LC Logistics, Inc.

乐 舱 物 流 股 份 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2490)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL AND OPERATION HIGHLIGHTS

- Revenue for the six months ended 30 June 2026 was RMB884.7 million.
- Attributable to owners of the parent for the six months ended 30 June 2026 was RMB159.0 million.
- Basic earnings per share for the six months ended 30 June 2026 was RMB0.28.
- The container shipping volume of the Group's cross-border logistics services for the six months ended 30 June 2026 was 183,519 TEUs.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of LC Logistics, Inc. (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Period**") with comparative figures for the six months ended 30 June 2025. These interim results have been prepared in accordance with IFRS Accounting Standards and have also been reviewed by the audit committee of the Company (the "**Audit Committee**").

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

For the six months ended 30 June 2026

	Notes	**30 June 2026 (Unaudited)** ***RMB'000***	30 June 2025 (Unaudited) *RMB'000*
REVENUE	*4*	**884,734**	904,984
Cost of sales		**(826,599)**	(822,587)
GROSