevant review findings of the Company's external auditor;

- Reviewed the Group's continuing connected transactions conducted during FY2025;

- Reviewed and approved the audit plan of the Company's external auditor, including the nature and scope of audit, remuneration and terms of engagement in respect of the audit on the financial statements for FY2025;

- Reviewed the independence and objectivity of the external auditor and the effectiveness of the audit process in accordance with applicable standards; Discussed and reviewed the remuneration (including audit and non-audit services) and terms of engagement of the external auditor; and recommendation of the reappointment of the external auditor;

- Reviewed the financial controls, risk management and internal control systems; discussed with the management regarding the effectiveness of the risk management and internal control systems;

- where an internal audit function exists, ensured co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and

- Reviewed the arrangements for employees of the Group to raise concerns about possible improprieties in the Group's financial reporting, internal control or other matters and the investigation process on the reported cases.

The external auditor has attended the above meetings and discussed with the Audit Committee members on issues arising from the audit and financial reporting matters. Besides, there is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

B4. *Corporate Governance Committee*

The members of the Corporate Governance Committee FY2025 were as follows:

Executive Director:
Mr. Ngan Tim Wing

Independent non-executive Directors:
Mr. Lam Hing Lun Alain
Mr. Chun Chi Man *(Chairman)*

The Corporate Governance Committee is responsible for performing the corporate governance functions set out in the CG Code, including establishing the Company's purpose, values and strategy and ensure its alignment with the Company's culture; developing, monitoring and evaluating a healthy and sustainable Company's culture to support the pursuit of success while adhering to core values of integrity, honesty, fairness, impartiality and ethical business practices; developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; reviewing and monitoring the training and continuous professional development of Directors and senior management; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the Securities Dealing Code; and reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. The Corporate Governance Committee is also responsible for reviewing the Group's process of disclosure, including assessing and verifying the accuracy and materiality of inside information and determining the form and content of any required disclosure; and reviewing and monitoring the effectiveness of the shareholders' communication policy adopted by the Company.

During the FY2025, the Corporate Governance Committee has held one meeting (the attendance records of each committee member are set out in section A6 above). The Corporate Governance Committee performed the following major works during the year:

- Reviewed the policies and practices on corporate governance of the Group;
- Reviewed the training and continuous professional development received by the Directors and senior management;
- Reviewed the Company's policies and practices on compliance with legal and regulatory requirements;
- Reviewed the compliance of the Securities Dealing Code;
- Reviewed the Company's compliance with the CG Code and disclosure in the Company's corporate governance report;
- Reviewed the Group's process of disclosure, including assessing and verifying the accuracy and materiality of inside information and determined the form and content of certain required disclosures; and
- Reviewed the effectiveness of the shareholders' communication policy.

B5. Risk and Compliance Committee

The members of the Risk and Compliance Committee FY2025 were as follows:

Executive Directors:
Mr. Ngan Tim Wing *(Chairman)*
Ms. Augusta Morandin

Independent non-executive Director:
Mr. Lam Hing Lun Alain

The Risk and Compliance Committee is responsible for monitoring the exposure to sanctions risks and the implementation of the related internal control procedures.

During the FY2025, the Risk and Compliance Committee has held one meeting (the attendance records of each committee member are set out in section A6 above). The Risk and Compliance Committee performed the following major works during the year:

- Reviewed the annual risk assessment of the Company and the Group's exposure to sanctions law risks for FY2025 and reviewed the effectiveness of the Company's internal control policies and procedures with respect to sanctions law matters; and

- Reviewed the effectiveness of the global sanctions policy of the Group.

C. Directors' Responsibilities for Financial Reporting in Respect of the Financial Statements

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for FY2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. Management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

D. Risk Management and Internal Controls

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Audit Committee assists the Board in leading the management and overseeing the design, implementation and monitoring of the risk management and internal control systems. The Board reviews the effectiveness of the risk management and internal control systems as well as the internal audit function of the Company on an annual basis through the Audit Committee.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including air freight, sea freight, trade lane, corporate management, human resources, finance and information technology. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each department.

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Management, in coordination with department heads, assesses the likelihood of risk occurrence, provides treatment plans, and monitors the risk management progress. Management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for FY2025.

The Company has established its internal audit function which is responsible for the examination of key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

During FY2025, the Board, as supported by the Audit Committee as well as the report from management and the internal audit findings, reviewed the effectiveness of the Group's risk management and internal control systems, including the financial, operational and compliance controls, and considered that such systems are effective and adequate.

The Company has developed a policy for handling and dissemination of inside information. The policy provides a general guide to the Company's Directors, officers and relevant employees in handling confidential information and monitoring information disclosure.

The Company has also adopted an anti-corruption policy for promoting and supporting anti-corruption laws and regulations.

E. Company Secretary

The company secretary of the Company is Mr. Tsang Chiu Ho, who fulfils the qualification requirements laid down in the Listing Rules. Biographical details of Mr. Tsang Chiu Ho are set out in the section headed "Biographies of Directors and Senior Management" of this report. During FY2025, Mr. Tsang Chiu Ho has taken not less than 15 hours of relevant professional training.

F. External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about their reporting responsibilities on the Company's financial statements for FY2025 is set out in the section headed "Independent Auditor's Report" in this report.

The fees paid/payable to KPMG, the Company's auditor, in respect of audit services and non-audit services for FY2025 are analysed below:

Type of services provided by the external auditor	**Fees paid/payable** HK$'000
Audit and related services for FY2025 (note)	5,150
Tax services	144
TOTAL	5,294

Note: Audit related services comprise review services on interim results, continuing connected transactions and annual results announcement.

G. Communications with Shareholders and Investors

The Company believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparent and timely disclosure of corporate information, which enables Shareholders and investors to make the best investment decision.

The Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company maintains a website at www.cnlogistics.com.hk as a communication platform with its Shareholders and investors, where information and updates on the Company's business developments and operations and other information are available for public access. Shareholders and investors of the Company may send written enquiries or requests to the Company via the following contact details:

Attention:	Company Secretary
Address:	Unit B, 13/F, Park Sun Building, 97–107 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong
Email:	angustsang@cnlogistics.com.hk
Tel:	2943 2068
Fax:	2754 2234

Enquiries and requests will be dealt with by the Company in an informative and timely manner.

Besides, Shareholders' meetings provide an opportunity for communication between the Board and the Shareholders. Board members and senior staff will be available to answer questions raised by the Shareholders at general meetings of the Company. In addition, the Company will invite representatives of the auditor to attend its AGM to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence, if any.

Based on the above, the Company has conducted a review on its Shareholders' communication policy and is of the view that such policy has been effectively implemented.

H. Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at Shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company "www.cnlogistics.com.hk" and the Hong Kong Stock Exchange after each Shareholders' meeting.

Pursuant to the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

There is no provision allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

With respect to the Shareholders' right in proposing persons for election as Directors, please refer to the procedures available on the website of the Company.

I. Constitutional Documents

There has been no change in the Company's constitutional document during FY2025. The full text of the latest set of Articles adopted on 27 May 2022 is available on the websites of the Hong Kong Stock Exchange and the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This is the sixth Environmental, Social and Governance ("ESG") Report ("Report") of the Group, covering its management approach and performance on environmental and social aspects. Both Chinese and English versions of the Report are available on the Group's website (https://www.cnlogistics.com.hk) and the Hong Kong Stock Exchange's website (http://www.hkexnews.hk). In case of any discrepancy between the two versions, the English version shall prevail.

Reporting Guideline

This Report has been prepared in compliance with ESG Reporting Code set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX" or the "Stock Exchange") and the actual situation of the Group. The Group has followed the reporting principles of Materiality, Quantitative, Balance and Consistency in preparing the Report, and aligned with the United Nations Sustainable Development Goals ("UN SDGs") as appropriate.

Materiality

We evaluate the importance of the material issues based on the communication and understanding of different stakeholders of the Group. Materiality assessment was conducted to provide accurate and detailed insights to the Company on the issues that the stakeholders are most concerned to the Group and disclose them accordingly in the Report. Material topics will also be included as a reference basis for the ESG strategies formulation in the future.

Quantitative

Data are presented in a manner conducive to comparison for year-on-year changes in performance. The KPIs established should be quantified for the evaluation of the effectiveness of the ESG policies.

Balance

The information provided in this Report is unbiased, thus we avoid misleading our readers inappropriately. We provide a description of the performance of the Group on achievements, room for improvement and challenges in ESG.

Consistency

A consistent quantification methodology is adopted in this Report considering meaningful data comparisons being made over time. In case of any future changes in methodology, it shall be indicated in the Report.

Reporting Boundary and Period

The scope of this Report covers the core businesses of the Group FY2025 in Hong Kong and Mainland China, including the businesses of air freight forwarding services, ocean freight forwarding services and distribution and logistics services. There have been no significant changes in the scope and no significant restatements of data were made during the year.

Feedback

Any comments or suggestions on this Report or the Group's sustainable development management are welcome. The Group can be contacted through the following methods:

Address: 13/F., Park Sun Building, 97–107 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong
Phone: +852 2754 0638
Fax: +852 2754 2234
Email: info@cnlogistics.com.hk
Website: https://www.cnlogistics.com.hk

BOARD STATEMENT

The Group is well aware of importance of ESG issues to its business operations. The board of directors of the Group (the "Board") has overall responsibility for the Group's ESG issues and is responsible for overseeing ESG corresponding risks and opportunities, and reviewing progress of ESG related targets annually that have a significant impact on the business.

Reporting regularly to the Board, an ESG Working Taskforce (the "Taskforce") comprising the CFO, Operation Director, Senior Business Development Manager, Senior Global Strategy and Development Manager, and Operation Officer, has been set up by the Group to formulate and implement ESG related strategies and policies which are helpful for improvement of our business operation performance, identify and manage material ESG issues and climate-related exposures, and supervise the implementation of ESG and climate initiatives.

To manage material ESG issues, the Board follows a structured process. First, the Board identifies potential ESG and climate-related issues that could affect our organization and its stakeholders. This involves discussions with both internal and external stakeholders to understand what matters most to them. We use this information to create a list of priorities based on how these issues might impact our business and stakeholders.

The Board plays an essential role in monitoring our ESG strategy and assessing advancement towards the Group's objectives. They make certain that these objectives correspond with our business strategy and are incorporated into our ESG performance measurement. The Board evaluates suppliers' adherence to our ESG initiatives, including aspects connected to climate change mitigation and climate-related opportunity. This allows the Board to evaluate their compliance with environmental regulations and their involvement in programs aimed at decreasing greenhouse gas emissions in alleviating global warming.

By connecting ESG objectives to the Group's business results and ensuring supplier adherence, we strive to strengthen our resilience and stakeholder confidence, aiding in sustainable success.

The Board acknowledges its responsibility for ensuring the integrity of the ESG report and to the best of its knowledge, this report addresses all relevant material topics and fairly presents the ESG performance of the Group. This Report was reviewed and approved by the Board on 31 March 2026.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their views relating to its businesses, client-related risks and opportunities, and environmental, social and governance issues. To understand the concerns of various stakeholders, the Group have engaged and discussed with various business functions and management personnel to communicate with its key stakeholders, including but not limited to employees, investors, customers, suppliers, government bodies and communities through different channels such as conferences, electronic platforms and public events. In formulating operational strategies and environmental, social and governance measures, the Group takes into account the stakeholders' expectations and strives to improve its performance through mutual cooperation with the stakeholders, with a view to driving long-term prosperity and creating greater value for the community.

Material Topics	Actions taken by the Group during the year
Risk and Crisis Management	• The Board oversees ESG-related strategies and policies • The Taskforce reports directly to the Board on ESG-related risks on a regular basis • The Group has compliance and risk management policies and procedures, and senior management are delegated with the responsibility

Material Topics	Actions taken by the Group during the year
Customer Satisfaction	• Actively communicate by several channels with customers to provide high-quality sustainable supply chain services
Service Quality	• Cargo is carefully inspected to ensure strict controls on dangerous goods • Using advanced logistics management technology to continuously improve service quality
Anti-corruption, Integrity, and Ethics	• Established Anti-Bribery & Anti-corruption Policies and Whistle-blowing System • Provide relevant training for all employees and make it mandatory for all Cargo Services employees from top to bottom

Responding to UN SDGs Targets

The Group attaches great importance to sustainable development and has identified six UN SDGs aligning with the Group's business.

UN SDGs targets		Action undertaken by the Group
11 SUSTAINABLE CITIES AND COMMUNITIES	• 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	• Continually expand the exploration and adoption of sustainable transportation options, including electric vans and a broader eFleet, to further strengthen a low-carbon and sustainable supply chain • Partner with Finnair to co-fund a first batch of sustainable aviation fuel to reduce carbon emissions

UN SDGs targets			Action undertaken by the Group
12	RESPONSIBLE CONSUMPTION AND PRODUCTION	• 12.5. Substantially reduce waste generation through prevention, reduction, recycling and reuse	• Established green office and place plants around the office • Circular Economy & Cocreate Green, such as Hangers, Polybags, Cardboard/Paper, Electrical, Clothing and so on. • Provide clients with green supply chain and professional waste solution • Educate and encourage employees to use resources efficiently to reduce waste
13	CLIMATE ACTION	• 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	• Continue to review policy on addressing climate change • Reduce business travel
14	LIFE BELOW WATER	• 14.2. Sustainably manage and protect marine and coastal ecosystems	• Promote sustainable logistics to reduce the impact on the ecosystems ecological environment
15	LIFE ON LAND	• 15.4. Protect ecosystems and biodiversity for sustainable development	• Launched three additional electric vehicles • Plan to install more solar panels and rainwater collection systems in overseas warehouses
16	PEACE, JUSTICE AND STRONG INSTITUTIONS	• 16.5. Substantially reduce corruption and bribery in all their forms	• Established Anti-Bribery & Anti-corruption Policy and Whistle-blowing System • Provide relevant trainings for all employees and make it mandatory for all Cargo Services employees from top to bottom

MATERIALITY ASSESSMENT

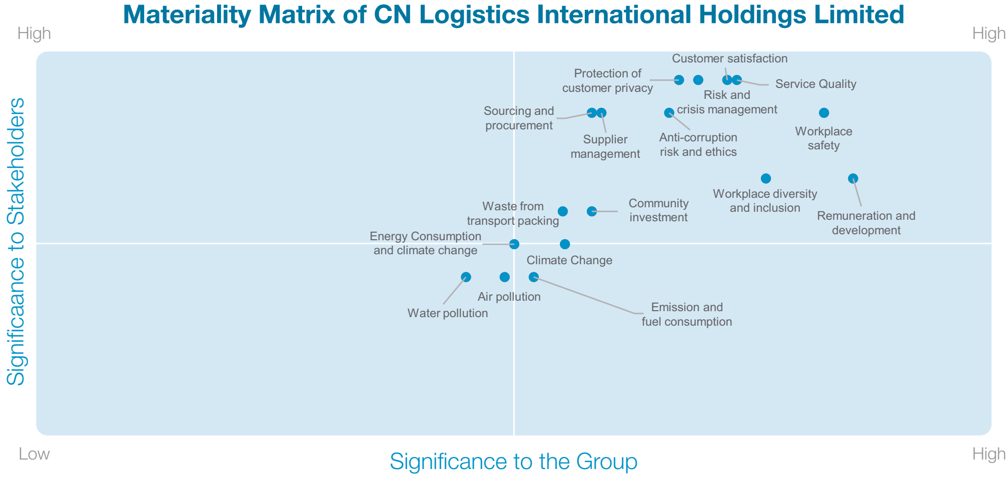
The Group has conducted an extensive survey with the primary objective of delving into the paramount significance associated with various Environmental, Social, and Governance ("ESG") components concerning the stakeholders and the seamless functioning of the Group's intricate Business and Operation.

Through this meticulous inquiry, the Group sought to discern and comprehend the intricate interplay between these ESG elements and their impact on the relevant stakeholders, as well as the overall functioning and sustenance of the Group's multifaceted business undertakings. This comprehensive analysis allowed the Group to garner deep insights into the multifarious dimensions of ESG and how they intertwine with the interests and expectations of the discerning stakeholders.

Furthermore, by conducting this far-reaching survey, the Group aimed to underscore the potential influence that ESG elements exert on the Group's long-term viability and competitiveness within the dynamic business landscape. The results of this undertaking will enable the Group to make well-informed decisions and formulate effective strategies that align with the ever-evolving needs and aspirations of its diverse stakeholders, ultimately contributing to the Group's sustainable growth and success.

A number of environmental, social and operation topics were identified for the material assessment using references of MSCI ESG Materiality Map from Morgan Stanley Capital International "MSCI" and the Sustainability Accounting Standards Board "SASB". Significance of the topics for the Group and its stakeholders are assessed to help the Group understand the gap between its development direction and the stakeholders' expectations. The Group's and stakeholders' matters of concern are presented in the following materiality matrix:

Materiality Matrix of CN Logistics International Holdings Limited



ENVIRONMENTAL STEWARDSHIP

Taking measures to integrate the concept of sustainability into daily operation of the business, the Group has been collaborating with its clients to create sustainable logistics, striving to minimize the impact of business operations on the environment. The Group's one-stop green logistics service, named CNL Green Solution, covers Hong Kong, Macau and Mainland China, helping clients to strengthen resource reuse and recycling, and providing value-added services around carbon emissions consulting, carbon footprint tracking and carbon neutrality, and jointly promote green logistics with our business partners and clients.

Sustainable Logistics by CNL Green Solutions

The Group's Green Solution consists of 3 pillars: Circular Economy, Carbon Neutrality and Co-Create Green. The programme, launched in Hong Kong, Macau and Mainland China since March 2021, has three main objectives to achieve.

1. The Group aims to offer green solutions to brand customers, especially the luxury and high-end fashion sector.

2. From the programme, clients' needs in fostering ESG performance to enhance their stickiness can be satisfied. The Group's value-added services benefit from the new opportunities arise.

3. To minimise waste and reuse the materials, the Group collaborates with vendors to recycle plastics bags, paper products and plastic hangers.

The CNL Green Solutions follows sustainable business practices to help protect the planet and enable the "Steps to Creating a Better World" with the aim to develop customized solutions for enhancing sustainability at different steps of the supply chain.

The Group has actively taken measures to cooperate with various organisations to jointly seek a sustainable development solution to Net Zero. Looking ahead, the Group will implement energy-saving and emission-reduction measures in various aspects including continuous expansion of its electric vehicle ("EV") fleets in Hong Kong and Mainland and providing customers with green transportation services, actively developing green logistics, and committing to low-carbon transformation. The Group will also continue efforts to mitigate climate change by working with institutions and clients to develop and upgrade its approach to business sustainability.

Environmental Commitments and Participation Efforts

In FY2025, the Group continued to strengthen its environmental stewardship by integrating sustainability considerations into its core business strategy and daily operations. Recognizing the growing urgency of climate action and resource conservation, the Group placed renewed emphasis on responsible environmental management and active participation in industry-wide sustainability initiatives. Throughout the year, the Group collaborated with a diverse range of partners — including international organizations, industry bodies, NGOs, and brand customers, etc. to advance collective efforts toward decarbonisation, waste reduction, and greener supply chain practices.

Partnership with Business Environment Council ("BEC")

The Group has become a corporate member of the Business Environment Council ("BEC") for 5 years and signed the BEC Low Carbon Charter in Hong Kong. We are committed to setting policies for successful decarbonization, promoting the transition to a low-carbon economy and realizing Hong Kong's 2050 carbon neutrality goals. BEC members are businesses from various sectors that contribute to sustainability from multiple aspects. The Group participated and exchanged insights in BEC green workshops from the logistics business point of view, announced and promoted CNL Green Solutions to the BEC community and shared new green achievements in the monthly newsletter with the BEC community.

Coordination with Finnair to Co-found Sustainable Aviation Fuel ("SAF")

In August 2025, the Group collaborated with Finnair, one of Finland's longest-established operating airlines, and co-funded the first batch of sustainable aviation fuel which is a "drop-in" fuel produced from sustainable feedstocks, reducing lifecycle emissions by up to 80% compared to conventional kerosene. The use of SAF will directly contribute towards reduction of Scope 3 emissions associated with its international air cargo shipments.

3Rs Circular Economy Initiative

The Group advanced its 3Rs (Reduce, Reuse and Recycle) initiatives in collaboration with luxury fashion clients and recycling partners under its CNL Green Solution framework. The project focuses on the recovery and recycling of materials, such as paper, metal and wood, promoting resource efficiency and supporting circular economy practices across the supply chain.

The CN EVs Distribution

Since pioneering the introduction of Hong Kong's first electric van ("eVan") in 2018, the Group has continued to strengthen its commitment to green transportation and operational decarbonisation. Building on this foundation, the Group expanded its EV fleet during FY2025 with the addition of three electric vehicles ("EVs") in Hong Kong, bringing the total number of eVehicles owned by the Group in Hong Kong to seven. The Group will continue to expand its electric fleet to support its sustainability objectives.

The deployment of eVans and eTrucks not only enhances environmental performance but also provides strategic advantages in navigating external market uncertainties. Unlike conventional diesel-powered vehicles, EVs are less exposed to fluctuations in global fuel prices and supply chain disruptions associated with fossil fuels. This lowers exposure to fuel price volatility, strengthens long term operational resilience, and enhances the predictability of future financial performance.

The Carbon Offset Program

The Group is recognised by the United Nations Framework Convention on Climate Change, which allows us to assist our customers in tracking, neutralising carbon emissions and contributing to climate actions by virtue of the Clean Development Mechanism ("CDM") projects. CDM projects are accredited climate-friendly projects under the United Nations Carbon Offset Platform. Together with customers of the Group, we are working hard towards this pathway to tackle climate change brought by greenhouse gas emissions.

ESG Pledge Scheme

Since 2024, the Group joined the ESG Pledge Scheme, which was organised by The Chinese Manufacturers' Association of Hong Kong and co-operated with Hong Kong Brand Development Council, and continued to engage in the ESG Pledge Scheme for 2025-2026. This allows the Group to demonstrate as a pioneer in supporting sustainable development and brings impact in decision-making and implementation process toward a more sustainable future.

Environmental Protection Department Packaging Reduction Charter

In March 2025, the Group joined the Packaging Reduction Charter which was launched by the Environmental Protection Department with management support from the Business Environment Council, committed to promoting sustainable packaging, reducing packaging waste, and contributing to Hong Kong's long-term goal of achieving carbon neutrality in a collaborative effort. This allows the Group to reassess and reduce its packaging usage, adopt sustainable practices and contribute to Hong Kong's long-term goals of "zero landfill" and carbon neutrality.

CN Logistics and its ESG Knowledge Sharing

The Group aims to enhance its ESG practices by studying successful cases within the industry and encourage the ESG development with its business partners. In pursuit of operational excellence and best practices, the Group continued to share its sustainability initiatives through internal e-newsletters, promoting knowledge exchange in the industry and supporting the adoption of ESG practices across its operations.

Office Recycling and Waste Reduction Programmes

Red Packet Reuse and Recycle

In support of Chinese cultural traditions while promoting sustainable practices, the Group participated in the "Lai See Reuse and Recycle Programme" organized by Greeners Action. As the giving of lai see is a cherished custom during festive seasons, the initiative encourages responsible consumption by collecting used red packets for proper reuse and recycling. As a Caring Company, the Group uses this programme as an opportunity to educate employees on the importance of reducing paper waste, fostering environmental awareness, and engaging staff in collective recycling efforts.

Chinese New Year Food Sharing

The Group supported a food recycling campaign organized by Food Grace (食德好), a non-profit charitable organisation. This campaign encourage employees to donate surplus mooncakes and recycle the associated packaging. Donated mooncakes were delivered to a local food assistance organization, while the packaging materials were sent to community recycling facilities for proper processing.

Expired Medicines and Electronic Waste Recycling

As a recognised Caring Company, the Group remains committed to fulfilling its social responsibility by supporting the well-being of the community and advancing environmental protection. To reinforce this commitment, the Group launched an internal recycling campaign aimed at both reducing avoidable waste and strengthening environmental awareness among employees.

Through the collection of expired medicines, unused or damaged rechargeable power banks, and electrical cables for proper recycling via authorized organizations, the initiative not only promotes responsible waste management but also nurtures a culture of sustainability within the workplace. By educating employees on the safe and efficient disposal of potentially hazardous or inefficiently used items, the Group helps prevent improper handling that could harm the environment, while encouraging staff to adopt more conscious behaviours in their daily lives.

Mid-Autumn Festival Recycling and Donation Campaign

The Group recognised a campaign encouraging employees to donate surplus mooncakes and recycle mooncake packaging. Donated mooncakes were delivered to a food assistance organization, while packaging materials were sent to community recycling facilities.

SDG Week Recycling and Donation Initiative

In September 2025, the Group hosted an internal sustainability engagement programme — SDG Week at DP World to enhance employee awareness of sustainable development and responsible consumption. The initiative included educational activities on the UN SDGs and practical actions promoting environmental protection and community support.

As part of the programme, the Group worked with a local non-profit organization — Chu Kong Plan to conduct a recycling and donation campaign across its offices, establishing designated collection points for reusable clothing, footwear, bags and books. The collected items were donated through the local non-profit organization to support underprivileged communities.

The initiative reinforced the Group's commitment to responsible resource use, waste reduction and social inclusion, while fostering a culture of sustainability within the organization.

TACKLING CLIMATE CHANGE

Climate change has brought significant challenges to our planet, and as a global business, the Board is taking decisive and inclusive measures to mitigate its climate impact by reducing its carbon footprint and setting targets for emission reduction for each year. The Board regularly reviews the Group's policy on combating climate change and minimizing its impacts brought to the valuable environment.

During the year, the Board took proactive steps to identify and assess climate-related risks that may affect its operations and supply chain, and allocated additional resources to enhance risk mitigation and explore potential opportunities arising from climate change. To support this process, the Board invited third party organizations to evaluate the existing climate-related policies and initiatives each year.

The Board also identifies climate-related risks and evaluate and prioritise their potential financial impacts in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") as follows:

Climate Risk Types	Time horizon	Description	Potential Business Impacts	Management Approach
Physical risks				
Acute risks	Long term	Increased frequency and severity of extreme weather, such as typhoons and floods, can cause supply chain interruption	• Increased operating and maintenance costs • Decreased revenue	• Undertake regular backup procedure with redundant systems to maintain business continuity • Monitor weather warnings and activate emergency plans, including work-from-home arrangements and evacuation procedures
Chronic risks	Short/ Medium term	Rising sea levels may affect the operation of corporations The prolonged period of extremely hot weather may decrease the work efficiency of employees, and increase change of heat- related injuries which will affect employees' health and safety	• Increased operating costs • Increased chance of work- related medical and insurance costs • Increase in operating costs due to higher air-conditioning usage	• Enhance the resilience of physical structures of motor vehicles and offices through design and regular maintenance • Implement cooling measures and provide cold water in work environments to protect employee health

Climate Risk Types	Time horizon	Description	Potential Business Impacts	Management Approach
Transition risks				
Uncertainty of Regulations and Politics	Long term	The enactment of more stringent laws and regulations related to climate change, shifting to a low-carbon economy	• Increased compliance costs and operating costs. Failure to meet new regulations may result in legal penalties, lawsuits, or asset impairment	• Monitor updates on environmental laws and regulatory trends
Technology	Medium term	This risk involves the necessary transition from traditional internal combustion engine vehicles and conventional freight methods to lower-emission technologies, specifically relates to the substitution of the existing delivery fleet with EVs	• Significant capital expenditure incurred in acquiring new eVans and eTrucks, as well as the installation of supporting infrastructure • More impairment indicators for early retirement of existing diesel-powered assets due to rapid technological shifts	• Executing a phased transition plan to widen green vehicles deployment • Partner with more airlines to jointly finance the purchase of SAF to address emission in the wider supply chain
Reputation	Short/Medium term	More attention is paid to climate change related actions of corporates by investors and communities	• Reduced investments sentiment, tighter lending criteria from banks, and higher financing costs due to reputation damage	• Disclose GHG data and sustainability achievements to boost stakeholder confidence
Market	Short/Medium term	Change in market preferences toward greener logistics solutions which are more competitive by customers	• Decreased revenue	• Adjust our service portfolios to match evolving client demand, such as expanding our EV fleet

The Group collects and analyses geographical data across its operating locations to identify areas exposed to climate-related risks. The likelihood and potential impact of these risks are evaluated in conjunction with standard operational risk assessments, with priority given to maintaining business continuity. Based on this assessment, the physical risks have been identified as the most significant climate-related threats to the Group. In response, the Group has developed a climate-resilient disaster recovery plan to strengthen its operational resilience and ensure service continuity during extreme weather events.

In response to evolving climate-related risks and uncertainties, the Group has identified relevant opportunities to enhance resilience and support sustainable growth. The following outlines these opportunities, their potential financial impacts, and the Group's strategies to capture these opportunities:

Climate-related Opportunity	Description	Current and Anticipated Business Impacts	Opportunity Capitalization
Products and Services: Green Logistics	Developing value-added "One-Stop Green Logistics Solutions" under the CNL Green Solutions, including carbon consulting, footprint tracking, and carbon neutralization	• Increased revenue through access to new markets and improved competitive positioning	• Investing in additional EVs for B2B and B2C deliveries in response to rising local distribution demand from fashion logistics customers
Resource Efficiency and Resilience	Adoption of energy-efficiency measures, waste reduction at source, and the use of renewable energy sources	• Long-term cost savings on traditional utility and fuel expenses • Improved reliability of the supply chain and ability to operate under varied climate conditions	• Installing more solar power generation panels at our facilities to provide renewable energy for operations • Scheduling to install rainwater collection systems in overseas warehouse • Partnered with Finnair to jointly finance the first batch purchase of SAF

Climate-related risk management is fully integrated into the Group's overall risk management process. The ESG Taskforce, comprising senior management from different functions, monitors risk updates on a regular basis and reports directly to the Board. The Group does not apply a carbon price on decision-making. The climate-related considerations are not factored into the Group's remuneration policy.

RESOURCES MANAGEMENT

Energy Usage

We emphasize the rational use of resources with specific targets and corresponding measures to reduce usage. The Group has put in place an ISO 14001-certified Environmental Management System. The Group has set a series of environmental targets and policies, and is committed to review its environmental targets regularly, evaluate and monitor the environmental KPIs to foster sustainable development and improve approaches when necessary.

During FY2025, the Group's total energy consumption was 4,347.99 MWh. The various sorts of energies consumed are listed as below:

Type of Energy (Unit: MWh)	2025	2024
Non-renewable fuel consumption	70.32	69.24
Electricity purchased	4,277.67	4,835.17
Total consumption	4,347.99	4,904.41
Intensity per floor area (MWh/m^2)	0.0482	0.0461

Reducing Energy Consumption

The Group plans to reduce energy consumption by 30% by 2030, from a baseline of 2020. The Group's energy consumption mainly emanates from electrical appliances in offices, warehouses and driving of vehicle engines. To achieve our energy-saving targets, we continue to implement green operations and vigorously promote the concept of saving energy.

The Group continues to strengthen energy-saving performance by implementing workplace policies that promote greater employee awareness and responsible energy use. Our Green Office Practices and Paper Saving Policies are adopted across all offices globally, including Thailand, Japan, France, Cambodia, China and Hong Kong. These policies outline clear guidelines for efficient use of air-conditioning, lighting, computers, and office equipment.

Key measures include:

- Maintaining room temperatures at no lower than 23ºC and switching off air-conditioning when not required, with central systems turned off after office hours.
- Using low fan speed as the default AC setting and opting for higher fan speed rather than lowering the temperature.
- Turning off lights when not in use, reducing lighting during low-occupancy periods, and leveraging natural sunlight where possible.
- Activating sleep or hibernation mode on computers during office hours and unplugging chargers when not needed.
- Ensuring all devices including monitors, projectors, copiers and printers, which are fully switched off after use, with a designated staff member checking that all equipment is powered down at day's end.

Water Usage

The Group's water consumption is mainly attributed to daily operations, such as cleaning and sanitation. During FY2025, the Group's total water consumption was 6732.76 m^3. The Group does not have any problem in accessing water sources and has set water-saving targets.

Water Consumption (Unit: m^3)	2025	2024
Total Consumption	6,732.76	7,947.00
Intensity per floor area (m^3/m^2)	0.0747	0.0705

We attach great importance to water saving, actively promote water saving awareness and measures among employees, and have set up water saving labels in the office. Our Group plans to reduce water usage by 20% by 2030, from a baseline of 2020. The water consumption decreased by 55% in 2025. We conduct regular surveys on water consumption and review the measures we have taken to ensure our targets are met.

Use of Packaging Materials

Our packaging materials mainly comprise plastic, paper and carton box. During the year, the Group has undertaken an effective method to manage the use package materials through reduce, reuse and recycle.

Type of Packaging Materials (Unit: Tonnes)	2025	2024
Plastics	116.12	24.47
Paper and carton box	204.02	406.52
Metal	0.21	0.24
Total packaging materials	220.35	431.23
Intensity (Tonnes/m^2)	0.00245	0.00405

EMISSIONS AND WASTE

Air Emission

The main source of the Group's air emissions is vehicle exhaust. During FY2025, nitrogen oxides (NOx) emissions, emissions of sulphur oxides (SOx) and particulate matter (PM) were 3.89 kg, 0.11 kg and 0.29 kg respectively. Our efforts at emissions mitigation resulted in lower air emissions during FY2025 compared to those in FY2024. In the future, 100% of the Group's newly purchased vehicles will be electric, in line with the Hong Kong Roadmap on the Popularisation of EVs and to further reduce air pollution.

Exhaust Gas Category (Unit: Kg)	2025	2024
Nitrogen Oxides (NOx)	3.89	4.06
Sulphur Oxides (SOx)	0.11	0.11
Particulate Matter (PM)	0.29	0.30

Greenhouse Gas Emission

During FY2025, the Group's main sources of Greenhouse Gas Emission ("GHG") included direct GHG emissions from local transportation, mechanical combustion of gasoline and natural gas consumption (Scope 1), indirect GHG emissions from purchased electricity (Scope 2), and other indirect GHG emissions from downstream transportation and distribution, business travel, paper disposal and water disposal (Scope 3).

GHG Emissions (Unit: tCO_2e)	2025	2024
Direct GHG emissions (Scope 1)[1]	—	20.21
Energy indirect GHG emissions (Scope 2)[2]	1,921.09	2,220.83
Other indirect GHG emissions (Scope 3)	6,349,034.36	72.18
Business air travels	20.73	16.53
Paper waste disposed at landfills	31.19	50.88
Fresh water and sewage processing for electricity use	4.29	4.77
Downstream transportation and distribution[3]	6,348,978.15	—
Total GHG emissions (Scope 1, 2 and 3)	6,350,955.45	2,313.22
Intensity per floor area (tCO_2e/m^2)	70.4754	0.0217

1 Pursuant to the enhanced climate disclosure requirements effective from 1 January 2025, the measure of Scope 1 emissions for FY2025 is expanded to include emissions arising from the Group's road delivery vehicles across the value chain and reduction of GHG emissions saved from the use of the EVs owned by the Group, setting the minimum amount at zero.

2 Pursuant to the enhanced climate disclosure requirements effective from 1 January 2025, the measure of Scope 2 emissions for FY2025 is expanded to include GHG emissions saved from the use of the Group's solar panels system in its warehouse.

3 Pursuant to the enhanced climate disclosure requirements effective from 1 January 2025, the measure of Scope 3 emissions for FY2025 is expanded to include emissions arising downstream transportation and distribution through mainly air cargo services across the value chain and reduction of GHG emissions saved from the uses of SAF and outsourced EVS.

With its continued commitment to green logistics innovation, the Group obtained verification under ISO 14064–3 for its GHG emissions. The Group has committed to managing and reducing GHG emissions in support of its environmental targets by 2030.

Following the enhanced climate disclosure requirements effective from 1 January 2025, the reporting boundary for Scope 1 and Scope 3 emissions has been expanded, and the baseline year has been revised to FY2025. The Group targets a 30% reduction in Scope 1 and Scope 2 emissions intensity per square meter of operation area and a 20% reduction in Scope 3 emissions intensity per square meter of operation area by 2030, using FY2025 as the base year.

Waste Management

The majority of waste produced by the Group is non-hazardous waste consisting of domestic waste and food waste generated from our daily business operations, and our property management team is responsible for collecting the waste and sending it to landfills. We collaborate with a waste treatment company to ensure efficient waste management practices. We minimize both hazardous and non-hazardous waste at our operations by educating our employees on waste reduction practices, such as labeling and notices. In order to ensure proper waste management, both hazardous waste and non-hazardous waste generated by our operations are securely stored, and systematically collected by a licensed waste collector, ensuring compliance with all relevant environmental regulations and minimizing potential risks to human health and the environment. We carefully categorize recyclable materials, making sure they are organized and kept in specific inventory locations. This waste is subsequently picked up by our partnered waste collection service, which specializes in further processing and recycling. We encourage clients to participate in our professional Waste Solution programme which our team schedules trucks along optimized routes in order to maximize capacity, ensuring that all surplus products and unwanted materials is collected in a single trip. During these excursions, excess products and unwanted materials from collaborating clients are gathered and brought back to our facilities. The materials are meticulously sorted into recyclable and non-recyclable waste to guarantee effective waste management. The recyclable waste is subsequently stored in the operation's recycling inventory for additional processing. By promoting efficient resource usage and minimizing environmental impact, this approach not only supports waste reduction and recycling but also aligns with our sustainability goals. During FY2025, the waste our Group generated was as listed below:

Type of Hazardous Waste (Unit: Tonnes)	2025	2024
Printing cartridges	0.09	0.10
Light tubes	0.11	0.42
Total	0.20	0.52
Intensity (Tonnes/m^2) ('000)	0.0000	0.0000

Type of Non-Hazardous Waste (Unit: Tonnes)	2025	2024
Paper waste generated	7.02	11.18
Paper waste recycled by third party	110.00	221.93
Total	117.02	233.11
Intensity (Tonnes/m^2) ('000)	0.0013	0.0022

We fully support and follow the Waste Blueprint for Hong Kong 2035 to prepare for the implementation of municipal solid waste charging and hopefully reduce the emission of hazardous and non-hazardous waste in the future by following the "use less, waste less" principle. We also plan to work with the local community to support food waste reduction and non-hazardous waste recycling campaigns.

To reduce waste generated from our business operations, the Group explains in detail the importance of recycling waste and full use of resources to all its employees, and takes measures to reduce waste. We are in line with "4R" Reduce, Reuse, Recycle and Recreate principles. The actions we have taken in 2025 are listed below:

- Encourage the use of electronic documents and print only when necessary to reduce paper consumption
- Encourage the use of the 'Print Preview' function to check the layout and style and to adjust the margins and font size of documents to optimise the use of paper
- Encourage the use of double-sided printing and all unused single-sided paper
- Set up recycling bins in offices and encourage used non-confidential paper to be placed in the bins
- Used battery collection box
- Save water flyers above the sink
- Examine the allocation of personal electronic devices to better utilize resources and avoid idle resources

Professional Waste Solution

As a pioneer in promoting one-stop green logistics solutions, the Group continues to share knowledge and experience in energy conservation, waste reduction and resource recovery with its business partners and clients. We are committed to reducing operation costs of our clients, assisting them in earning extra revenue through brand building Green benefits. Our programmes combine the three elements of "People, Process and Technology" and the Group aims to implement these programmes in both Hong Kong and Mainland China. Our primary goals are as listed below:

- Provision of sustainable solutions in line with local regulations and customers' 3 pillars sustainability strategy for managing surplus products and unwanted materials.
- Provision of secured solutions to protect the intellectual property and brand image owned by customers for managing surplus products and unwanted materials.
- Provision of quantifiable and measurable solutions to facilitate management of surplus products and unwanted materials by customers.

During FY2025, the Group was not aware of any non-compliance of relevant laws and regulations that have a significant impact on our business relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

ENVIRONMENT AND NATURAL RESOURCES

The Group concerns about the impacts of its activities on the environment and natural resources, such as pollutions and climate changes which might be contributed by the Group's emissions and wastes as disclosed in this report. To minimize any such impacts, the Group will take factors such as emissions, use of resources and biodiversity as a consideration in its daily operations. Responding to the increasing environmental awareness of the general public and our clients, the Group works with its brand customers to enhance resource management and provide them with various value-added services such as carbon emissions consulting, carbon footprint tracking and carbon neutralization to achieve a cleaner supply chain through the one-stop green logistics solution under its CNL Green Solutions. Up to the end of FY2025, the Group has twelve participating brands, mainly from high-end fashion industry, to facilitate Circular Economy and Carbon Neutrality via the green co-creations with the current logistics customers. The green logistical service reached a total of 22 customers in Hong Kong from globally renowned high-end fashion and skin care sectors for B2B deliveries and 1 customer for B2C delivers via our EVs in FY2025.

The Group is committed to reducing the impact of its business operations on the environment and natural resources, and several actions have been taken to mitigate related impacts. In addition to the accelerating its transition to green transportation in Hong Kong, the Group has installed solar panels in its oversea warehouses. A total of 362 units solar power generation panels installed on the roof of our Italian facility since December 2023. The system has a capacity of 152.04 kWp following a ratio of at a ratio of approximately 0.53kg of CO_2 emissions savied for each kWp produced. The existing system of solar panels installed is expected to produce around 167,200 kWh of renewable clean energy each year, resulting in an annual reduction of nearly 88,000 kg of CO_2 emissions. The Group has reduced a total of 153.71 tons CO_2 emission since the launch of the solar panels in December 2023, and has recorded an annual CO_2 equivalent of 79.03 tCO_2 saved during FY2025.

In order to further minimize usage of natural resources and the adverse impact on environment, the Group has planned to install rainwater collection systems in its overseas warehouses.

The Group's dedication to and efforts in considering sustainability in the course of its daily operations have been recognised globally. Several universities in Hong Kong are conducting a joint research on green solutions for the logistics and transportation industry, and the Group's one-stop green logistics solutions offering has been selected as one of the case studies.

During FY2025, there was no violation of laws and regulations concerning the environment and natural resources.

EMPLOYMENT PRACTICES

Building a good working environment to attract and retain employees is the basis for achieving sustainable development. A comprehensive compensation and benefits system, clear career paths and a friendly working atmosphere are the areas we always strive to improve.

The Group advocates diversity and inclusion, and opposes all forms of discrimination. We expect our employees to grow together with the Group and contribute more value to society. The Group, complying with the labour legislation and related regulations in Hong Kong and the Mainland China, has relevant commitments as follows:

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Working conditions are safe and hygienic
4. Child labour shall not be used
5. Living wages are paid
6. Working hours are not excessive
7. No discrimination is practised
8. Regular employment is provided
9. No harsh or inhumane treatment is allowed

The Group also abides by the Ethical Trading Initiative (“ETI”)’s requirements and has introduced independent audits to measure ethical and social compliance in our global network. Our employees and the actual cases that may happen under the ETI base code will determine how the program evolves.

The relevant internal policies, laws and regulations are reviewed and revised half-yearly and the latest update was on 31 December 2023. During FY2025, the Group did not encounter any instance of non-compliance with laws and regulations that have a significant impact in respect of recruitment, remuneration, promotion, career development, communication channels, working hours, rest periods, compensation, dismissal and retirement, diversity, equal opportunity and anti-discrimination and employee benefits.

TALENT ACQUISITION

The Group's Human Resources Department is responsible for recruitment. The Group has a Recruitment and Employment Policy to guide the recruitment process and ensure that the procedures are in line with the norms. The Human Resources Department develops appropriate recruitment plans and conducts recruitment according to the actual hiring needs of each department.

Talent recruitment is conducted openly and fairly, seeking to employ outstanding candidates based solely on their qualifications, experience and ability to perform particular responsibilities. We always adhere to the principle of fairness and impartiality in the recruitment process. We have clear requirements and restrictions on candidates who are related to our employees. Candidates must first make a declaration in this regard when applying for a job to avoid any preferential treatment.

As of 31 December 2025, total number of employees in Hong Kong and Mainland China offices was 474, of which 186 and 288 are male and female staff respectively. The following table sets forth the total number and distribution of the Group's employees during FY2025:

Employee Data	2025	2024
Gender		
Male	186	195
Female	288	322
Employment Type		
General Manager or above	18	23
Senior Manager	55	49
Officer, Clerk	268	285
Contract	133	160
Age Group		
19 or below	0	0
20–29	38	34
30–39	138	180
40–49	218	207
50 or above	80	96
Geographical Region		
Hong Kong	165	189
Mainland China	309	328
Total	474	517

Diversity, Equal Opportunity and Anti-discrimination

We believe a diverse workforce is an important requirement for sustainable corporate growth. The Group promotes a diverse and inclusive corporate culture and opposes all forms of discrimination, including but not limited to gender, race, age and religion. We adopt fair and ethical labour practices with respect to the basic human rights of all employees.

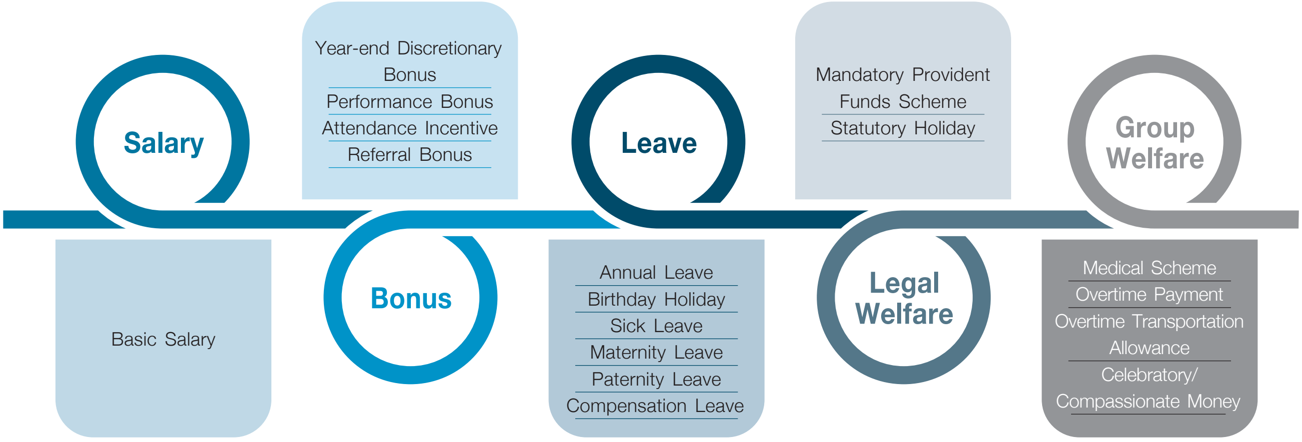
The Group has a Board Diversity Policy to ensure diversity from the top to the bottom. Under the policy, composition of the Board is assessed from a diversity perspective, including gender, age, culture, educational background and work experience. We provide equal work opportunities to all employees and oppose all unfair employment practices. We will continue to follow our diversity and inclusion policy in the future to enhance the Group's flexibility and adaptability.

CNL pledged to engage in the Racial Diversity and Inclusion Charter which is to ensure equal opportunities in employment for racial minorities, and to encourage promote racial diversity and inclusion in workplaces.

Remuneration, Benefits, and Welfare

The Group offers a market-competitive benefits and welfare package to its employees, besides performance bonuses to recognise employees' contribution, motivating the work spirit of our valuable employees.

The Group awards permanent employees an attendance incentive when they achieve the prescribed level of punctuality and attendance at the office and awards employees a referral bonus to encourage them to refer capable persons to join our Group. All eligible employees are paid annual leave and birthday holidays. In accordance with the relevant laws and regulations in Hong Kong and the Mainland China, we provide paid maternity leave to pregnant female employees and paternity leave to male employees. For employees who work on statutory holidays, Sundays or night shifts, we provide compensatory leave instead of overtime pay.



We provide petty cash for all personal and administration expenses, such as travel expenses, overtime transportation allowance, data sim charges, team building expenses and any goods purchased with approval of department heads. We also offer inpatient and outpatient group medical schemes to all our permanent employees to take care of their personal health, Mandatory Provident Fund Scheme which ensures financial stability after retirement, celebratory money for marriage or new-born babies, and compassionate money on the death of immediate family.

Talent Development

The Group has designed clear career paths according to the size and organisational form of the Group. We regularly evaluate the performance of our employees every year and set the corresponding performance appraisal standards. The performance evaluation results are used as the basis for salary adjustment or promotion of employees. When the Group has recruitment needs, priority is given to internal transfers.

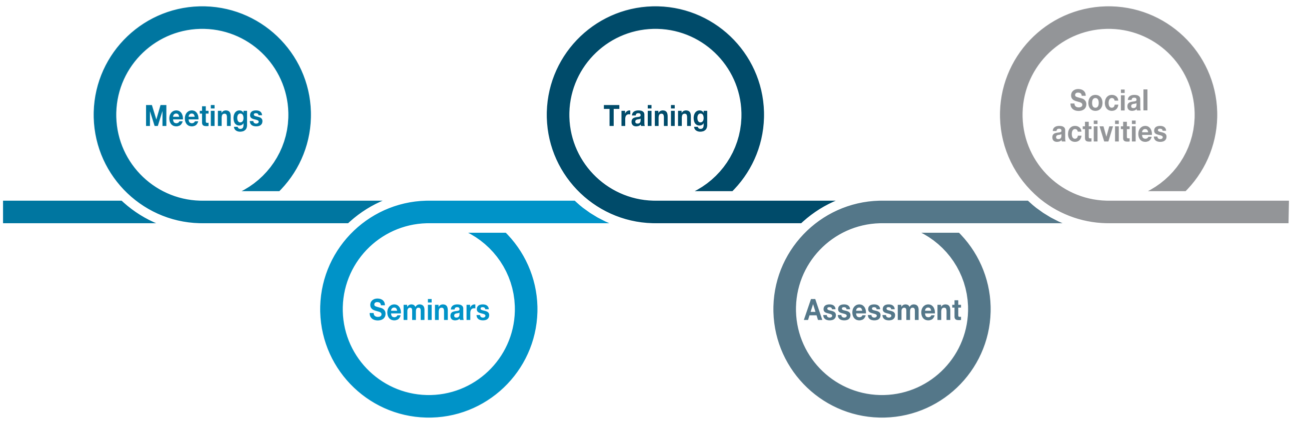
The Group encourages employees to set personal career development goals, master the knowledge and skills required for their future positions, and enhance their competency. A total of 156 employees received training during the year. The percentage of employees trained and the average training hours completed per employee in FY2025 are listed below:

	The percentage of employees trained		The average training hours completed per employee	
	2025	**2024**	**2025**	**2024**
By Gender				
Male	44.24%	44.38%	3	2
Female	55.76%	55.62%	2	1
By Employment Category				
General Manager or above	4.98%	6.38%	2	2
Senior Manager	10.90%	10.34%	3	2
Officer, Clerk	75.70%	61.70%	4	2
Contract	8.42%	21.58%	1	1

To facilitate quick adaptation to a new working environment, the Group provides induction training to new employees. They are provided with a comprehensive understanding of the Group and their jobs, including the Group's calendar, local sites, organisational structure of the departments to which they belong and their job responsibilities. In addition, on-the-job training is organised to promote the development of employees with the Group and to enhance their skills.

Employee Communication

To enhance two-way communication between the Group's management and employees, we have a variety of channels for employees to express their voices. Employees can actively give suggestions for improvement of management and put forth innovative ideas.



Working Hours and Rest Period

We aim to achieve work-life balance for our employees with maximum overall operational efficiency. We have clearly defined normal working hours in the employee handbook to protect the rights of our employees. At the same time, we offer flexible working hours. Besides the normal office hours, flexi-office-hours arrangement is available in case of specific business and/or personal needs. Office employees can apply to choose shifts, subject to approval of their department heads.

To provide better service to customers and to promote our Customer-Centric values, we have alternate Saturday working hours for certain positions. We pay our employees accordingly for the legal working hours. For overtime work, we strictly adhere to our overtime pay and overtime transportation allowance policy.

Dismissal and Retirement Arrangement

The Employee Handbook provides guidance on the termination process which our Human Resources Department complies with to ensure that the process is fair and reasonable. If an employee leaves voluntarily, the Human Resources Department conducts an exit interview to understand the reasons for the employee's departure. Based on the valuable feedback collected, the Human Resources Department makes improvements accordingly. If the employee has been held responsible for a serious violation of discipline, the Group initiates the termination process. During FY2025, we did not have any instance of non-compliance relating to dismissal, and retirement arrangements.

The following table sets forth the employee turnover rate by gender, age group and geographical region during FY2025.

Employee Turnover Rate	2025	2024
Gender		
Male	13.44%	26.67%
Female	20.14%	13.98%
Age Group		
19 or below	0.00%	0.00%
20–29	26.32%	41.18%
30–39	22.46%	22.78%
40–49	10.55%	12.56%
50 or above	23.75%	16.67%
Geographical Region		
Hong Kong	18.18%	19.58%
Mainland China	17.15%	18.29%
Total	17.51%	18.76%

LABOUR STANDARDS

The Group strictly complies with the Labour Law of the People's Republic of China (the "PRC"), Labour Contract Law of the PRC and relevant labour laws and regulations in Hong Kong, such as Employment Ordinance (Chapter 57 of the Laws of Hong Kong), to prevent employment of child and forced labour. Prevention of child labour and forced labour is ensured by the Background Check Policy. The Human Resources Department conducts background check of job applicants to verify their identity and age during the recruitment process. We also ensure that the terms and conditions laid out in the employment contracts conform to legal requirements. If any case related to child labour and forced labour is identified by the Group, the Human Resources Department will take actions immediately and make related improvements to prevent related cases happening again in the future.

During FY2025, the Group did not encounter any material non-compliance with relevant laws and regulations relating to preventing child labour and forced labour.

OCCUPATIONAL HEALTH AND SAFETY

The Group gives priority to occupational safety in any circumstance. To protect the health and safety of our employees, the Group sets up Workplace Health and Safety Policy. Several measures have been taken, including adjustment of business hours, work from home policy and regular sterilization of workplace. We have still taken following measures to prevent our employees from epidemics:

- Work from home if tested with positive result
- Free supply of rapid antigen tests for colleagues and their families
- Deep cleaning of all our offices, including the use of nano technology coverings for offices fixtures and fittings
- Sanitisation of the air in all offices, where and when it is appropriate
- Applying NASC Medical Nano-Coating at our Hong Kong headquarters
- Maintain good personal hygiene, wash hands frequently and properly
- Free supply of facemask in the workplaces in case that employees are not feeling well
- Encourage to schedule virtual meetings to replace physical contacts

We also strengthen the information channels, including displaying health and safety guidelines at the workplace and posting fire escape map.

In order to protect the occupational health and safety of our employees in all aspects, we have formulated a series of institutional policies such as the Warehouse Management Policy in accordance with Labour Law of the PRC, Labour Contract Law of the PRC, and relevant labour laws and regulations in Hong Kong such as Employment Ordinance (Chapter 57 of the Laws of Hong Kong), and other relevant labour laws and regulations in Hong Kong. During FY2025, the Group did not encounter any material non-compliance with the relevant laws and regulations relating to work safety and occupational health.

We use the equipment according to the guideline on health and safety. Some guidelines to ensure staff against accidents are as follows:

- During Loading and Unloading of goods, workers should pay special attention to avoid falls from elevated ramps and gaps.
- Forklifts will be restricted to a maximum speed of 5 km/h within the warehouse and its immediate surrounding areas.
- Forklift operators must always check their surroundings before starting the forklift.
- Forklift Loads must be properly lifted on forks and stabilized prior to starting the forklift.
- Forklifts/Pallet Jacks/Trolleys should never be used as rides or manlifts.
- Unassisted pallet stacking height is restricted to 3 metres high.

In addition, to prevent workplace injuries to employees, we do not only require employees to work in accordance with standard procedures, but also provide equipment such as emergency rescue kits to ensure preliminary treatment is available immediately to the affected person in the event of an accident. Moreover, the Group takes full responsibility on compensation for work injury and complies to the Employee's Compensation Ordinance in Hong Kong strictly.

Safety Management

To strengthen safety risk control and address safety hazards in a timely manner, we have established a regular safety inspection mechanism. Annual fire drill and half-yearly inspection of fire facilities and fire exit conditions are conducted for all operations. To maintain a reasonable working environment and protect customers' assets, the Warehouse Management Policy, based on the Fire Safety (Buildings) Ordinance Cap. 572 and Building Ordinance Cap. 123, is established for all personnel working in the warehouse. In general, the Group inspects the workplaces and safety equipment quarterly and the latest update was on 31 December 2025.

As at the end of the year, the percentage of the Group's employees receiving health checks was 100% and there was no safety incident related to death, equipment liability accidents and occupational disease hazards in the past three years.

	2025	2024
Number of people injured at work (persons)	0	0
Number of working days lost due to work-related injuries (days)	0	0
Number of persons who died in the course of employment	0	0
Proportion of employees receiving health screening	100%	100%

OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY

The Group insists on "customer first, quality assurance" and tries its best to help its customers circumvent quality and delivery risks in the supply chain. The quality and safety of our products comply with all national laws and regulations, and we have obtained the ISO 9001 Quality Management System Certification. The Group fully understands the importance of quality assurance. We inspect cautiously if there are any potentially dangerous cargoes, ensure that we follow the strict limitations and control on dangerous goods and avoid any risk to public health. If any unqualified case is identified, we will investigate it immediately, and initiate the appropriate recall procedures and remedial measures if necessary.

The Group complies with the Product Quality Law of the PRC, the Personal Data (Privacy) Ordinance of the Laws of Hong Kong and other relevant laws and regulations. During FY2025 there were no incidents related to violation of health and safety laws and regulations regarding products and services, and we did not receive any complaint in relation to our products and services. Once any complaint is received, our team will communicate with the clients, deal with it and make related improvement at the first time.

Protection of Intellectual Property Rights

The Human Resources Department provides guidance on protecting our intellectual property rights with respect to assets such as logos, patents, trademarks and service marks, domain names, and copyrights for hardware and software. To avoid any misuse or abuse, employees who have access to or control over proprietary information must take adequate protective measures.

Advertising and Labelling

All cargoes of the Group are required to be properly labelled for identification and tracking. We use various labels to display important information of the goods, such as quantity, origin, and destination, and place them in a prominent position. The Group requires that all labels shall not cover the client's label or the mark on the carton.

Customer Privacy Protection

The Group strictly adheres to the data privacy related laws and regulations to ensure the confidential of our customer privacy protection data. All information collected from customers and other companies is kept confidential. Copies of these documents are shredded prior to disposal to ensure that these documents and client information are not compromised.

During FY2025, the Group was not aware of any non-compliance cases related to advertising, labelling, intellectual property and privacy matters relating to products and services provided and methods of redress.

ACHIEVEMENT IN 2025

The Group keeps up with trends of development that keep changing with the times, constantly updates and improves its products, and strives to provide customers with better service.

CN Logistics and its eCommerce Platforms

CN Logistics is dedicated to enhancing service quality and advancing technology in the logistics sector through innovative solutions and digital strategies. By leveraging modern warehousing technology and proprietary supply chain management systems, the company delivers comprehensive, efficient, and integrated solutions for managing supply chains, ensuring a seamless experience for customers.

"PJF Wines" is the Group's first project in eCommerce (launched in mid-2021) and provides integrated services for cross-border sales, distribution and promotion of premium wines in Mainland China. Through precise online and offline marketing campaigns and social media strategies such as WeChat, TikTok, Redbook and Kuaishou, the platform promotes and distributes quality imported wines from reliable sources at competitive prices to its target customer base.

"CNShip4Shop" is another eCommerce project launched in the middle of 2022. It combines the Group's years of professional logistics experience, extensive global network and advanced electronic management systems to provide consumers with "Cap&Go", affordable and efficient international groupage logistics solutions. The platform have been currently expending to cover 7 overseas origins, including the United States, United Kingdom, Italy, France, Germany, Denmark and Japan, as well as 12 Asian destinations including Mainland China, Hong Kong, Taiwan, Japan, Korea, Malaysia, Singapore, Thailand and more. The platform has recorded to achieve a 300% compound growth rate in sales after launched, with excellent performance in Mainland China, Hong Kong and Taiwan markets.

SAF Collaboration Achievement

In FY2025, the Group strengthened its collaboration with Finnair by co-funding the use of SAF, supporting the deployment of approximately 10.7 tonnes of SAF and achieving an estimated reduction of 30 tonnes of CO_2e in Scope 3 emissions associated with its air cargo operations. This initiative represents a meaningful step in reducing the carbon footprint of international logistics services and advancing the Group's low-carbon transition.

The collaboration aligns with Finnair's science-based target to reduce carbon emission intensity (CO_2e/RTK) by 34.5% by 2033 from a 2023 baseline, and reflects a shared commitment to decarbonising the aviation sector. By participating in SAF adoption, the Group contributes to accelerating industry-wide efforts to scale sustainable fuel usage.

Looking ahead, the Group will continue to explore opportunities to expand SAF utilisation and collaborate with industry partners, supporting the long-term ambition of achieving net-zero emissions by 2050 while promoting more sustainable air freight solutions.

Expansion of EV Fleet and Emission Reduction

In FY2025, the Group expanded its EV fleet, enhancing its capacity to deliver consistent and high-quality logistics services while accelerating its transition towards low-emission operations. The increased adoption of eVans and eTrucks enabled the Group to maintain service efficiency and significantly reduce its carbon footprint.

During the year, the use of the expanded eFleet contributed to a total reduction of approximately 520.78 tCO_2e, representing a 21.5% increase in carbon emission under the same cargo weight and distance approximations. In addition, through collaboration with its eTruck vendors in Mainland China, the number of deployed EVs increased from 39 to 45, further contributing to an additional reduction of approximately 9.67 tCO_2e during the year.

These initiatives demonstrate the Group's commitment to scaling up sustainable transportation solutions, strengthening operational efficiency and supporting its broader decarbonization strategy.

Recognition for Recycling and Community Sustainability Efforts

In FY2025, the Group further strengthened its recycling service capabilities as part of its commitment to environmental sustainability and circular economy practices. In recognition of its efforts in organizing recycling initiatives, the Group was awarded a certificate by Chu Kong Plan in October 2025, acknowledging its contribution to environmental protection and support of the "Shoes Angel Project". The certificate, presented by the Chairman of Chu Kong Plan, reflects the Group's active role in promoting waste reduction, resource reuse and community engagement.

SUPPLY CHAIN MANAGEMENT

The Group recognises the importance of the supply chain to its business development, as well as the need to achieve sustainable development in the entire supply chain. The Group maintains solid and long-term business relationships with key service suppliers.

Numbers of suppliers by geographical region are listed as below:

Geographical Region	2025	2024
Hong Kong	385	493
Mainland China	386	401
Japan	235	198
Korea	199	274
Italy	659	610
Taiwan	46	41
France	99	96
Switzerland	56	78
USA	57	57
Vietnam	246	188
Indonesia	188	126
Cambodia	108	75
Total	2,664	2,637

As a pioneer in one-stop green logistics, the Group continues to advance its sustainability-oriented service portfolio through systematic collaboration with suppliers and business partners to help customers reduce operating costs and earn green benefits. These efforts are aimed at embedding environmentally responsible practices across the value chain, thereby supporting clients in lowering operational expenditures and enhancing environmental performance outcomes. The Group employs a structured, risk-based methodology to identify, assess and manage supply-chain risks, underpinned by periodic management reviews. Preference is accorded to suppliers demonstrating robust ESG performance, alongside active promotion of environmentally preferable products and services throughout our operational network.

The Group's environmental initiatives encompass the provision of specialised waste-management solutions, the operation of five designated collection points within the PRC, and the development of recycling and reverse-logistics mechanisms enabling recovered materials to be reintegrated into retail workflows. These measures collectively facilitate circularity within the supply chain and reinforce the Group's commitment to a sustainable materials management model.

To ensure responsible and compliant procurement practices, the Group conducts comprehensive due-diligence and background evaluations on all prospective suppliers prior to engagement. Suppliers must satisfy the Group's qualification criteria, including the possession of internationally recognised certifications such as ISO 9001, V-TPAT, ISO 28000, TAPA, ISO 14001, ETI, SA8000 and ISO 45001. Further qualitative assessments are undertaken to evaluate suppliers' service integrity, security controls, ethical trading standards, and adherence to anti-bribery and anti-corruption requirements, ensuring alignment with the Group's governance expectations and professional standards.

Green Supply Chain

All sectors of the society have started paying more attention to sustainable development in recent years. The Hong Kong government and the Group's upstream and downstream supply chains, as well as high-end customers, are concerned about the magnitude of sustainability of our operations and have raised their expectations. To satisfy the needs of stakeholders as well as to enhance the Group's sustainable development, steps are being taken to reduce the carbon footprint of our daily operations. We hope to satisfy our customers' demand for sustainable development and contribute to the transition towards a green logistics industry, leveraging its resources, work culture and influence. The Group's integrated green logistics service was showcased as a case study at the 2022 3rd International Conference on Green Energy, Environment and Sustainable Development in Beijing. Looking ahead, we remain committed to accelerating green supply-chain development and contributing to the industry's broader transformation.

ANTI-CORRUPTION

We are committed to carrying out our business activities in an ethical and lawful way and promoting a culture of integrity. We adopt a zero-tolerance approach for bribery and corruption and communicate it to all our suppliers, contractors, and business partners at the outset of business relationships and, where necessary and appropriate, thereafter.

To ensure compliance with applicable laws and regulations, the Group's Anti-Bribery & Anti-Corruption Policy serves as guidance, setting out regulations and requirements regarding facilitation payments, gifts and hospitality, charitable donations, political contributions, etc. The Group forbids paying, offering, asking for, proposing terms for, or accepting, bribes directly or with the assistance of any organisation or individual. To raise employee awareness and uphold high standards of ethics, we provide trainings on the Anti-Bribery & Anti-Corruption Policy in the induction process to all new workers. We also conduct relevant training for all our existing employees on a regular basis and make it mandatory for all Cargo Services employees, from top to bottom.

During FY2025, we did not encounter any incidents of material non-compliance with laws and regulations in bribery, extortion, fraud, and money laundering, and there was no legal case conducted regarding corruption practices brought of against our employees or us.

Whistle-blowing Mechanism

The Group has a Code of Conduct in place that requires all employees to report any potential cases of ethical or legal misconduct concerning anyone working on behalf of the Group to their direct manager or the Chief Financial Officer promptly. Alternately, one may prefer to initially report to his/her manager or local Human Resources representatives who must in turn report to the Chief Financial Officer. The Group also encourages its business partners, suppliers and other third parties to report any violations directly to the Chief Financial Officer.

We have zero tolerance for any and all activities that breach the Code or conceal information or fail to report any known or suspected breaches by others. All the above behaviours are also considered as breach of the Code.

As the Group takes this reporting seriously and intends to fully investigate both potential and actual violations, it is preferred that these reports be made anonymously. All reports and inquiries are handled confidentially to the extent possible under the circumstances to preserve anonymity. We value the help of employees who identify potential problems to be addressed by us and ensure that reports are kept confidential, including the identity of the reporter. Anyone found violating the Code or initiating or threatening to initiate retaliation against a complainant or informant is subject to disciplinary action which may include dismissal.

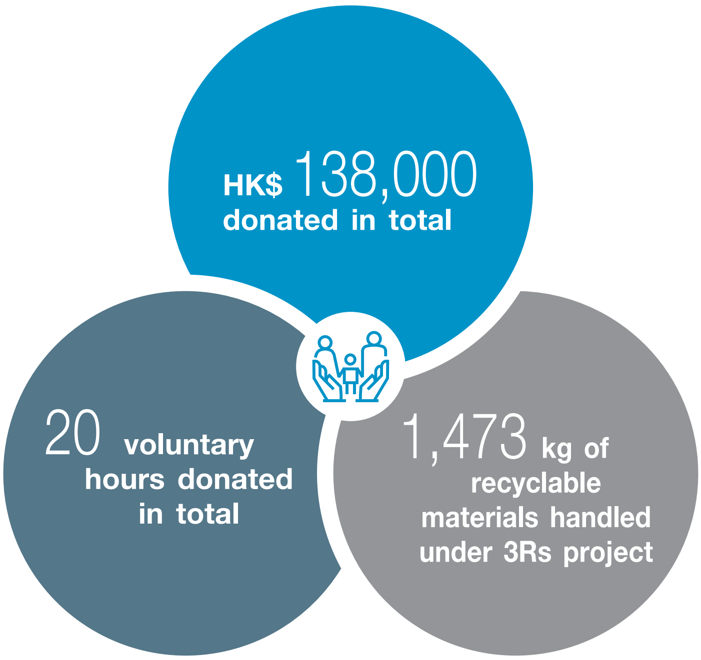
Conflict of Interest

To better manage conflict of interest situations, the Group has a Conflict of Interest Policy in place, providing a mechanism for employees to declare any potential and actual conflict of interest. Employees must declare to the Group any financial interest, direct or indirect, which they or members of their immediate family may have, in any business or other organisation which competes with the Group or with which the Group has business dealings.

COMMUNITY INVOLVEMENT

The Group spares no effort to fulfil its corporate social responsibility. We have actively supported community work in diverse ways, sending warmth and care to different parties by such means as supporting the youth development program, promoting the United Nations Sustainable Development Goals (UNSDGs), participating in pet charity concerts, and donating rapid antigen test kits to multiple non-profit organisations.

Summary of the Community Investment



Youth Sports Development Sponsorship

The Group sponsored the "2024–2025 Well Dunk! Public Estate Basketball League & Training Programme" organized by InspiringHK Sports Foundation with donation of HK$138,000, supporting professional training, equipment provision and competitive opportunities for youths from public housing estates, promoting sports development, teamwork and positive youth engagement in the community.

(Our sponsored team: Kwai Chung Guardians)

Our sponsored team, Kwai Chung Guardians, was crowned the Gold Plate Champion in the Grand Finals. Their journey, from weekly training to claiming the top prize, is a powerful example of what consistent support and belief in youth can achieve. At CN Logistics, we believe in supporting meaningful causes that fuel the healthy growth of youth. Whether through mentorship, resources, or long-term partnerships, we are always caring for the community and investing in tomorrow's leaders.

International Women's Day

To support a world free of bias, stereotypes and discrimination, the Group celebrated the International Women's Day with Women in our Workplace and held a special flower gifting event at our China office in March 2025.

APPENDIX

Appendix 1 — Applicable Laws and Regulations

Aspect	Laws and Regulations	Section
Environment	• Air Pollution Control Ordinance • Waste Disposal Ordinance • Water Pollution Control Ordinance • Energy Conservation Law of the PRC	ENVIRONMENTAL STEWARDSHIP
Employment and Labour Standards	• Employment Ordinance • Disability Discrimination Ordinance • Sex Discrimination Ordinance • Race Discrimination Ordinance • Minimum Wage Ordinance • Mandatory Provident Fund Schemes Ordinance • Labour Law of the PRC	EMPLOYMENT PRACTICES
Occupational Health and Safety	• Employment Ordinance • Occupational Safety and Health Ordinance • Employees' compensation Ordinance • Occupational Safety and Health Regulation • Labour Law of the PRC	EMPLOYMENT PRACTICES
Product Responsibility	• Personal Data (Privacy) Ordinance • Regulation of the PRC on the Customs Protection of Intellectual Property Rights	OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY
Anti-corruption	• Prevention of Bribery Ordinance • Anti-money Laundering and Counter-Terrorist Financing Ordinance • Competition Ordinance • Securities and Futures (Stock Market Listing) Rules • Anti-Money Laundering Law of the PRC	OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY

Appendix 2 — Overview of Key Performance Indicator

- ***Environmental Performance***

Key Environmental Performance Indicators		Unit	2025	2024
Climate-related Indicators				
N/A	Greenhouse gas (GHG) emissions			
	Scope 1	tCO_2e	—	20.21
	Scope 2	tCO_2e	1,921.09	2,220.83
	Scope 3	tCO_2e	6,349,034.36	71.18
	Total GHG emissions (Scopes 1, 2 & 3)	tCO_2e	6,350,955.45	2,312.22
	Intensity per floor area	tCO_2e/m^2	70.4754	0.0217
Aspect A1 Emission				
KPI A1.1	Types of emissions and respective emission data			
	Nitrogen Oxides (NOx)	kg	3.89	4.06
	Sulfur Oxides (SOx)	kg	0.11	0.11
	Particulate Matter (PM)	kg	0.29	0.30
KPI A1.3	Hazardous waste			
	Printing cartridges	tonnes	0.09	0.10
	Light tubes	tonnes	0.11	0.42
	Total hazardous waste	tonnes	0.20	0.52
	Intensity per floor area	tonnes/m^2 ('000)	0.0000	0.0000
KPI A1.4	Non-hazardous waste			
	Total non-hazardous waste	tonnes	117.02	233.11
	Intensity of non-hazardous waste	tonnes/m^2	0.0013	0.0022
Aspect A2 Use of resources				
KPI A2.1	Energy consumption			
	Total energy consumption	MWh	4,342.47	4,904.41
	Intensity of energy consumption	MWh/m^2	0.0482	0.0964
KPI A2.2	Water consumption			
	Total water consumption	m^3	6,732.76	7,947.00
	Intensity of water consumption	m^3/m^2	0.0747	0.1473
KPI A2.5	Total packaging materials			
	Plastic	tonnes	116.12	24.47
	Paper and carton box	tonnes	204.02	406.52
	Metal	tonnes	0.21	0.24
	Total packaging materials	tonnes	220.35	431.23
	Packaging material intensity	tonnes/m^2	0.00245	0.00405

- ***Social Performance***

Key Social Performance Indicators			2025	2024
Aspect B1 Employment				
KPI B1.1	Total workforce			
	Gender	Male	186	195
		Female	288	322
	Employment type	General Manager or above	18	23
		Senior Manager	55	49
		Officer, Clerk	268	285
		Contract	133	160
	Age group	19 or below	0	0
		20–29	38	34
		30–39	138	180
		40–49	218	207
		50 or above	80	96
	Geographical region	Hong Kong	165	189
		Mainland China	309	328
KPI B1.2	Employee turnover rate			
	Gender	Male	13.44%	26.67%
		Female	20.14%	13.98%
	Age group	19 or below	0.00%	0.00%
		20–29	26.32%	41.18%
		30–39	22.46%	22.78%
		40–49	10.55%	12.56%
		50 or above	23.75%	16.67%
	Geographical region	Hong Kong	18.18%	19.58%
		Mainland China	17.15%	18.29%

Aspect B2 Health and safety

		2025	2024	2022
KPI B2.1	Work-related fatalities	0	0	0
KPI B2.2	Lost days due to work injury	0	0	73

Key Social Performance Indicators			2025	2024
Aspect B3 Development and Training				
KPI B3.1	Percentage of trained employees			
	Gender	Male	44.24%	44.38%
		Female	55.76%	55.62%
	Employee category	General Manager or above	4.98%	6.38%
		Senior Manager	10.90%	10.34%
		Officer, Clerk	75.70%	61.70%
		Contract	8.42%	21.58%
KPI B3.2	Average training hours completed			
	Gender	Male	3	2
		Female	2	1
	Employee category	General Manager or above	2	2
		Senior Manager	3	2
		Officer, Clerk	4	2
		Contract	1	1
Aspect B5 Supply Chain Management				
KPI B5.1	Supply Chain Management			
	Number of suppliers by geographical regions	Mainland China	385	493
		Hong Kong	386	401
		Japan	235	198
		Korea	199	274
		Italy	659	610
		Taiwan	46	41
		France	99	96
		Switzerland	56	78
		USA	57	57
		Vietnam	246	188
		Indonesia	188	126
		Cambodia	108	75
	Total number of suppliers		2,664	2,637

Key Social Performance Indicators			2025	2024
Aspect B6 Product Responsibility				
KPI B6.1	Total products sold or shipped subject to recalls		0	0
KPI B6.2	Number of complaints		0	0
Aspect B7 Anti-corruption				
KPI B7.1	Number of legal cases		0	0
KPI B7.3	Training hours of anti-corruption training sessions	Directors	1.5	1.5
		Staff members	1.5	1.5
Aspect B8 Community Investment				
KPI B8.2	Resources contributed to the focus area (By donation in cash) (In HKD)			
		Miscellaneous	138,000	138,000
	Resources contributed to the focus area (By voluntary hours)			
		Miscellaneous	16	16

Appendix 3 — The ESG Reporting Code Content Index of HKEX

Subject Areas, Aspect, General Disclosure and KPIs		Compliance Level	Section
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Comply	BOARD STATEMENT
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: **Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/ energy consumption (where applicable) should be disclosed. **Balance:** The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader. **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Comply	ABOUT THIS REPORT — Reporting Guideline STAKEHOLDER ENGAGEMENT AND MATERIALITY
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Comply	ABOUT THIS REPORT — Reporting Boundary and Period

Subject Areas, Aspect, General Disclosure and KPIs		Compliance Level	Section
A. Environmental			
A1 Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to waste air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Comply	ENVIRONMENTAL STEWARDSHIP; RESOURCES MANAGEMENT; EMISSIONS AND WASTE
A1.1	The types of emissions and respective emissions data.	Comply	EMISSIONS AND WASTE — Greenhouse Gas Emission — Air Emission
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Comply	EMISSIONS AND WASTE — Waste Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Comply	EMISSIONS AND WASTE — Waste Management
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Comply	EMISSIONS AND WASTE — Air Emission — Greenhouse Gas Emission
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Comply	EMISSIONS AND WASTE — Waste Management — Professional Waste Solution

Subject Areas, Aspect, General Disclosure and KPIs		Compliance Level	Section
A2 Use of resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Comply	RESOURCES MANAGEMENT; TACKLING CLIMATE CHANGES — Energy Usage
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Comply	RESOURCES MANAGEMENT; TACKLING CLIMATE CHANGES — Energy Usage
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Comply	RESOURCES MANAGEMENT — Water Usage
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Comply	RESOURCES MANAGEMENT — Energy Usage
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Comply	RESOURCES MANAGEMENT — Water Usage
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Comply	RESOURCES MANAGEMENT — Use of Packaging Materials
A3 The environment and natural resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Comply	ENVIRONMENT AND NATURAL RESOURCES
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Comply	ENVIRONMENT AND NATURAL RESOURCES

Subject Areas, Aspect, General Disclosure and KPIs		Compliance Level	Section
B. Social			
B1 Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Comply	EMPLOYMENT PRACTICES
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Comply	TALENT ACQUISITION
B1.2	Employee turnover rate by gender, age group and geographical region.	Comply	TALENT ACQUISITION — Dismissal and Retirement Arrangement
B2 Health and safety			
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Comply	OCCUPATIONAL HEALTH AND SAFETY
B2.1	Number and rate of work-related fatalities.	Comply	OCCUPATIONAL HEALTH AND SAFETY — Safety Management
B2.2	Lost days due to work injury.	Comply	OCCUPATIONAL HEALTH AND SAFETY — Safety Management
B2.3	Description of occupational safety and health measures adopted, how they are implemented and monitored.	Comply	OCCUPATIONAL HEALTH AND SAFETY

Subject Areas, Aspect, General Disclosure and KPIs		Compliance Level	Section
B3 Development and training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Comply	TALENT ACQUISITION — Talent Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Comply	TALENT ACQUISITION — Talent Development
B3.2	The average training hours completed per employee by gender and employee category.	Comply	TALENT ACQUISITION — Talent Development
B4 Labour standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Comply	EMPLOYMENT PRACTICES; LABOUR STANDARDS
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Comply	LABOUR STANDARDS
B4.2	Description of steps taken to eliminate such practices when discovered.	Comply	LABOUR STANDARDS
B5 Supply chain management			
General Disclosure	Policies on managing environmental and social risks of supply chain.	Comply	SUPPLY CHAIN MANAGEMENT
B5.1	Number of suppliers by geographical region.	Comply	SUPPLY CHAIN MANAGEMENT
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Comply	SUPPLY CHAIN MANAGEMENT
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Comply	SUPPLY CHAIN MANAGEMENT
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Comply	SUPPLY CHAIN MANAGEMENT

Subject Areas, Aspect, General Disclosure and KPIs		Compliance Level	Section
B6 Product responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Comply	OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Comply	OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY
B6.2	Number of products and service related complaints received and how they are dealt with.	Comply	OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Comply	OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY — Protection of Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Comply	OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Comply	OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY — Customer Privacy Protection

Subject Areas, Aspect, General Disclosure and KPIs		Compliance Level	Section
B7 Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Comply	ANTI-CORRUPTION
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Comply	ANTI-CORRUPTION
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Comply	ANTI-CORRUPTION — Whistle-blowing System
B7.3	Description of anti-corruption training provided to directors and staff.	Comply	ANTI-CORRUPTION
B8 Community investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Comply	COMMUNITY INVOLVEMENT
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Comply	COMMUNITY INVOLVEMENT
B8.2	Resources contributed (e.g. money or time) to the focus area.	Comply	COMMUNITY INVOLVEMENT — Summary of the Community Investment

Mandatory Disclosure Requirements		Compliance Level	Section
D. Climate-related Disclosures			
(I) Governance			
An issuer shall disclose information about:			
(a) Disclosure on the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:			
(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Comply	BOARD STATEMENT
(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Comply	BOARD STATEMENT TACKLING CLIMATE CHANGE
(iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Comply	BOARD STATEMENT ENVIRONMENTAL STEWARDSHIP
(iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and	Comply	TACKLING CLIMATE CHANGE
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:			
(i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Comply	BOARD STATEMENT
(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Comply	TACKLING CLIMATE CHANGE

Mandatory Disclosure Requirements		Compliance Level	Section
(II) Strategy			
An issuer shall disclose information about:			
An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:			
(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Comply	TACKLING CLIMATE CHANGE
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Comply	TACKLING CLIMATE CHANGE
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Comply	TACKLING CLIMATE CHANGE
(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Comply	TACKLING CLIMATE CHANGE
Business model and value chain			
An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:			
(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Comply	TACKLING CLIMATE CHANGE
(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Comply	TACKLING CLIMATE CHANGE

Mandatory Disclosure Requirements		Compliance Level	Section
Strategy and decision-making			
An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:			
(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate- related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; (iv) how the issuer plans to achieve any climate- related targets (including any greenhouse gas emissions targets (if any); and	Comply	TACKLING CLIMATE CHANGE
(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed	Comply	TACKLING CLIMATE CHANGE
(c)	information about the progress of plans disclosed in previous reporting periods	Comply	TACKLING CLIMATE CHANGE

Mandatory Disclosure Requirements		Compliance Level	Section
Business model and value chain			
Finance position, financial performance and cash flows			
Current financial effect			
(a)	An issuer shall disclose qualitative and quantitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Comply	TACKLING CLIMATE CHANGE
(b)	the climate-related risks and opportunities identified, for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Explain	No climate-related risks and opportunities identified that are expected to make a material impact on the financial statement for the next annual reporting period.
Anticipated financial effect			
(a)	The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	Comply	TACKLING CLIMATE CHANGE
(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Comply	TACKLING CLIMATE CHANGE

Mandatory Disclosure Requirements		Compliance Level	Section
Climate resilience			
(a)	The issuer shall provide qualitative and quantitative disclosures about the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Explain	Pursuant to the Capabilities Relief, the Group has determined that it currently lacks the specialized modeling software and technical data parameters required to conduct a full quantitative scenario analysis across its 20 global offices. The Group has instead used a qualitative approach to identify high-level physical and transition risks. The Group is currently enhancing its internal capacity and exploring partnerships with climate data providers. We aim to disclose the outcomes of a qualitative scenario analysis, progressing toward a quantitative assessment thereafter.
(b)	how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used; (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.		

Mandatory Disclosure Requirements		Compliance Level	Section
(III) Risk Management			
(a)	An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses; (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks; (iv) whether and how the issuer prioritises climate- related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Comply	TACKLING CLIMATE CHANGE
(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Comply	TACKLING CLIMATE CHANGE
(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Comply	TACKLING CLIMATE CHANGE

Mandatory Disclosure Requirements		Compliance Level	Section
(IV) Metrics and Targets			
Greenhouse gas emission			
(a)	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: • Scope 1 greenhouse gas emissions; • Scope 2 greenhouse gas emissions; and • Scope 3 greenhouse gas emissions.	Comply	EMISSIONS AND WASTE — Greenhouse Gas Emission
(b)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Comply	EMISSIONS AND WASTE — Greenhouse Gas Emission
(c)	disclose the approach it uses to measure its greenhouse gas emissions;	Comply	EMISSIONS AND WASTE — Greenhouse Gas Emission
(d)	for Scope 2 greenhouse gas emissions disclosed, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Comply	EMISSIONS AND WASTE — Greenhouse Gas Emission
(e)	for Scope 3 greenhouse gas emissions disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Comply	EMISSIONS AND WASTE — Greenhouse Gas Emission

Mandatory Disclosure Requirements		Compliance Level	Section
Climate-related risks and opportunities			
(a)	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to: (i) climate-related transition risks; and (ii) climate-related physical risks.	Comply	TACKLING CLIMATE CHANGE
(b)	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate- related opportunities.	Explain	The Group has concluded that the precise carrying amount of assets vulnerable to climate risks cannot be separately identified from general operational assets without undue cost and effort at this stage. The Group manages asset vulnerability through its ISO 14001 certified Environmental Management System and its phased transition plan to retire ICE vehicles in favor of EVs. We are in the process of mapping our physical assets against regional flood and heat risk data to develop a vulnerability percentage by the next reporting cycle

Mandatory Disclosure Requirements		Compliance Level	Section
Capital deployment, internal carbon prices, remuneration and industry-based metrics			
(a)	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Comply	ENVIRONMENTAL STEWARDSHIP — Sustainable Logistics by CNL Green Solutions
(b)	An issuer shall disclose: (i) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (ii) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Comply	TACKLING CLIMATE CHANGE
(c)	An issuer shall disclose whether and how climate- related considerations are factored into remuneration policy, or an appropriate negative statement.	Comply	TACKLING CLIMATE CHANGE
(d)	In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate- related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Comply	ENVIRONMENTAL STEWARDSHIP — CN Logistics and its Workshop

Mandatory Disclosure Requirements		Compliance Level	Section
Climate-related targets			
(a)	An issuer shall disclose (i) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (ii) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	Comply	EMISSIONS AND WASTE — Greenhouse Gas Emission
(b)	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	Comply	EMISSIONS AND WASTE — Greenhouse Gas Emission
(c)	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Comply	EMISSIONS AND WASTE — Greenhouse Gas Emission
(d)	For each greenhouse gas emissions target disclosed: (i) which greenhouse gases are covered by the target; (ii) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (iii) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target; (iv) whether the target was derived using a sectoral decarbonisation approach; and (v) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.	Comply	EMISSIONS AND WASTE — Greenhouse Gas Emission

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of CN Logistics International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of CN Logistics International Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 103 to 179, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of goodwill arising from acquisition of Allport Cruise Logistics Inc. and its subsidiaries ("Allport Cruise Group")

Refer to note 13 to the consolidated financial statements and the accounting policies on notes 1(g) and 1(l)(ii).

The Key Audit Matter	How the matter was addressed in our audit
The Group has a significant balance of goodwill with carrying value of HK$201.4 million as at 31 December 2025, allocated to the cash generating unit ("CGU") of cruise logistics business arising from acquisition of Allport Cruise Group in 2022. Goodwill impairment assessment is performed by management annually by comparing the carrying value of the CGU with its recoverable amount, which is the value in use estimated by preparing a discounted cash flow forecast, to determine the amount of impairment loss, if any. The preparation of discounted cash flow forecast involves the exercise of significant management judgement in determining the relevant inputs to the discounted cash flow forecast and the assumptions adopted therein, including forecast revenue growth rates and the discount rate applied. We identified the impairment assessment of goodwill as a key audit matter because the assessment involves significant management judgement, particularly in forecasting revenue growth rates and in determining an appropriate discount rate, all of which could be subject to management bias in their selection.	Our audit procedures to assess impairment of goodwill of cruise logistics business — Allport Cruise Group included the following: — understanding and evaluating the design and implementation of key controls related to the goodwill impairment assessment process; — assessing the management's identification of goodwill to the CGU and the methodology adopted by management in the preparation of the discounted cash flow forecast with reference to our understanding of the Group and the requirements of prevailing accounting standards with the assistance of our internal valuation specialists; — with the assistance of our internal valuation specialists, assessing the management's cash flow forecast by comparing the key assumptions adopted by management, in particular, forecast revenue growth rates and the discount rate applied, with reference to our understanding of the Group's business and industry and available market data; — performing sensitivity analysis on the discount rate applied and other key assumptions adopted by management to assess the impact of changes on the conclusion reached in management's impairment assessment and considering whether there were any indicators of management bias in the key assumptions adopted; and — assessing the disclosures in the consolidated financial statements in respect of the impairment assessment with reference to the requirements of the prevailing accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the financial statements. We have performed an assurance engagement on the continuing connected transactions that forms part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statement, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sylvene Fong (practicing certificate number: P05027).

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 $'000	2024 $'000
Revenue	3	**3,007,077**	2,745,518
Cost of sales		**(2,508,897)**	(2,231,212)
Gross profit		**498,180**	514,306
Other income	4(a)	**5,147**	5,320
Other net (loss)/gain	4(b)	**(12,032)**	10,278
Administrative and other operating expenses		**(417,428)**	(423,379)
Profit from operations		**73,867**	106,525
Finance costs	5(a)	**(24,172)**	(27,069)
Share of results of associates		**2,889**	3,410
Profit before taxation	5	**52,584**	82,866
Income tax	6(a)	**(29,735)**	(50,899)
Profit for the year		**22,849**	31,967
Attributable to:			
Equity shareholders of the company		**15,359**	32,009
Non-controlling interests		**7,490**	(42)
Profit for the year		**22,849**	31,967
Earnings per share (Hong Kong cents)	10		
Basic		**5.2**	10.9
Diluted		**5.2**	10.9

The notes on pages 111 to 179 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 26(b).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 $'000	2024 $'000
Profit for the year		22,849	31,967
Other comprehensive income for the year (after tax)	9		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit retirement obligations		629	(142)
Remeasurement of equity investment at fair value through other comprehensive income		(105)	86
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of subsidiaries and associates outside Hong Kong		20,715	(23,287)
Total comprehensive income for the year		44,088	8,624
Attributable to:			
Equity shareholders of the Company		37,424	11,414
Non-controlling interests		6,664	(2,790)
Total comprehensive income for the year		44,088	8,624

The notes on pages 111 to 179 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 $'000	2024 $'000
Non-current assets			
Property, plant and equipment	11	196,660	213,938
Intangible assets	12	3,329	2,274
Goodwill	13	223,654	222,224
Interests in associates	15	17,028	14,617
Other financial assets	16	1,044	1,144
Loan receivables	20	7,547	8,904
Deferred tax assets	25(b)	16,384	11,223
		465,646	474,324
Current assets			
Trade and other receivables and contract assets	17	914,651	795,326
Amounts due from related companies	28(b)	12,406	12,409
Amounts due from EV Cargo Group	28(b)	21,643	21,736
Amounts due from DP World Group	28(b)	43,293	26,983
Amounts due from associates	28(b)	996	845
Other financial assets	16	–	4,041
Loan receivables	20	6,255	5,311
Pledged bank deposits	18	2,326	2,256
Time deposit		19,282	2,534
Cash and cash equivalents	19	299,616	255,023
		1,320,468	1,126,464
Current liabilities			
Trade and other payables and contract liabilities	21	422,644	406,582
Amounts due to EV Cargo Group	28(b)	10,885	10,086
Amounts due to DP World Group	28(b)	219,864	122,225
Amounts due to associates	28(b)	189	102
Bank loans and overdrafts	22	456,137	381,531
Lease liabilities	23	37,157	39,288
Current taxation	25(a)	6,355	22,707
		1,153,231	982,521
Net current assets		167,237	143,943
Total assets less current liabilities		632,883	618,267

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 $'000	2024 $'000
Non-current liabilities			
Bank loans	22	**1,107**	2,544
Lease liabilities	23	**40,735**	39,968
Defined benefit retirement obligation	24(a), 24(b)	**16,203**	13,776
Amounts due to DP World Group	28(b)	**—**	12,044
Deferred tax liabilities	25(b)	**1,477**	1,477
		59,522	69,809
NET ASSETS		**573,361**	548,458
CAPITAL AND RESERVES	26		
Share capital		**2,344**	2,344
Reserves		**542,029**	510,423
Total equity attributable to equity shareholders of the company		**544,373**	512,767
Non-controlling interests		**28,988**	35,691
TOTAL EQUITY		**573,361**	548,458

Approved and authorised for issue by the board of directors on 31 March 2026.

Mr. Lau Shek Yau John
Director

Mr. Ngan Tim Wing
Director

The notes on pages 111 to 179 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

		Attributable to equity shareholders of the Company									
	Note	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 2024		2,154	238,290	(64,325)	16,642	(21,057)	(1,353)	192,698	363,049	50,448	413,497
Changes in equity for 2024:											
Profit for the year		–	–	–	–	–	–	32,009	32,009	(42)	31,967
Other comprehensive income	9	–	–	–	(1,523)	(19,016)	86	(142)	(20,595)	(2,748)	(23,343)
Total comprehensive income		–	–	–	(1,523)	(19,016)	86	31,867	11,414	(2,790)	8,624
Shareholder contribution		–	–	–	–	–	–	19	19	–	19
Dividend paid to Shareholders	26(b)(i)&(ii)	–	(8,781)	–	–	–	–	–	(8,781)	–	(8,781)
Dividend paid to non controlling interest	26(b)(iii)	–	–	–	–	–	–	–	–	(11,967)	(11,967)
Issue of ordinary shares	26(a)	190	146,876	–	–	–	–	–	147,066	–	147,066
Balance at 31 December 2024		2,344	376,385	(64,325)	15,119	(40,073)	(1,267)	224,584	512,767	35,691	548,458

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

		Attributable to equity shareholders of the Company									
	Note	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	9	–	–	–	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	26(b)(i)&(ii)	–	(5,854)	–	–	–	–	–	(5,854)	–	(5,854)
Dividend paid to non-controlling interest	26(b)(iii)	–	–	–	–	–	–	–	–	(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

The notes on pages 111 to 179 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 $'000	2024 $'000
Operating activities			
Cash generated from operations	19(b)	141,526	93,129
Hong Kong Profits Tax paid		(4,896)	(3,598)
Tax paid outside Hong Kong		(47,499)	(30,775)
Net cash generated from operating activities		89,131	58,756
Investing activities			
Payment for purchase of property, plant and equipment		(7,114)	(16,771)
Proceeds from disposals of property, plant and equipment		297	54
Payment for purchase of intangible assets		(1,334)	(390)
(Increase) in pledged bank deposits		(12)	(12)
Interest income from loans to Directors		–	183
Interest received from bank deposits		2,423	4,296
Dividend income from unlisted equity securities	16(b)(ii)	34	35
(Increase)/decrease in time deposits placed with banks		(16,748)	19,671
Loans advanced to an employee		–	(13,663)
Loans repayment from Directors		2,800	5,573
Loan repayment from an employee		312	624
Loan advanced to a Director		–	(2,800)
Proceed from disposal of joint ventures		–	2,904
Proceeds from redemption of other financial assets		4,041	–
Net cash used in investing activities		(15,301)	(296)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 $'000	2024 $'000
Financing activities			
Proceeds from new bank loans	19(c)	**886,985**	525,087
Repayment of bank loans	19(c)	**(821,337)**	(459,702)
Capital element of lease rentals paid	19(c)	**(63,256)**	(73,268)
Interest element of lease rentals paid	19(c)	**(3,649)**	(4,601)
Interest paid	19(c)	**(20,523)**	(22,468)
Dividend paid to equity shareholders	26(b) (i)&(ii)	**(5,854)**	(8,781)
Dividend paid to non-controlling interests	26(b)(iii)	**(13,367)**	(11,967)
Net cash used in financing activities		**(41,001)**	(55,700)
Net increase in cash and cash equivalents		**32,829**	2,760
Cash and cash equivalents at 1 January		**254,936**	260,210
Effect of foreign exchange rate changes		**8,584**	(8,034)
Cash and cash equivalents at 31 December	19(a)	**296,349**	254,936

The notes on pages 111 to 179 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of Compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of Preparation of the Financial Statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interests in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investments in equity securities (see note 1(h)); and
- defined benefit retirement plan obligations (see note 1(r)(ii)).

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

(c) Changes in Accounting Policies

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(d) Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(e) Subsidiaries and Non-Controlling Interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(p) or 1(q) depending on the nature of the liability.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Subsidiaries and Non-Controlling Interests (Continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(h)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 1(f)).

(f) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(g) and 1(l)(ii)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate (after applying the expected credit loss ("ECL") model to such other long-term interests where applicable (see note 1(l)(i)).

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(h)).

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(g) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(l)(ii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(h) Other Investments in Equity Securities

The Group's policies for investments in equity securities, other than investments in subsidiaries and associates are set out below.

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 27(e). These investments are subsequently accounted for as follows:

Equity Investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at fair value through other comprehensive income ("FVOCI") (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 1(u)(iv).

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Property, Plant and Equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(l)(ii)):

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and

- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 1(k)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

— Leasehold improvements	Over the unexpired lease term
— Furniture and fixtures	5–10 years
— Motor vehicles	4–7 years
— Office equipment and machinery	2–5 years
— Computer equipment	3–5 years
— Warehouse equipment	3–15 years
— Right-of-use assets	Over the unexpired lease term

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(j) Intangible Assets (Other Than Goodwill)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(l)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

— Software	1–3 years
— Website	5 years
— Club membership	Indefinite

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Leased Assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(i) and 1(l)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group presents right-of-use assets in "property, plant and equipment" and presents lease liabilities separately in the consolidated statement of financial position. The current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit Losses and Impairment of Assets

(i) Credit Losses from Financial Instruments

The Group recognises a loss allowance for ECLs on the following items:

- financial assets measured at amortised cost (including trade and other receivables, amounts due from related parties, amounts due from associates and cash and cash equivalents); and

- contract assets as defined in HKFRS 15 (see note 1(m)).

Other financial assets measured at fair value, including equity securities measured at FVPL, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables, amounts due from related parties, amounts due from associates and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit Losses and Impairment of Assets (Continued)

(i) Credit Losses from Financial Instruments (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 1(u)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit Losses and Impairment of Assets (Continued)

(i) Credit Losses from Financial Instruments (Continued)

Basis of calculation of interest income (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or past due event;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of Other Non-Current Assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment, including right-of-use assets;

– intangible assets;

– goodwill; and

– investments in subsidiaries and associates.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit Losses and Impairment of Assets (Continued)

(ii) Impairment of Other Non-Current Assets (Continued)

– ***Calculation of recoverable amount***

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– ***Recognition of impairment losses***

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– ***Reversals of impairment losses***

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim Financial Reporting and Impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(l)(i) and 1(l)(ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(m) Contract Assets and Contract Liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(u)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 1(l)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(n)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 1(u)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(n)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(u)(iii)).

(n) Trade and Other Receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 1(m)).

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses (see note 1(l)(i)).

Insurance reimbursement is recognised and measured in accordance with note 1(t)(i).

(o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 1(l)(i).

(p) Trade and Other Payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(q) Interest-Bearing Borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 1(w)).

(r) Employee Benefits

(i) Short Term Employee Benefits and Contributions to Defined Contribution Retirement Plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Defined Benefit Retirement Plan Obligations

The Group has the following two categories of defined benefit plans

- defined benefit retirement plan for employees in Italy; and

- long service payment ("LSP") under the Hong Kong Employment Ordinance.

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Service cost and net interest expense (income) on the net defined benefit liability (asset) are recognised in profit or loss as part of "administrative and other operating expenses". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

When the benefits of a plan are changed, or when a plan is curtailed, current service cost for the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(r) Employee Benefits (Continued)

(ii) Defined Benefit Retirement Plan Obligations (Continued)

Remeasurements arising from defined benefit retirement plans are recognised in other comprehensive income and reflected immediately in retained profits. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

(iii) Share Award Scheme

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.

(s) Income Tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investment in subsidiaries and associates to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria met.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(t) Provisions, Contingent Liabilities and Onerous Contracts

(i) Provisions and Contingent Liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(ii) Onerous Contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfill that contract.

(u) Revenue and Other Income

Income is classified by the Group as revenue when it arises from the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Freight Forwarding Services

Freight forwarding services include air freight forwarding services, ocean freight forwarding services and cruise logistics services. Revenue from freight forwarding services is recognised over time.

Other practical expedients applied

The Group has applied practical expedients for freight forwarding and cruise logistics services that had an original expected duration of one year or less, the Group has not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121(a) of HKFRS 15.

(ii) Distribution and Logistics Services

Revenue from distribution and logistics services is recognised when the services are rendered.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Revenue and Other Income (Continued)

(iii) Interest Income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(l)(i)).

(iv) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(v) Government Grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(v) Translation of Foreign Currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Hong Kong dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Hong Kong dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(w) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(x) Related Parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

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

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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

(vi) The entity is controlled or jointly controlled by a person identified in (a).

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

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment Reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made the following accounting judgements and estimates which have the most significant effect on the amounts recognised in the financial statements:

Impairment Assessment of Goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 1(l)(ii). The recoverable amounts of relevant cash generating units ("CGUs") have been determined based on value in use calculations, which are disclosed in note 13. These calculations require the use of estimates and significant judgement by management, including the future cash flows expected to arise from the CGUs, discount rates for calculating the present value and growth rates used to extrapolate cash flow projections beyond the financial forecasts approved by management. Changes in facts and circumstances may result in revisions to estimates of recoverable amounts, which could affect the consolidated profit or loss in future years.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provisions of air freight forwarding services, ocean freight forwarding services, cruise logistics services and distribution and 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:

	2025 **$'000**	2024 $'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major service lines		
— Provision of air freight forwarding services	**1,393,897**	1,178,575
— Provision of ocean freight forwarding services	**832,645**	780,442
— Provision of cruise logistics services	**468,525**	430,256
— Provision of distribution and logistics services	**312,010**	356,245
	3,007,077	2,745,518

(Expressed in Hong Kong dollars unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (Continued)

(a) Revenue (Continued)

(i) Disaggregation of Revenue (Continued)

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.

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

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

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, Revenue from contracts with customers. 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.

The Group's customer base is diversified and include two customers (2024: one) with whom transactions have exceeded 10% of the Group's revenue during the year ended 31 December 2025. The revenue from each of these customers amounted to approximately HK$381.9 million (2024: HK$373.2 million) and HK$348.8 million (2024: HK$148.3 million), respectively.

(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 shipments of supplies for drydock project and cruise replenishment for cruise operators
- 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.

(Expressed in Hong Kong dollars unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (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 years ended 31 December 2025 and 2024 is set out below.

	2025				
	Air freight $'000	Ocean freight $'000	Cruise logistics $'000	Distribution and logistics $'000	Total $'000
Reportable segment revenue — external sales	1,393,897	832,645	468,525	312,010	3,007,077
Reportable segment gross profit	135,306	148,610	160,521	53,743	498,180
Other income					5,147
Other net loss					(12,032)
Administrative and other operating expenses					(417,428)
Finance costs					(24,172)
Share of profits of associates					2,889
Profit before taxation					52,584

	2024				
	Air freight $'000	Ocean freight $'000	Cruise logistics $'000	Distribution and logistics $'000	Total $'000
Reportable segment revenue — external sales	1,178,575	780,442	430,256	356,245	2,745,518
Reportable segment gross profit	159,006	180,083	129,206	46,011	514,306
Other income					5,320
Other net gain					10,278
Administrative and other operating expenses					(423,379)
Finance costs					(27,069)
Share of profits of associates and joint ventures					3,410
Profit before taxation					82,866

(Expressed in Hong Kong dollars unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (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 and the amounts of specified non-current assets (other than deferred tax assets, other financial assets and loan receivables). The geographical locations of revenue from customers are based on the locations at which the services are provided. The geographical locations of the specified non-current assets are based on the physical locations of the assets, in the case of property, plant and equipment, the locations of the operations to which they are allocated, in the case of goodwill and intangible assets, and the locations of operations, in the case of interests in associates.

	2025 $'000	2024 $'000
Revenue from external customers		
Hong Kong	660,575	529,867
Mainland China	691,575	638,139
Italy	657,168	708,736
Taiwan	126,689	127,453
USA	447,404	421,188
Other countries and regions	423,666	320,135
	3,007,077	2,745,518
Specified non-current assets		
Hong Kong	43,961	46,763
Mainland China	95,479	107,964
Italy	50,555	50,488
Taiwan	25,692	27,037
USA	209,660	209,069
Other countries and regions	15,324	11,732
	440,671	453,053

(Expressed in Hong Kong dollars unless otherwise indicated)

4 OTHER INCOME AND OTHER NET (LOSS)/GAIN

		2025 $'000	2024 $'000
(a)	***Other income***		
	Bank interest income	**2,423**	4,296
	Interest income from Directors	**–**	267
	Interest income from an employee	**661**	506
	Government grants	**–**	190
	Dividend income from unlisted equity securities (note 16(b)(ii))	**34**	35
	Others	**2,029**	26
		5,147	5,320
(b)	***Other net (loss)/gain***		
	Loss on disposals of property, plant and equipment	**(186)**	(11)
	Fair value gain of purchase consideration payable (note (i))	**–**	976
	Net foreign exchange (loss)/gain	**(13,613)**	7,886
	Others	**1,767**	1,427
		(12,032)	10,278

Note i: The gain arose from the fair value change of purchase consideration payable in relation to the acquisition of Allport Cruise Group in March 2022.

(Expressed in Hong Kong dollars unless otherwise indicated)

5 PROFIT BEFORE TAXATION

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

		2025 $'000	2024 $'000
(a)	***Finance costs***		
	Interest on bank loans and overdrafts	**20,523**	22,468
	Interest on lease liabilities	**3,649**	4,601
		24,172	27,069
(b)	***Staff costs***		
	Contribution to defined contribution retirement plans	**34,597**	36,343
	Expenses recognised in respect of defined benefit retirement plans	**1,972**	2,247
	Salaries, wages and other benefits	**312,001**	300,609
		348,570	339,199
(c)	***Other operating expenses (note (i))***		
	Auditors' remuneration — KPMG	**5,150**	4,818
	Auditors' remuneration to other auditors	**389**	215
	Net (reversal)/provision for impairment loss on trade receivables and amounts due from related companies	**(182)**	1,613
	Communication expenses	**3,225**	4,130
	Computer expenses	**8,067**	5,597
	Repair and maintenance expenses	**2,594**	2,586
	Management fee expenses		
	— related parties	**516**	663
	— other party (note (ii))	**1,187**	759
	Others	**4,423**	3,972
		25,369	24,353
(d)	***Other items***		
	Depreciation charge		
	— owned property, plant and equipment	**28,304**	29,073
	— right-of-use assets	**62,254**	74,069
	Amortisation cost of intangible assets	**367**	431
	Fair value gain of purchase consideration payable (note 4(b))	**—**	(976)

Notes:

(i) Other operating expenses are included in "administrative and other operating expenses" in the consolidated statement of profit or loss.

(ii) Management fee expenses are paid to non-controlling interest (without significant influence) of a subsidiary.

(Expressed in Hong Kong dollars unless otherwise indicated)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the Consolidated Statement of Profit or Loss Represents:

	2025 $'000	2024 $'000
Current tax — Hong Kong		
Provision for the year	2,700	4,541
Under/(over)-provision in respect of prior years	21	(381)
	2,721	4,160
Current tax — Outside Hong Kong		
Provision for the year	30,400	40,221
	30,400	40,221
Withholding tax on distributed profits		
Italy withholding tax	–	2,785
Korea withholding tax	–	468
Taiwan withholding tax	2,196	1,838
France withholding tax	64	144
Japan withholding tax	–	113
Indonesia withholding tax	39	–
Cambodia withholding tax	80	–
	2,379	5,348
Deferred tax		
Origination and reversal of temporary differences	(5,765)	1,170
	29,735	50,899

The provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year ended 31 December 2025.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China ("Mainland China") and the respective regulations, the subsidiaries operating in the Mainland China are subject to Enterprise Income Tax ("EIT") at the rate of 25% (2024: 25%) on the taxable income for the year ended 31 December 2025.

In accordance with the relevant tax laws of Italy, the provision for Corporate Income Tax is calculated at 28% (2024: 28%) for the year ended 31 December 2025.

(Expressed in Hong Kong dollars unless otherwise indicated)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(a) Taxation in the Consolidated Statement of Profit or Loss Represents: (Continued)

In accordance with the relevant tax laws of Taiwan, the provision for Corporate Income Tax is calculated at 20% (2024: 20%) for the year ended 31 December 2025.

In accordance with the relevant tax laws of USA, the provision for Federal Corporate Tax and State Income Tax are calculated at a rate of 21% (2024: 21%) and 5.5% (2024: 5.5%), respectively for the year ended 31 December 2025.

Taxation for subsidiaries incorporated in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant countries and regions.

Withholding tax is charged by tax authorities of Italy, Korea, Taiwan, France, Japan, Indonesia and Cambodia in respect of dividend income received from subsidiaries incorporated in the respective countries and regions, at rates of 10% (2024: 10%), 10% (2024: 10%), 21% (2024: 21%), 10% (2024: 10%), 5% (2024: 5%), 5% and 10%, respectively for the year ended 31 December 2025.

(b) Reconciliation between Tax Expense and Accounting Profit at Applicable Tax Rates:

	2025 $'000	2024 $'000
Profit before taxation	**52,584**	82,866
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	**13,324**	25,503
Tax effect of non-deductible expenses	**551**	1,407
Tax effect of non-taxable income	**(2,043)**	(1,421)
Tax effect of unused tax losses not recognised	**16,835**	16,031
Tax effect of utilisation of unused tax losses previously not recognised	**(1,154)**	—
Tax effect of derecognition of tax losses previously recognised	**—**	3,537
Tax concession	**(145)**	(122)
Withholding tax on the distributable and distributed profits of subsidiaries	**2,379**	6,825
Under/(over)-provision in respect of prior years	**21**	(381)
Others	**(33)**	(480)
Actual tax expense	**29,735**	50,899

(Expressed in Hong Kong dollars unless otherwise indicated)

7 DIRECTORS' EMOLUMENTS

	2025				
	Directors' fees $'000	Salaries, allowances, and benefits in kind $'000	Discretionary bonuses $'000	Retirement scheme contributions $'000	Total $'000
Chairman and executive Director					
Lau Shek Yau John	300	–	–	–	300
Non-executive Director					
Zissis Jason Varsamidis	300	–	–	–	300
Executive Directors					
Ngan Tim Wing	300	4,441	–	67	4,808
Chen Nga Man	300	1,888	–	18	2,206
Augusta Morandin	300	5,158	6,335	–	11,793
Fabio Di Nello	300	5,158	6,335	–	11,793
Independent non-executive Directors					
Lam Hing Lun Alain	300	–	–	–	300
Chan Chun Hung Vincent	300	–	–	–	300
Chun Chi Man	300	–	–	–	300
Roussel Christophe Albert Jean	300	–	–	–	300
	3,000	16,645	12,670	85	32,400

	2024				
	Directors' fees $'000	Salaries, allowances, and benefits in kind $'000	Discretionary bonuses $'000	Retirement scheme contributions $'000	Total $'000
Chairman and executive Director					
Lau Shek Yau John	300	–	–	–	300
Non-executive Director					
Zissis Jason Varsamidis	–	–	–	–	–
Executive Directors					
Ngan Tim Wing	300	4,184	–	67	4,551
Chen Nga Man	300	2,351	–	18	2,669
Augusta Morandin	300	4,917	5,286	–	10,503
Fabio Di Nello	300	4,917	5,286	–	10,503
Independent non-executive Directors					
Lam Hing Lun Alain	300	–	–	–	300
Chan Chun Hung Vincent	300	–	–	–	300
Chun Chi Man	300	–	–	–	300
Roussel Christophe Albert Jean	300	–	–	–	300
	2,700	16,369	10,572	85	29,726

(Expressed in Hong Kong dollars unless otherwise indicated)

7 DIRECTORS' EMOLUMENTS (Continued)

During the years ended 31 December 2025 and 2024, there was no amount paid or payable by the Group to the directors or any of the five highest paid individuals as set out in note 8 below as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the years ended 31 December 2025 and 2024.

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2024: three) of them are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	2025 $'000	2024 $'000
Salaries and other emoluments	4,809	2,498
Discretionary bonuses	4,024	3,928
	8,833	6,426

The emoluments of the above individuals with the highest emoluments other than the directors as disclosed in note 7 are within the following bands:

	2025 Number of individuals	2024 Number of individuals
$3,000,001–$3,500,000	1	2
$5,000,001–$5,500,000	1	–

(Expressed in Hong Kong dollars unless otherwise indicated)

9 OTHER COMPREHENSIVE INCOME

Tax effects relating to each component of other comprehensive income are as follows:

	2025			2024		
	Before-tax amount $'000	**Tax benefit $'000**	**Net-of-tax amount $'000**	Before-tax amount $'000	Tax benefit $'000	Net-of-tax amount $'000
Remeasurement of defined benefit retirement obligations (note 24)	**870**	**(241)**	**629**	(196)	54	(142)
Remeasurement of equity securities at fair value through other comprehensive income	**(105)**	**–**	**(105)**	86	–	86
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**20,715**	**–**	**20,715**	(23,287)	–	(23,287)
Other comprehensive income	**21,480**	**(241)**	**21,239**	(23,397)	54	(23,343)

10 EARNINGS PER SHARE

(a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of $15,359,000 (2024: $32,009,000) and the weighted average of 292,692,000 ordinary shares (2024: 292,692,000 ordinary shares) in issue during the year ended 31 December 2025, calculated as follows:

	2025 '000	2024 '000
Issued ordinary shares at 1 January	**300,489**	276,100
Issuance of consideration shares to Cargo Services Seafreight Limited due to settlement of consideration payable for acquisition of Allport Cruise Group	**–**	24,389
Shares purchased in respect of the Share Award Scheme	**(7,797)**	(7,797)
Weighted average number of ordinary shares at 31 December	**292,692**	292,692

(b) Diluted Earnings Per Share

There were no dilutive potential ordinary shares during the years ended 31 December 2025 and 2024, and therefore, diluted earnings per share are the same as basic earnings per share.

(Expressed in Hong Kong dollars unless otherwise indicated)

11 PROPERTIES, PLANT AND EQUIPMENT

(a) Reconciliation of Carrying Amount

	Leasehold improvements $'000	Furniture and fixtures $'000	Motor vehicles $'000	Office equipment and machinery $'000	Computer equipment $'000	Warehouse equipment $'000	Sub-total $'000	Right-of-use assets $'000	Total $'000
Cost:									
At 1 January 2024	54,061	4,362	15,085	16,460	7,626	199,558	297,152	212,711	509,863
Exchange adjustments	(950)	(133)	(172)	(435)	(151)	(6,957)	(8,798)	(10,505)	(19,303)
Additions	13,136	375	–	1,006	1,628	566	16,771	55,939	72,650
Disposals	(330)	–	–	(221)	(623)	(109)	(1,283)	(108,050)	(109,333)
At 31 December 2024	65,917	4,604	14,913	16,810	8,480	193,058	303,782	150,095	453,877
Cost:									
At 1 January 2025	65,917	4,604	14,913	16,810	8,480	193,058	303,782	150,095	453,877
Exchange adjustments	1,668	277	110	392	201	8,501	11,149	7,815	18,964
Additions	1,319	538	2,315	558	1,431	953	7,114	56,275	63,389
Disposals	(84)	(4)	(1,147)	(2,299)	(351)	(567)	(4,452)	(79,727)	(84,179)
At 31 December 2025	68,820	5,415	16,191	15,461	9,761	201,945	317,593	134,458	452,051
Accumulated depreciation:									
At 1 January 2024	43,363	1,947	5,527	14,095	5,400	71,440	141,772	114,545	256,317
Exchange adjustments	(444)	(78)	(83)	(327)	(97)	(2,905)	(3,934)	(7,192)	(11,126)
Charge for the year	3,999	438	2,209	510	1,121	20,796	29,073	74,069	103,142
Written back on disposal	(330)	–	–	(181)	(580)	(109)	(1,200)	(107,194)	(108,394)
At 31 December 2024	46,588	2,307	7,653	14,097	5,844	89,222	165,711	74,228	239,939
Accumulated depreciation:									
At 1 January 2025	46,588	2,307	7,653	14,097	5,844	89,222	165,711	74,228	239,939
Exchange adjustments	824	172	50	320	130	4,065	5,561	2,952	8,513
Charge for the year	3,036	508	2,278	515	1,361	20,606	28,304	62,254	90,558
Written back on disposal	(84)	(2)	(958)	(2,054)	(321)	(562)	(3,981)	(79,638)	(83,619)
At 31 December 2025	50,364	2,985	9,023	12,878	7,014	113,331	195,595	59,796	255,391
Net book value:									
At 31 December 2025	18,456	2,430	7,168	2,583	2,747	88,614	121,998	74,662	196,660
At 31 December 2024	19,329	2,297	7,260	2,713	2,636	103,836	138,071	75,867	213,938

11 PROPERTIES, PLANT AND EQUIPMENT (Continued)

(b) Right-of-Use Assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	2025 $'000	2024 $'000
Properties leased for own use, carried at depreciated cost	(i)	74,662	75,847
Motor vehicles, carried at depreciated cost	(ii)	–	20
		74,662	75,867

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 $'000	2024 $'000
Depreciation charge of right-of-use assets by class of underlying asset:		
— properties leased for own use	62,234	73,916
— motor vehicles	20	153
	62,254	74,069
Interest on lease liabilities	3,649	4,601
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	269	278

During the year ended 31 December 2025, additions to right-of-use assets were $56,275,000 (2024: $55,939,000). These amounts were primarily related to the capitalised lease payments payable under new and renewed rental agreements relating to properties and motor vehicles.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 19(d) and 27(b), respectively.

(i) Properties Leased for Own Use

The Group has obtained the right to use certain properties as its warehouses and offices through tenancy agreements. The leases typically run for an initial period of 1 to 6 years.

The leases into which the Group entered do not include options to renew. All of the leases are re-negotiated after expiry.

(ii) Motor Vehicles

The Group leases certain motor vehicles under leases expiring from 3 to 5 years. None of the leases include an option to renew or to purchase the leased motor vehicles at the end of the lease terms at a price deemed to be a bargain purchase option nor variable lease payments.

(Expressed in Hong Kong dollars unless otherwise indicated)

12 INTANGIBLE ASSETS

	Software $'000	Club membership $'000	Website $'000	Backlog orders $'000	Total $'000
Cost:					
At 1 January 2024	2,228	1,526	1,027	8,878	13,659
Exchange adjustments	(100)	(191)	—	—	(291)
Additions	—	—	390	—	390
Disposals	(795)	—	—	(8,878)	(9,673)
At 31 December 2024	1,333	1,335	1,417	—	4,085
At 1 January 2025	**1,333**	**1,335**	**1,417**	**—**	**4,085**
Exchange adjustments	**157**	**33**	**—**	**—**	**190**
Additions	**1,334**	**—**	**—**	**—**	**1,334**
At 31 December 2025	**2,824**	**1,368**	**1,417**	**—**	**5,609**
Accumulated amortisation:					
At 1 January 2024	1,915	—	342	8,878	11,135
Exchange adjustments	(82)	—	—	—	(82)
Charge for the year	161	—	270	—	431
Written back on disposal	(795)	—	—	(8,878)	(9,673)
At 31 December 2024	1,199	—	612	—	1,811
At 1 January 2025	**1,199**	**—**	**612**	**—**	**1,811**
Exchange adjustments	**102**	**—**	**—**	**—**	**102**
Charge for the year	**84**	**—**	**283**	**—**	**367**
At 31 December 2025	**1,385**	**—**	**895**	**—**	**2,280**
Net book value:					
At 31 December 2025	**1,439**	**1,368**	**522**	**—**	**3,329**
At 31 December 2024	134	1,335	805	—	2,274

The amortisation charge for the year is included in "administrative and other operating expenses" in the consolidated statement of profit or loss.

(Expressed in Hong Kong dollars unless otherwise indicated)

13 GOODWILL

	31 December 2025 $'000	31 December 2024 $'000
At 1 January	222,224	224,762
Exchange adjustments	1,430	(2,538)
At 31 December	223,654	222,224

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

	31 December 2025 $'000	31 December 2024 $'000
Airfreight forwarding business — Taiwan	22,241	21,188
Cruise logistics business — Allport Cruise Group	201,413	201,036
	223,654	222,224

Airfreight Forwarding Business — Taiwan

The recoverable amount of the CGU is determined based on the value-in-use calculation. The calculation uses a cash flow projection based on financial budget approved by management covering a five-year period. Annual revenue growth rate during the forecast period is 2% (2024: 2%). Cash flows beyond the five-year period are extrapolated using an estimated average growth rate of 2% (2024: 2%). The growth rate used does not exceed the long-term average growth rate for the business in which the CGU operates. The cash flows are discounted using a pre-tax discount rate of 14% (2024: 15%). The discount rate reflects specific risks relating to the relevant segment. Based on the impairment assessment conducted by the Group, no impairment loss has been identified in respect of goodwill at 31 December 2025 and 2024.

At 31 December 2025, the estimated recoverable amount of the CGU exceeded its carrying amount by approximately $57.4 million (2024: $25.7 million) ("the headroom").

The following table indicates how the amount of the headroom would have changed if certain key assumptions during the forecast period had changed, assuming all other assumptions remained constant.

	Decrease in the headroom	
	2025 $'000	2024 $'000
Discount rate increases by 100 basis points	6,922	4,480
Revenue growth rate decreases by 100 basis points	3,381	5,644

The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the CGU to exceed the recoverable amount of the CGU.

(Expressed in Hong Kong dollars unless otherwise indicated)

13 GOODWILL (Continued)

Cruise Logistics Business — Allport Cruise Group

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Annual revenue growth rate during the forecast period is 2.0% to 5.0% (2024: 2.0%-6.0%). Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 2% (2024: 2%), which is consistent with the forecasts included in industry reports. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a pre-tax discount rate of 17% (2024: 15%). Based on the impairment assessment conducted by the Group, no impairment loss has been identified in respect of goodwill at 31 December 2025 and 2024.

At 31 December 2025, the headroom is approximately $81.7 million (2024: $45.6 million).

The following table indicates how the amount of the headroom would have changed if certain key assumptions during the forecast period had changed, assuming all other assumptions remained constant.

	Decrease in the headroom	
	2025	2024
	$'000	$'000
Discount rate increases by 100 basis points	**21,919**	20,638
Revenue growth rate decreases by 100 basis points	**20,458**	22,953

The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the CGU to exceed the recoverable amount of the CGU.

(Expressed in Hong Kong dollars unless otherwise indicated)

14 INVESTMENTS IN SUBSIDIARIES

The following list contains the particulars of principal subsidiaries of the Group as at 31 December 2025. The class of shares held is ordinary unless otherwise stated.

Name	Place of incorporation and business	Particulars of issued and paid-up capital	Proportion of ownership interest of the Group: Group's effective interest	Held by the Company	Held by subsidiaries	Principal activities
CN Investment Limited	Marshall Islands	HKD1,425,000	100%	100%	–	Investment holding
CN Logistics Limited	British Virgin Islands ("BVI")	USD50,000	98%	–	98%	Investment holding
CN International Logistics Limited	Hong Kong	HKD1	98%	–	100%	Provision of air freight forwarding services
CN Logistics Limited	Hong Kong	HKD1,500,000	98%	–	100%	Provision of freight forwarding services and logistics and distribution services
Milca Logistics Limited	Hong Kong	HKD2	98%	–	100%	Provision of air freight forwarding services
@# Guangzhou Jiahong International Freight Forwarding Co., Ltd. (廣州市嘉泓國際貨運代理有限公司)*	Mainland China	RMB8,000,000	98%	–	100%	Provision of freight forwarding services and logistics and distribution services
@# Siyan Baopin Supply Chain Management (Shanghai) Co., Ltd. (思顏寶品供應鏈管理(上海)有限公司)*	Mainland China	RMB41,500,000	98%	–	100%	Provision of logistics and distribution services
CN Investment Limited	Hong Kong	HKD1	100%	–	100%	Investment holding
Global Freight Forwarding Co., Limited (安陽運通股份有限公司)	Taiwan	TWD35,000,000	70%	–	70%	Provision of freight forwarding services and logistics and distribution services
CN France (Hong Kong) Limited	Hong Kong	HKD10,000	70%	–	70%	Investment holding
CN Logistics France S.A.S.	France	EUR40,000	35.7%	–	51%	Provision of freight forwarding services
CN Logistics (Japan) Limited	Japan	JPY50,000,000	98.1%	–	98.1%	Provision of freight forwarding services and logistics and distribution services
CN Logistics SA	Switzerland	CHF100,000	100%	–	100%	Provision of freight forwarding services
CN Logistics S.R.L.	Italy	EUR100,000	100%	–	100%	Provision of freight forwarding services and logistics and distribution services
CN Logistics Korea Co., Limited	South Korea	KRW300,000,000	60%	–	60%	Sales coordination in air freight forwarding business
CS Airfreight (Shanghai) Limited	BVI	USD50,000	51%	51%	–	Investment holding
CS International (Airfreight) Limited	Hong Kong	HKD1	51%	–	100%	Provision of air freight forwarding services
Cargo Services Airfreight Limited	Hong Kong	HKD1,500,000	51%	–	100%	Provision of air freight forwarding services

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place of incorporation and business	Particulars of issued and paid-up capital	Proportion of ownership interest of the Group: Group's effective interest	Held by the Company	Held by subsidiaries	Principal activities
@# Jiada Freight Forwarding Co., Ltd (嘉達貨運代理有限公司)*	Mainland China	USD1,220,000	51%	–	100%	Provision of air freight forwarding services
Allport Cruise Logistics Inc	BVI	USD50,000	100%	–	100%	Investment holding
Allport Cruise Services Limited	Hong Kong	HKD1	100%	–	100%	Provision of cruise logistics services
Allport Cruise Services Inc	USA	–	100%	–	100%	Provision of cruise logistics services
CN Logistics Vietnam Co., Limited	Vietnam	VND7,000,000,000	51%	–	51%	Provision of freight forwarding services
CNShipforShop Limited	Hong Kong	HKD10,000	100%	–	100%	Provision of e-Commerce services
CNL L Logistics (Cambodia) Co., Limited	Cambodia	KHR800,000,000	50%	–	50%	Provision of freight forwarding services
ACS Cruise Services B.V.	Netherland	EUR1,200	75%	–	75%	Provision of cruise logistics services
PT CNL Logistics Indonesia	Indonesia	IDR10,000,000,000	51%	–	51%	Provision of freight forwarding services
Far East Cargo Line Limited	Vietnam	VND200,000,000	51%	–	100%	Provision of freight forwarding services
Far East Container Line Limited	Vietnam	VND200,000,000	51%	–	100%	Provision of freight forwarding services
# 英商通達(深圳)供應鏈有限公司	Mainland China	–	60%	–	100%	Provision of international parcel and eCommerce logistics services
CN Express International Limited	Hong Kong	HKD100	100%	–	100%	Provision of international parcel and eCommerce logistics services
CN Smart E Logistics Limited	Hong Kong	HKD1,000,000	60%	–	60%	Provision of international parcel and eCommerce logistics services
@#CN Express (Shanghai) Limited 嘉泓耀國際物流(上海)有限公司*	Mainland China	RMB8,000,000	98%	–	100%	Provision of international parcel and eCommerce logistics services

\# Wholly-owned foreign enterprise in Mainland China

@ The English translation of these entities are for identification only. The official names of the entities established in the Mainland China are in Chinese.

* Registered under the laws of the Mainland China as a limited liability company (Taiwan, Hong Kong, Macao legal person sole investment)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

The following table lists out the information relating to CS Airfreight (Shanghai) Limited and its subsidiaries, which have material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination. There are no material non-controlling interests in any of the individual subsidiaries under CS Airfreight (Shanghai) Limited.

	2025 $'000	2024 $'000
NCI percentage	**49%**	49%
Current assets	**118,617**	111,476
Non-current assets	**1,914**	4,168
Current liabilities	**(131,659)**	(103,347)
Non-current liabilities	**(109)**	—
Net (liabilities)/assets	**(11,237)**	12,297
Carrying amount of NCI	**(5,506)**	6,026
Revenue	**105,124**	85,808
Loss for the year	**(23,479)**	(33,961)
Total comprehensive income	**(23,876)**	(33,587)
Loss allocated to NCI	**(11,505)**	(16,641)
Dividend paid to NCI	**—**	—
Cash flows from operating activities	**4,903**	7,954
Cash flows from investing activities	**25**	437
Cash flows from financing activities	**1,062**	(7,208)

Aggregate information of non-controlling interests that are not individually material:

	2025 $'000	2024 $'000
Aggregate carrying amount of individually immaterial non-controlling interests in the consolidated financial statements	**34,494**	29,665
Aggregate amounts allocated to individually immaterial non-controlling interests:		
Profit for the year	**18,995**	16,692
Total comprehensive income	**18,363**	14,513
Dividend paid to NCI	**(13,367)**	(11,967)

No summarised financial information for the above individually non-controlling interests is presented as the they are not material to the Group.

(Expressed in Hong Kong dollars unless otherwise indicated)

15 INTERESTS IN ASSOCIATES

The following list contains the particulars of associates of the Group at 31 December 2025, all of which are unlisted corporate entities whose quoted market price is not available.

				Proportion of ownership interest			
Name	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Group's effective interest	Held by the Company	Held by subsidiaries	Principal activities
CN Logistics (Macau) Limited	Incorporated	Macau	MOP25,000	49%	–	50%	Provision of freight forwarding services
CN Logistics (Thailand) Co., Limited	Incorporated	Thailand	THB1,000,000	46%	–	46%	Provision of freight forwarding services
CN-ANJI Logistics (Shanghai) Co., Ltd (安吉嘉泓物流(上海)有限公司)	Incorporated	Mainland China	RMB10,000,000	49%	49%	–	Provision of freight forwarding services and logistics and distribution services

Significant influence is obtained by the Group through participation in the board of directors of the associates.

All of the above associates are accounted for using the equity method in the consolidated financial statements and are not individually material.

Aggregate financial information of these associates is as follows:

	2025 $'000	2024 $'000
Aggregate carrying amount of the associates in the consolidated statement of financial position	17,028	14,617
Aggregate amount of the Group's share of the associates		
— profit from operations	2,889	3,410
— other comprehensive income	(477)	(172)
— total comprehensive income	2,412	3,238

(Expressed in Hong Kong dollars unless otherwise indicated)

16 OTHER FINANCIAL ASSETS

(a) Equity Securities Designated at FVOCI

	2025 **$'000**	2024 $'000
Investments in listed equity securities	**647**	752

The listed equity securities are shares of Yoho Group Holdings Limited (stock code: 2347) listed on the Main Board of the Stock Exchange of Hong Kong. The Group designated its investment in Yoho Group Holding Limited at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividend was received from this investment during the year ended 31 December 2025 (2024: $nil).

(b) Financial Assets Measured at FVPL

	2025 **$'000**	2024 $'000
Life insurance contract (note (i))	**–**	4,041
Unlisted equity securities (note (ii))	**397**	392
	397	4,433

(i) On 29 December 2023, a subsidiary of the Group entered into a life insurance policy with an insurance company to insure a director of the subsidiary. Under the policy, the beneficiary and policy holder is the subsidiary. The subsidiary has paid out the total insurance premium for an investment fund with an aggregate amount of approximately EUR500,000 (equivalent to approximately $4.3 million) at the inception of the insurance. The subsidiary can terminate the policy at any time and recover an amount based on the surrender value of the contract at the date of withdrawal. The insurance contract had been terminated and redeemed by the subsidiary in January 2025.

(ii) The unlisted equity securities are shares held in Allport Cargo Services Korea Limited and 上海國際經貿報關行有限公司, which are incorporated in South Korea and the Mainland China, respectively. Both companies are engaged in the provision of freight forwarding related services. Apart from a dividend of $34,000 (2024: $35,000) received from Allport Cargo Services Korea Limited during the year ended 31 December 2025, no other dividends were received from these investments. The unlisted equity securities are classified as non-current assets at 31 December 2025 and 2024.

(Expressed in Hong Kong dollars unless otherwise indicated)

17 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	2025 $'000	2024 $'000
Trade and other receivables		
Trade receivables, net of loss allowance	617,010	534,914
Other receivables, prepayments and deposits	120,778	107,179
	737,788	642,093
Contract assets		
Arising from performance under freight forwarding contracts	26,452	36,608
Arising from performance under cruise logistics contracts	150,411	116,625
	176,863	153,233
	914,651	795,326

(a) Trade and Other Receivables

Except for rental deposit for leased properties of $8,171,000 (2024: $12,953,000) paid by the Group to lessors and are refundable or to be settled at the end of the lease terms, which is after one year, all of the remaining trade and other receivables are expected to be recovered or recognised as expenses within one year.

At 31 December 2024, other receivables included an amount of HK$7,410,000, representing the advanced bonus payment to two directors and certain employees of subsidiaries for incentive purpose under various arrangements. The amounts are fully expensed in 2025 after fulfilling specific service condition.

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

	2025 $'000	2024 $'000
Within 1 month	377,463	432,883
1 to 2 months	126,904	63,671
2 to 3 months	58,545	25,111
Over 3 months	54,098	13,249
	617,010	534,914

Trade receivables are normally due within 30 to 60 days from the date of billing.

(Expressed in Hong Kong dollars unless otherwise indicated)

17 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (Continued)

(b) Contract Assets

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.

All of the contracts assets are expected to be recovered within one year.

18 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.

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

	2025 $'000	2024 $'000
Cash at bank and on hand and cash and cash equivalents in the consolidated statement of financial position	299,616	255,023
Bank overdrafts (note 22)	(3,267)	(87)
Cash and cash equivalents in the consolidated cash flow statement	296,349	254,936

Note: RMB maintained in the Mainland China is not freely convertible into other currencies. However, under the Mainland China's Foreign Exchange Central Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign business in the Mainland China. The carrying amount of cash and cash equivalents to which these restrictions apply amounted to $54,132,000 (2024: $34,024,000) at 31 December 2025.

(Expressed in Hong Kong dollars unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(b) Reconciliation of Profit before Taxation to Cash Generated from Operations

	Note	2025 $'000	2024 $'000
Profit before taxation		**52,584**	82,866
Adjustments for:			
Bank interest income	4(a)	**(2,423)**	(4,296)
Interest income from Directors	4(a)	**–**	(267)
Interest income from an employee	4(a)	**(661)**	(506)
Dividend income from unlisted equity securities	4(a)	**(34)**	(35)
Loss on disposals of property, plant and equipment	4(b)	**186**	11
Finance costs	5(a)	**24,172**	27,069
Depreciation charge	5(d)	**90,558**	103,142
Amortisation cost of intangible assets	5(d)	**367**	431
Net (reversal) provision for impairment loss on trade receivables and amounts due from related companies	5(c)	**(182)**	1,613
Fair value change of purchase consideration payable	4(b)	**–**	(976)
Share of profits of associates	15	**(2,889)**	(3,410)
Loss on disposal of a joint venture		**–**	458
Foreign exchange gain		**(191)**	(4,122)
Changes in working capital:			
Increase in trade and other receivables and contract assets		**(84,044)**	(252,170)
Decrease in amounts due from related companies		**3**	12,409
Increase in amounts due from Cargo Services Group		**–**	(5,339)
Decrease in amounts due from EV Cargo Group		**93**	232
Increase in amounts due from DP World Group		**(16,310)**	(26,983)
(Increase)/decrease in amounts due from associates		**(151)**	8,512
(Decrease)/increase in trade and other payables and contract liabilities		**(9,089)**	110,349
Decrease in amounts due to Cargo Services Group		**–**	(80,606)
Increase in amounts due to EV Cargo Group		**799**	685
Increase in amounts due to DP World Group		**85,595**	122,225
Increase/(decrease) in amounts due to associates		**87**	(543)
Increase in defined benefit retirement obligations		**3,056**	2,380
Cash generated from operations		**141,526**	93,129

(Expressed in Hong Kong dollars unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(c) Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the consolidated cash flow statement as cash flows from financing activities.

	Bank loans (note 22) $'000	Lease liabilities (note 23) $'000	Total $'000
At 1 January 2024	320,879	101,730	422,609
Changes from financing cash flows:			
Proceeds from new bank loans	525,087	–	525,087
Repayment of bank loans	(459,702)	–	(459,702)
Capital element of lease rentals paid	–	(73,268)	(73,268)
Interest element of lease rentals paid	–	(4,601)	(4,601)
Interest paid	(22,468)	–	(22,468)
Total changes from financing cash flows	42,917	(77,869)	(34,952)
Exchange adjustments	(2,276)	(5,145)	(7,421)
Other changes:			
Increase in lease liabilities from entering into new leases or renewal of existing leases during the year	–	55,939	55,939
Interest expenses (note 5(a))	22,468	4,601	27,069
Total other changes	22,468	60,540	83,008
At 31 December 2024	383,988	79,256	463,244

(Expressed in Hong Kong dollars unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(c) Reconciliation of Liabilities Arising from Financing Activities (Continued)

	Bank loans (note 22) $'000	Lease liabilities (note 23) $'000	Total $'000
At 1 January 2025	383,988	79,256	463,244
Changes from financing cash flows:			
Proceeds from new bank loans	886,985	–	886,985
Repayment of bank loans	(821,337)	–	(821,337)
Capital element of lease rentals paid	–	(63,256)	(63,256)
Interest element of lease rentals paid	–	(3,649)	(3,649)
Interest paid	(20,523)	–	(20,523)
Total changes from financing cash flows	45,125	(66,905)	(21,780)
Exchange adjustments	4,341	5,617	9,958
Other changes:			
Increase in lease liabilities from entering into new leases or renewal of existing leases during the year	–	56,275	56,275
Interest expenses (note 5(a))	20,523	3,649	24,172
Total other changes	20,523	59,924	80,447
At 31 December 2025	453,977	77,892	531,869

(d) Total Cash Outflow for Leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2025 $'000	2024 $'000
Within financing cash flows	66,905	77,869
	66,905	77,869

(Expressed in Hong Kong dollars unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(d) Total Cash Outflow for Leases (Continued)

These amounts relate to the following:

	2025 $'000	2024 $'000
Lease rentals paid	**66,905**	77,869
	66,905	77,869

20 LOAN RECEIVABLES

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:

Loan Made by a subsidiary of the Company

Name of borrower	Ngan Tim Wing
Relationship with the Company	Director
Terms of the loan	
— Duration and repayment terms	Repayable by 31 December 2025
— loan amount	HK$2,800,000
— interest rate	3%
— security	None
Balance of the loan	
— as at 1 January 2024	Nil
— at 31 December 2024 and 1 January 2025	$2,800,000
— at 31 December 2025	Nil
Maximum balance (undiscounted)	
— during 2025	$2,800,000
— during 2024	$2,800,000

Mr. Ngan Tim Wing had settled the loan to the Group in March 2025.

A subsidiary of the Company granted a loan of USD1,750,000, to an employee of this subsidiary, which is unsecured and interest bearing at 5% per annum. The loan 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)

21 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2025 $'000	2024 $'000
Trade and other payables		
Trade payables	**330,523**	308,339
Other payables and accrued charges	**77,040**	77,487
	407,563	385,826
Contract liabilities		
Billings in advance of performance under freight forwarding contracts	**15,081**	20,756
	422,644	406,582

(a) Trade and Other Payables

All of the trade and other payables are expected to be settled or recognised as income within one year.

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

	2025 $'000	2024 $'000
Within 1 month	**248,103**	228,272
1 to 3 months	**67,333**	68,235
Over 3 months	**15,087**	11,832
	330,523	308,339

(b) Contract Liabilities

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.

During the years ended 31 December 2025 and 2024, all of the contract liabilities at the beginning of the respective year have been recognised as revenue.

All of the contract liabilities are expected to be recognised as revenue within one year.

22 BANK LOANS AND OVERDRAFTS

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

	2025 $'000	2024 $'000
Within 1 year or on demand	**456,137**	381,531
After 1 year but within 2 years	**1,009**	1,504
After 2 years but within 5 years	**98**	1,040
	1,107	2,544
	457,244	384,075

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

	2025 $'000	2024 $'000
Unsecured bank overdrafts (note 19(a))	**3,267**	87
Unsecured bank loans — supplier finance arrangement (note 22(c))	**315,976**	205,122
Unsecured bank loans	**138,001**	178,866
	457,244	384,075

At 31 December 2025, the bank loans are interest-bearing within the range of 1.1%–6.2% per annum (2024: 1.1%–7.0%).

All of 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 31 December 2025 and 2024, none of the covenants relating to drawn down facilities had been breached.

(Expressed in Hong Kong dollars unless otherwise indicated)

22 BANK LOANS AND OVERDRAFTS (Continued)

(c) Bank loans arising from supplier finance arrangements

	31 December 2025 $'000	31 December 2024 $'000	1 January 2024 $'000
Carrying amount of the financial liabilities			
Presented as "bank loans and overdrafts"	**315,976**	205,122	139,851
— of which suppliers have received payments from the banks	**315,976**	205,122	139,851
Range of payment due dates			
Liabilities subject to supplier finance arrangement (days after invoice date)	**120–180 days**	120–180 days	120–180 days
Comparable trade payables that are not part of supplier finance arrangements	**30–60 days**	30–60 days	30–60 days

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.

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 31 December 2025, the carrying amount of financial liabilities under these arrangements amounted to $315,976,000 (2024: $205,122,000), $315,976,000 of which suppliers have received payments from the banks.

(Expressed in Hong Kong dollars unless otherwise indicated)

23 LEASE LIABILITIES

The lease liabilities are repayable as follows:

	2025 $'000	2024 $'000
Within 1 year	**37,157**	39,288
After 1 year but within 2 years	**15,580**	12,905
After 2 years but within 5 years	**18,890**	16,117
After 5 years	**6,265**	10,946
	40,735	39,968
	77,892	79,256

24 EMPLOYEE RETIREMENT BENEFITS

(a) Defined Benefit Retirement Plan

The Group is legally required to make severance pay to its employees in Italy in any case of termination.

Italian law provides that, on the date upon termination of employment for any reason, employers have to pay a termination indemnity ("Trattamento di fine Rapporto" or "TFR") to all employees. TFR is calculated based on annual salary (ordinary salary, excluding bonuses, travel allowance and one-off items) divided by 13.5 (which corresponds, at approximately 7.41%), revalued on the basis of 75% of the inflation rate plus a fixed rate of 1.5% on 31 December every year.

The legislation also provides for the possibility of employees requesting a partial withdrawal of TFR in advance when the employment relationship is still ongoing. The partial withdrawal can be requested by employees with at least 8 years of employment. Eligible employees can request an advance for an amount of up to 70% of TFR. The advance can be obtained only once during the employment relationship.

The independent actuarial valuations of the TFR at 31 December 2025 and 2024 have been prepared by independent professionally qualified actuaries at Olivieri Associati, who is a registered actuarial specialist in Italy, using the projected unit credit method.

The scheme exposes the Group to actuarial risks, such as interest rate risk and longevity risk.

(Expressed in Hong Kong dollars unless otherwise indicated)

24 EMPLOYEE RETIREMENT BENEFITS (Continued)

(a) Defined Benefit Retirement Plan (Continued)

(i) The amounts recognised in the consolidated statement of financial position are as follows:

	2025 $'000	2024 $'000
Present value of wholly or partly funded obligations	**14,219**	12,476

A portion of the above liabilities is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amount payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The Group expects to pay approximately $138,000 (2024: $138,000) in contributions to the defined benefit retirement plan in the next twelve months.

(ii) Movements in the present value of the defined benefit retirement obligations are as follows:

	2025 $'000	2024 $'000
At 1 January	**12,476**	11,254
Remeasurements:		
— Actuarial (gains)/losses arising from changes in demographic assumptions	**(2)**	10
— Actuarial gains arising from changes in financial assumptions	**(1,866)**	(190)
— Other actuarial losses	**1,026**	376
	11,634	11,450
Benefits paid by the plan	**(567)**	(437)
Current service cost	**1,615**	1,850
Interest cost	**357**	397
Exchange adjustments	**1,180**	(784)
At 31 December	**14,219**	12,476

The weighted average duration of the defined benefit retirement obligations is 19.7 years (2024: 23.9 years).

(Expressed in Hong Kong dollars unless otherwise indicated)

24 EMPLOYEE RETIREMENT BENEFITS (Continued)

(a) Defined Benefit Retirement Plan (Continued)

(iii) The amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2025 $'000	2024 $'000
Current service cost	**1,615**	1,850
Net interest on defined benefit retirement obligations	**357**	397
Total amounts recognised in profit or loss	**1,972**	2,247
Actuarial (gains)/losses	**(870)**	205
Total amounts recognised in other comprehensive income	**(870)**	205
Total defined benefit costs	**1,102**	2,452

The current service cost and net interest on defined benefit retirement obligations are recognised in "administrative and other operating expenses" in the consolidated statement of profit or loss.

(iv) Significant actuarial assumption (expressed as weighted average) and sensitivity analysis are as follows:

	2025	2024
Discount rate	**4.74%**	4.09%

The following analysis shows how the defined benefit retirement obligations would have increased/(decreased) as a result of 0.5% change in the significant actuarial assumption.

	2025		2024	
	Increase by 0.50% $'000	**Decrease by 0.50% $'000**	Increase by 0.50% $'000	Decrease by 0.50% $'000
Discount rate	**(13,425)**	**15,105**	(11,605)	13,460

(Expressed in Hong Kong dollars unless otherwise indicated)

24 EMPLOYEE RETIREMENT BENEFITS (Continued)

(b) Long service payment liabilities

Hong Kong employees that have been employed continuously for at least five years are entitled to long service payments in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at $22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme (see note 24(c)), with an overall cap of $390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation.

Starting from 1 May 2025, the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "2022 Amendment Ordinance") came into effect, which abolishes the statutory right of an employer to reduce its LSP payable to a Hong Kong employee by drawing on its mandatory contributions to the MPF scheme. Separately, a 25-year scheme to provide a subsidy ("Subsidy") for employers' costs in relation to the post-transition portion of the LSP has been implemented with effect on 1 May 2025.

Among other things, upon the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The Group has accounted for the offsetting mechanism and its abolition as disclosed in note 1(r)(ii) and the Subsidy as government grants in accordance with note 1(u)(v).

The present value of the LSP as at 31 December 2025 is $1,984,000 (2024: $1,300,000).

The Group was not entitled to any Subsidy during the year ended 31 December 2025.

(c) Defined Contribution Retirement Plans

(i) Mandatory Provident Fund Scheme

The Group operates a Mandatory Provident Fund ("MPF") scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by an independent corporate trustee. Under the MPF scheme, the Group and the employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly contribution of HK$1,500 by each party. Contributions to the MPF scheme vest immediately and no forfeited contributions may be used by the Group to reduce the existing level of contributions.

24 EMPLOYEE RETIREMENT BENEFITS (Continued)

(c) Defined Contribution Retirement Plans (Continued)

(ii) Central Pension Scheme

Pursuant to the relevant labour rules and regulations in the Mainland China, employees of the subsidiaries in the Mainland China are members of the central pension scheme operated by the Mainland China municipal government authorities. The Group is required to contribute a certain percentage of employees' remuneration to the central pension scheme to fund the benefits. The only obligation for the Group with respect to the central pension scheme is the associated contribution under the central pension scheme. Contributions to the scheme vest immediately and no forfeited contributions may be used by the Group to reduce the existing level of contributions.

(iii) Taiwan Labor Pension

In Taiwan, the Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation. No forfeited contributions may be used by the Group to reduce the existing level of contributions.

(iv) US Retirement Plan

In USA, employees who are qualifying under certain age and service requirements are eligible to be a participant in a 401(k) Plan. The Group matches with employee's contribution ranging from 3%-10% of the gross income, capped at the statutory limit on tax deductibility. Contribution to the scheme fully vest after 12 months of the employment and forfeited contribution may be used by the Group to reduce the existing level of contributions. No contribution forfeited and used by the Group during the year.

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current Taxation in the Consolidated Statement of Financial Position Represents:

	2025 $'000	2024 $'000
Current tax — Hong Kong Profits Tax		
Provision for the year	2,700	4,160
Provisional tax paid	(3,243)	(2,528)
	(543)	1,632
Current tax — Outside Hong Kong		
Balance of provision	6,898	21,075
	6,898	21,075
	6,355	22,707

(Expressed in Hong Kong dollars unless otherwise indicated)

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred Tax Assets and Liabilities Recognised:

(i) Movement of Each Component of Deferred Tax Assets and Liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements are as follows:

Deferred tax arising from:	Differences between depreciation allowances and the related depreciation $'000	Lease liabilities $'000	Right of use assets $'000	Undistributed profits of subsidiaries outside Hong Kong $'000	Defined benefit retirement obligation $'000	Expected credit loss $'000	Unused tax loss $'000	Others $'000	Total $'000
At 1 January 2024	114	19,829	(18,823)	–	769	189	8,803	–	10,881
Exchange adjustments	(20)	965	(848)	–	(87)	–	–	–	10
Credited/(charged) to profit or loss	313	3,877	(3,753)	(1,477)	–	303	(962)	412	(1,287)
Credited to reserves	–	–	–	–	142	–	–	–	142
At 31 December 2024	407	24,671	(23,424)	(1,477)	824	492	7,841	412	9,746

Deferred tax arising from:	**Differences between depreciation allowances and the related depreciation $'000**	**Lease liabilities $'000**	**Right of use assets $'000**	**Undistributed profits of subsidiaries outside Hong Kong $'000**	**Defined benefit retirement obligation $'000**	**Expected credit loss $'000**	**Unused tax loss $'000**	**Others $'000**	**Total $'000**
At 1 January 2025	**407**	**24,671**	**(23,424)**	**(1,477)**	**824**	**492**	**7,841**	**412**	**9,746**
Exchange adjustments	**–**	**241**	**(35)**	**–**	**441**	**–**	**(622)**	**–**	**25**
Credited/(charged) to profit or loss	**(82)**	**12,094**	**(12,285)**	**–**	**–**	**(30)**	**6,364**	**(296)**	**5,765**
Credited to reserves	**–**	**–**	**–**	**–**	**(629)**	**–**	**–**	**–**	**(629)**
At 31 December 2025	**325**	**37,006**	**(35,744)**	**(1,477)**	**636**	**462**	**13,583**	**116**	**14,907**

(ii) Reconciliation to the Consolidated Statement of Financial Position

	2025 $'000	2024 $'000
Deferred tax assets	**16,384**	11,223
Deferred tax liabilities	**(1,477)**	(1,477)
	14,907	9,746

(Expressed in Hong Kong dollars unless otherwise indicated)

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(c) Deferred Tax Assets Not Recognised:

In accordance with the accounting policy set out in note 1(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses and other temporary differences of $36,840,000 (2024: $29,857,000, as it is not probable that future taxable profits against which the losses and other temporary differences can be utilised will be available in the relevant tax jurisdictions and entities. The tax losses do not expire under current tax legislations.

(d) Deferred Tax Liabilities Not Recognised:

At 31 December 2025, deferred tax liabilities of $50,929,000 (2024: $40,337,000) have not been recognised in respect of the withholding tax that would be payable on the distribution of retained profits of certain subsidiaries as the Company controls the dividend policy of these subsidiaries and the Company determines that it is probable that these profits will not be distributed in the foreseeable future.

26 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in Components of Equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity are set out below.

	Note	Share capital $'000	Share premium $'000	Capital reserve $'000	Fair value reserve $'000	Retained profit $'000	Total equity $'000
Balance at 1 January 2024		2,154	238,290	(64,616)	(1,353)	51,966	226,441
Changes in equity for 2024:							
Total comprehensive income for the year		–	–	–	86	(7,547)	(7,461)
Dividend paid to equity shareholders	26(b)(i)&(ii)	–	(8,781)	–	–	–	(8,781)
Issuance of shares	26(c)(i)	190	146,876	–	–	–	147,066
Balance at 31 December 2024	30	2,344	376,385	(64,616)	(1,267)	44,419	357,265
Balance at 1 January 2025		**2,344**	**376,385**	**(64,616)**	**(1,267)**	**44,419**	**357,265**
Changes in equity for 2025:							
Total comprehensive income for the year		**–**	**–**	**–**	**(104)**	**(5,818)**	**(5,922)**
Dividend paid to equity shareholders	26(b)(i)&(ii)	**–**	**(5,854)**	**–**	**–**	**–**	**(5,854)**
Balance at 31 December 2025	30	**2,344**	**370,531**	**(64,616)**	**(1,371)**	**38,601**	**345,489**

(Expressed in Hong Kong dollars unless otherwise indicated)

26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Dividends

(i) Dividends Payable to Equity Shareholders of the Company Attributable to the Year

	2025 $'000	2024 $'000
Interim dividend declared and paid of $1 cent (2024: $2 cents) per ordinary share	3,005	6,010
Less: Dividend for shares held by Share Award Scheme (note)	(78)	(156)
Final dividend proposed after the end of the reporting period of $1 cent (2024: $1 cent) per ordinary share	3,005	3,005
	5,932	8,859

The final and special dividends proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends Payable to Equity Shareholders of the Company Attributable to the Previous Financial Year, Approved and Paid During the Year

	2025 $'000	2024 $'000
Final dividend in respect of the previous financial year, approved and paid during the year, of $1 cents (2024: $1 cent) per share	3,005	3,005
Less: Dividend for shares held by Share Award Scheme (note)	(78)	(78)
	2,927	2,927

note: The result and net assets of the Share Award Scheme are included in the Company's financial statements. Therefore, dividends for shares held by the Share Award Scheme were deducted from the total dividends.

(iii) Dividends Payable to Non-Controlling Interests of the Group's Subsidiaries

During the year ended 31 December 2025, the Group's subsidiaries declared and paid dividends of $13,367,000 (2024: $11,967,000) to non-controlling interests.

26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Share Capital

(i) Authorised and Issued Share Capital

	2025		2024	
	No. of shares '000	**Amount $'000**	No. of shares '000	Amount $'000
Authorised:				
Ordinary shares of US$0.001 each	**50,000,000**	**390,000**	50,000,000	390,000
Ordinary shares, issued and fully paid:				
At 1 January	**300,489**	**2,344**	276,100	2,154
Issuance of shares	**–**	**–**	24,389	190
At 31 December	**300,489**	**2,344**	300,489	2,344

In February 2024, the purchase consideration payable in relation to the acquisition of Allport Cruise Group in 2022 had been settled by way of issuance of 24,389,000 ordinary shares to Cargo Services Seafreight Limited.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Share Award Scheme

A share award scheme was adopted by the Company on 6 May 2021 (the "Share Award Scheme"). The objective of 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 or may be terminated earlier as determined by the Board of Directors.

As at 31 December 2025, the Trustee has purchased 7,791,000 shares (2024: 7,791,000 shares) of the Company on the Hong Kong Stock Exchange, with an aggregate amount of approximately $64,792,000 (2024: $64,792,000). No shares was granted to any person under the Share Award Scheme as at 31 December 2025 and 2024.

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.

(Expressed in Hong Kong dollars unless otherwise indicated)

26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and Purpose of Reserves

(i) Share Premium

Under the Companies Law (2021 Revision) of the Cayman Islands, the share premium of the Company is available for distributions or paying dividends to shareholders subject to the provisions of its memorandum and articles of association and provided that immediately following the payment of distribution or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business.

(ii) Capital Reserve

The capital reserve comprises the following:

- reserves held by the Mainland China subsidiaries, which under Mainland China rules and regulations is non-distributable other than in liquidation and may be utilised for business expansion or converted into ordinary shares by the issuance of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by the shareholders; and

- the consideration paid for the purchase of the Company's shares under the Share Award Scheme.

(iii) Reserve Fund

The Articles of Association of certain Mainland China subsidiaries require the appropriation of 10% of their profit after taxation each year, based on their statutory audited financial statements, to the reserve fund until the balance reaches 50% of the registered capital of the respective Mainland China subsidiaries. The reserve fund may be capitalised as the paid-in capital of these subsidiaries.

In accordance with the local laws in Taiwan, Taiwan subsidiaries are also required to set aside 10% of annual net income less any accumulated deficit as reserve fund until such reserve reaches 100% of those subsidiaries' share capital.

(iv) Exchange Reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong. The reserve is dealt with in accordance with the accounting policy set out in note 1(v).

(e) Capital Management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables, contract assets, amounts due from related companies, DP World Group and EV Cargo Group and loan to an employee. The Group's exposure to credit risk arising from cash and cash equivalents is limited as the counterparties are banks and financial institutions with sound credit ratings, for which the Group considers to have insignificant credit risk.

Except for the financial guarantees given by certain subsidiaries of the Group as set out in note 29, the Group does not provide any other guarantee which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 29.

(i) Trade Receivables

The Group's exposure to credit risk is not significantly influenced by the individual characteristics of each customer as the Group does not have significant exposure to individual customers. At the end of the reporting period, 19% (2024: 8%) and 32% (2024: 22%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are normally due within 30 to 60 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit Risk (Continued)

(i) Trade Receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	2025		
	Expected loss rate	Gross carrying amount $'000	Loss allowance $'000
Current (not past due)	0.01%	417,060	25
1 to 30 days past due	0.03%	117,028	35
31 to 60 days past due	0.08%	52,327	42
61 to 90 days past due	0.23%	8,911	20
More than 90 days past due	2.16%	22,288	482
		617,614	604

	2024		
	Expected loss rate	Gross carrying amount $'000	Loss allowance $'000
Current (not past due)	0.01%	434,718	35
1 to 30 days past due	0.03%	64,523	22
31 to 60 days past due	0.13%	23,209	30
61 to 90 days past due	0.47%	5,114	23
More than 90 days past due	8.31%	8,136	676
		535,700	786

Expected loss rates are based on actual loss experience over the past 12 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables.

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit Risk (Continued)

(i) Trade Receivables (Continued)

Movement in the loss allowance account in respect of trade receivables is as follows:

	2025 **$'000**	2024 $'000
At 1 January	**786**	456
Impairment losses (reversed)/recognised	**(182)**	330
At 31 December	**604**	786

(ii) Contract Assets

The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are reasonable approximations of the loss rates for contract assets.

The Group assesses the ECLs for contract assets to be insignificant and no loss allowance has been recognised.

(iii) Amounts due from related companies, DP World Group and EV Cargo Group

The key terms of the amounts due from DP World Group and EV Cargo Group are disclosed in note 28(b). The Group assessed for the ECL of these balances individually. Based on the Group's assessment, ECL of $1,973,000 (2024: $1,973,000) arising from these amounts is recognised at 31 December 2025.

(iv) Loan to an employee

The key terms of the loan to an employee are disclosed in note 20. The Group considers the credit risk arising from the amount to be insignificant, with reference to the emoluments in the capacity as an key employee in the Group.

(b) Liquidity Risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses, participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demand, subject to approval by the Group's management. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants and its relationship with finance providers, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity Risk (Continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	2025					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand $'000	More than 1 year but less than 2 years $'000	More than 2 years but less than 5 years $'000	More than 5 years $'000	Total $'000	Carrying amount at 31 December $'000
Trade and other payables	407,563	–	–	–	407,563	407,563
Amounts due to EV Cargo Group	10,885	–	–	–	10,885	10,885
Amounts due to associates	189	–	–	–	189	189
Amounts due to DP World Group	219,864	–	–	–	219,864	219,864
Bank loans and overdrafts	465,121	1,035	101	–	466,257	457,244
Lease liabilities	43,688	16,667	20,492	6,399	87,246	77,892
	1,147,310	17,702	20,593	6,399	1,192,004	1,173,637

	2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand $'000	More than 1 year but less than 2 years $'000	More than 2 years but less than 5 years $'000	More than 5 years $'000	Total $'000	Carrying amount at 31 December $'000
Trade and other payables	385,826	–	–	–	385,826	385,826
Amounts due to EV Cargo Group	10,086	–	–	–	10,086	10,086
Amounts due to associates	102	–	–	–	102	102
Amounts due to DP World Group	122,225	12,044	–	–	134,269	134,269
Bank loans and overdrafts	393,216	2,608	–	–	395,824	384,075
Lease liabilities	41,499	14,062	18,054	11,316	84,931	79,256
	952,954	28,714	18,054	11,316	1,011,038	993,614

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest Rate Profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

	2025		2024	
	Effective interest rate	**Amount $'000**	Effective interest rate	Amount $'000
Fixed rate borrowings:				
Lease liabilities	**4.69%**	**77,892**	5.90%	79,256
Bank loans	**1.20%**	**2,556**	1.20%	4,047
		80,448		83,303
Variable rate borrowings:				
Bank overdrafts (note)	**–**	**3,267**	–	87
Bank loans	**5.14%**	**451,421**	5.96%	379,941
		454,688		380,028
Net exposure		**535,136**		463,331

Note: The effective interest rate for bank overdrafts is insignificant and rounded down to zero.

(ii) Sensitivity Analysis

At 31 December 2025, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit before taxation by approximately $2,273,000 (2024: $1,900,000).

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate borrowings, a change in interest rate at the end of the reporting period would not affect profit or loss. In respect of the exposure to cash flow interest rate risk arising from variable rate borrowings held by the Group at the end of the reporting period, the impact on the Group's profit before taxation is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the year ended 31 December 2024.

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency Risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The Group manages this risk as follows:

(i) Exposure to Currency Risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the year end date.

Financial risk management and fair values of financial instruments

Exposure to currency risk	**Exposure to foreign currencies as at 31 December 2025 (expressed to Hong Kong dollars)**								
	AUD HK$'000	**CHF HK$'000**	**EUR HK$'000**	**GBP HK$'000**	**JPY HK$'000**	**RMB HK$'000**	**TWD HK$'000**	**HKD HK$'000**	**USD HK$'000**
Trade and other receivables and contract assets and amounts due from related companies	232	–	3,934	19,270	620	2,189	78	12	127,692
Cash and cash equivalents	43	51	7,696	915	407	4,891	–	152	97,541
Trade and other payables and contract liabilities and amounts due to related companies	(1,605)	(567)	(7,959)	(22,763)	(19)	(401)	–	(21)	(38,441)
	(1,330)	(516)	3,671	(2,578)	1,008	6,679	78	143	186,792

Exposure to currency risk	Exposure to foreign currencies as at 31 December 2024 (expressed to Hong Kong dollars)								
	AUD HK$'000	CHF HK$'000	EUR HK$'000	GBP HK$'000	JPY HK$'000	RMB HK$'000	TWD HK$'000	HKD HK$'000	USD HK$'000
Trade and other receivables and contract assets and amounts due from related companies	–	28	11,353	8,481	1,093	49,751	–	–	289,947
Cash and cash equivalents	4	9	10,812	1,394	1,123	644	–	–	50,544
Trade and other payables and contract liabilities and amounts due to related companies	(1,539)	(966)	(31,433)	(6,963)	(2,791)	(2,020)	(4)	(4,006)	(147,283)
	(1,535)	(929)	(9,268)	2,912	(575)	48,375	(4)	(4,006)	193,208

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency Risk (Continued)

(ii) Sensitivity Analysis

The following table indicates the instantaneous change in the Group's profit before taxation that would arise if foreign exchange rates to which the entity has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

	2025		2024	
	Increase in foreign exchange rates	Increase/ (decrease) on profit before taxation $'000	Increase in foreign exchange rates	Increase/ (decrease) on profit before taxation $'000
AUD	5%	(67)	5%	(77)
CHF	5%	(26)	5%	(46)
EUR	5%	184	5%	(463)
GBP	5%	(129)	5%	146
JPY	5%	50	5%	(29)
RMB	5%	334	5%	2,419
TWD	5%	4	5%	–
HKD	5%	7	5%	(200)
USD	5%	9,340	5%	9,660

The effect on profit before taxation by decreasing the foreign exchange rates by 5% is in the same magnitude yet opposite direction with the above table.

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit before taxation in the respective functional currencies, translated into Hong Kong dollar at the exchange rates ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for the year ended 31 December 2024.

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair Value Measurement

(i) 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 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

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair Value Measurement (Continued)

(i) Financial Assets Measured at Fair Value (Continued)

Fair value hierarchy (Continued)

	Fair value at 31 December 2024	Fair value measurements as at 31 December 2024 categorised into		
		Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Recurring fair value measurement				
Life insurance contract	4,041	–	4,041	–
Unlisted equity securities	392	–	–	392
Listed equity securities	752	752	–	–
	5,185	752	4,041	392

During the years ended 31 December 2025 and 2024, 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.

Unlisted equity securities

The significant unobservable inputs include discount rate of 15% (2024: 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.

(ii) 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 31 December 2025 and 2024.

(Expressed in Hong Kong dollars unless otherwise indicated)

28 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key Management Personnel Remuneration

All members of key management personnel are the directors of the Company, and their remuneration is disclosed in note 7.

(b) Balances with Related Parties

(i) Amounts due from/to Cargo Services Group

Cargo Services Group consists of Cargo Services Group Limited, CS Logistics Holdings Ltd., Cargo Services Seafreight Limited, and their subsidiaries and associates (excluding EV Cargo Group defined below and the Group) up to 30 August 2024, the date from which DP World became controlling shareholder of the Company.

At 31 December 2025, the amounts are unsecured, interest-free and due within 30-60 day from the date of billing.

(ii) Amounts due from/to DP World Group

DP World Group consists of DP World Limited, and its subsidiaries and associates from time to time (excluding the Group).

At 31 December 2025, apart from purchase consideration payable of $24,088,000 relating to acquisition of Allport Cruise Group in March 2022, the amounts are unsecured, interest-free and due within 30–60 days from the date of billing.

(iii) Amounts due from/to EV Cargo Group

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 years ended 31 December 2025 and 2024.

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

(iv) Amounts due from/to Associates

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

(v) Amounts due from related companies

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

28 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with Related Parties

	2025 $'000	2024 $'000
Cargo Services Group		
— Freight forwarding service income received	–	32,702
— Freight forwarding service fee paid	–	(64,453)
— Management fee paid	–	—
— Interest expenses on lease liabilities	(31)	(165)
DP World Group		
— Freight forwarding service income received	113,744	29,257
— Freight forwarding service fee paid	(229,273)	(49,358)
— Interest expenses on lease liabilities	(151)	—
EV Cargo Group		
— Freight forwarding service income received	948	423
— Freight forwarding service fee paid	(6,035)	(11,061)
Associates and joint ventures		
— Freight forwarding service income received	4,526	5,020
— Freight forwarding service fee paid	(3,235)	(13,062)
Non-controlling interests of subsidiaries		
— Freight forwarding service income received	83	37
— Freight forwarding service fee paid	(1,645)	(7,482)
— Management fee paid	(1,703)	(1,165)
Empire Transportation Company Limited		
— Trucking service expenses	11,703	13,234
Transway Logistics Company Limited		
— Trucking service expenses	3,258	3,456
Lombardi Transporti S.r.l. (a company owned by a close family member of a director of the Group)		
— Trucking service expenses	8,274	6,850
Directors		
— Loans	–	2,800

(d) Leasing Arrangement with CS China

The Group entered into lease arrangements in respect of certain leasehold properties from CS China for provision of distribution and logistics services. The related additions of right of use assets and lease liabilities during the year ended 31 December 2025 were $6,681,000 (2024: $8,206,000). The duration of the leases are 1 year. The rents payable to CS China were $nil (2024: $nil) as at 31 December 2025. The amount of rents payable by the Group under the lease arrangements was determined at arm's length, with reference to the amount charged by CS China to third parties. CS China is a subsidiary of Cargo Services Group up to 30 August 2024, the date from which DP World became parent company of CS China.

(Expressed in Hong Kong dollars unless otherwise indicated)

29 CONTINGENT LIABILITIES

Financial guarantees are given by the Company to the banks for the banking facilities entered by certain subsidiaries of the Group (see note 22). 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 31 December 2025 is the amount of the facilities drawn down by the Group, being $359,703,000 (2024: $345,848,000).

30 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2025 $'000	2024 $'000
Non-current assets			
Investments in subsidiaries	14	62,914	62,914
Investment in an associate		5,891	5,891
Amounts due from subsidiaries		105,859	105,843
Other financial assets		647	752
Current assets		175,311	175,400
Amounts due from subsidiaries		462,411	462,011
Other receivables		6,244	6,307
Cash and cash equivalents		252	147
		468,907	468,465
Current liabilities			
Other payables and accrued charges		1,385	1,895
Amounts due to subsidiaries		260,287	246,745
Amounts due to DP World Group	28(b)	37,057	25,916
		298,729	274,556
Net current assets		170,178	193,909
Total asset less current liabilities		345,489	369,309
Non-current liabilities			
Amounts due to DP World Group	28(b)	–	12,044
NET ASSETS		–	357,265
CAPITAL AND RESERVES	26(a)		
Share capital		2,344	2,344
Reserves		343,145	354,921
TOTAL EQUITY		345,489	357,265

Approved and authorised for issue by the board of directors on 31 March 2026.

Mr. Lau Shek Yau John
Director

Mr. Ngan Tim Wing
Director

(Expressed in Hong Kong dollars unless otherwise indicated)

31 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(i) After the end of the reporting period, the directors proposed final dividends. Further details are disclosed in note 26(b).

32 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2025, the directors consider the immediate parent and ultimate controlling party of the Group to be DP World Logistics FZE, which is incorporated in United Arab Emirates, and The Government of Dubai, respectively. This entity does not produce financial statements available for public use.

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures — Contracts referencing nature-dependent electricity*	1 January 2026
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements.

RESULTS

	Year ended 31 December				
	2025	2024	2023	2022	2021
	$'000	$'000	$'000	$'000	$'000
Revenue	**3,007,077**	2,745,518	2,103,959	2,787,972	2,673,424
Profit before taxation	**52,584**	82,866	72,375	147,761	169,984
Income tax	**29,735**	50,899	24,128	48,254	46,635
Profit attributable to equity shareholders of the Company	**15,359**	32,009	48,278	86,632	83,413
Profit attributable to non-controlling interests	**7,490**	(42)	(31)	12,875	39,936

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	Year ended 31 December				
	2025	2024	2023	2022	2021
	$'000	$'000	$'000	$'000	$'000
Non-current assets	**465,646**	474,324	516,380	510,529	282,621
Current assets	**1,320,468**	1,126,464	898,227	953,478	988,250
Total assets	**1,786,114**	1,600,788	1,414,607	1,464,007	1,270,871
Current liabilities	**1,153,231**	982,521	901,273	960,686	725,997
Total assets less current liabilities	**632,883**	618,267	513,334	503,321	544,874
Non-current liabilities	**59,522**	69,809	99,837	89,436	80,359
NET ASSETS	**573,361**	548,458	413,497	413,885	464,515
Equity					
Share capital	**2,344**	2,344	2,154	2,154	2,154
Reserves	**542,029**	510,423	360,895	350,117	400,953
Total equity attributable to equity shareholders of the Company	**544,373**	512,767	363,049	352,271	403,107
Non-controlling interests	**28,988**	35,691	50,448	61,614	61,408
TOTAL EQUITY	**573,361**	548,458	413,497	413,885	464,515

GLOSSARY

"AGM"	annual general meeting of the Company
"Allport Cruise"	Allport Cruise Logistics Inc., a company incorporated in the British Virgin Islands with limited liability
"Allport Cruise Group"	Allport Cruise and its subsidiaries
"Articles"	the amended and restated articles of association of the Company, adopted on 27 May 2022, as amended, supplemented or otherwise modified from time to time
"B2B"	Business to Business
"B2C"	Business to Consumer
"Board"	the board of Directors
"Business Day"	any day (excluding Saturday, Sunday and any other public holidays and any day on which a tropical cyclone warning signal no. 8 or above or "extreme conditions" caused by a super typhoons or a "black" rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which commercial banks generally are open for business in Hong Kong
"BVI"	the British Virgin Islands
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CN BVI"	CN Logistics Limited, a company incorporated in the BVI with limited liability on 29 October 2014 and an indirect non-wholly owned subsidiary of the Company
"CN France"	CN LOGISTICS FRANCE SAS, a simplified joint-stock company incorporated in France with limited liability on 13 July 2017 and an indirect non-wholly owned subsidiary of the Company
"CN France HK"	CN FRANCE (HONG KONG) LIMITED, a company incorporated in Hong Kong with limited liability on 28 May 2019 and an indirect non-wholly owned subsidiary of the Company
"CN Italy"	CN Logistics S.R.L., a company incorporated in Italy with limited liability and an indirect wholly owned subsidiary of the Company
"CN Logistics HK"	CN LOGISTICS LIMITED (嘉宏物流有限公司) (formerly known as CN AIRFREIGHT LIMITED, LLEA INTERNATIONAL LIMITED and GOLD FLAVOUR GROUP LIMITED), a company incorporated in Hong Kong with limited liability on 19 March 2004 and an indirect non-wholly owned subsidiary of the Company
"CN Switzerland"	CN LOGISTICS SA, a company limited by shares incorporated and registered with the commercial register in Switzerland and an indirect wholly owned subsidiary of the Company

GLOSSARY

"Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "CN Logistics"	CN Logistics International Holdings Limited (嘉泓物流國際控股有限公司) (formerly known as CARGO SERVICES AIRFREIGHT LIMITED), an exempted company limited by shares incorporated in the Cayman Islands on 14 December 2017 under the Companies Laws, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands with limited liability
"Controlling Shareholder(s)"	DP World, DP World FZE and DP World Limited, individually and as a group of persons, being the controlling shareholder (as defined under the Listing Rules) of the Company
"Controlling Shareholder Group"	a group of companies consisted of DP World Limited together with its subsidiaries, which for the purpose of this annual report, excludes the Group
"Corporate Governance Committee"	corporate governance committee of the Company
"COVID" or "COVID-19"	the Coronavirus disease 2019
"CS Airfreight"	CARGO SERVICES AIRFREIGHT LIMITED (嘉宏空運服務有限公司) (formerly known as CARGO SERVICES AIRFREIGHT LIMITED and CHAMPION YEAR CARGO LIMITED (冠年貨運有限公司)), a company incorporated in Hong Kong with limited liability on 25 September 1990 and an indirect non-wholly owned subsidiary of the Company
"Cargo Services Group"	CS Group, CS Holdings and their subsidiaries and associates (including CS Seafreight and its subsidiaries and associates up to 30 August 2024, the date of the completion of the acquisition of CS Seafreight by DP World)
"CS China"	Cargo Services (China) Limited (嘉宏國際運輸代理有限公司), a company incorporated under the laws of the PRC and an indirect wholly owned subsidiary of CS Seafreight
"CS Group"	Cargo Services Group Limited, an exempted company limited by shares incorporated in the Cayman Islands on 11 February 2015 under the Companies Law and indirectly controlled by Mr. Lau and a connected person of the Company
"CS Holdings"	CS Logistics Holdings Ltd., a company incorporated in the BVI with limited liability on 10 November 2004 and wholly-owned by CS Group
"CS Seafreight"	CARGO SERVICES SEAFREIGHT LIMITED, an exempted company limited by shares incorporated in the Cayman Islands on 11 January 2018 under the Companies Law, and wholly-owned by CS Holdings up to 30 August 2024, the date of the completion of the acquisition of CS Seafreight by DP World)

"CS Shanghai BVI"	CS Airfreight (Shanghai) Limited, a company incorporated in the BVI with limited liability on 29 October 2014 and a direct non-wholly owned subsidiary of the Company
"Directors"	directors of the Company
"DP World"	DP World Logistics FZE, a company established under the laws of the United Arab Emirates and a controlling Shareholder
"DP World Group"	DP World and its subsidiaries and associates from time to time (including CS Seafreight and its subsidiaries and excluding the Group from 30 August 2024, the date of the completion of the acquisition of CS Seafreight by DP World)
"DP World HK"	DP World Logistics Hong Kong Limited (杜拜環球港務物流香港有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of DP World
"DP World HK Group"	DP World HK and its subsidiaries and associates from time to time (excluding the Group)
"EUR"	Euro, the lawful currency of the member countries of the European Union
"EV Cargo"	EV Cargo Global Forwarding Limited (formerly known as Allport Cargo Services Limited), a company incorporated in the United Kingdom with limited liability and a connected person of the Company at subsidiary level
"EV Cargo Group"	EV Cargo and its associates from time to time (excluding CS Shanghai BVI)
"FY2024"	the year ended 31 December 2024
"FY2025" or "Year"	the year ended 31 December 2025
"GBP"	British pound sterling, the lawful currency of the United Kingdom
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Third Party(ies)"	person(s) or company(ies) which is (are) not connected person(s) (as defined in the Listing Rules) of the Company
"Listing"	the Listing of the Shares on the Main Board of the Hong Kong Stock Exchange on the Listing Date
"Listing Date"	15 October 2020

GLOSSARY

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"Mr. Lau"	Mr. Lau Shek Yau John (劉石佑), the founder of the Group, chairman of the Board, and an executive Director.
"Nomination Committee"	the nomination committee of the Company
"PRC" or "China"	the People's Republic of China which, for the purposes of this annual report excludes Hong Kong, Macau and Taiwan
"Prospectus"	the prospectus of the Company dated 30 September 2020
"Remuneration Committee"	the remuneration committee of the Company
"Risk and Compliance Committee"	the risk and compliance committee of the Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share Award Scheme"	the share award scheme adopted by the Company on 6 May 2021
"Share Option Scheme"	the share option scheme adopted by the Company on 17 September 2020
"Share(s)"	ordinary share(s) of US$0.001 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"sq.ft."	square feet
"TWD"	New Taiwan dollar, the lawful currency of Taiwan
"US$"	United States dollars, the lawful currency of U.S.
"USA" or "United States"	the United States of America
"%"	per cent

Terms marked with "" are English translations of the original names in Chinese and are included in this annual report for identification purpose only. In the event of any inconsistency, the Chinese name(s) shall prevail.*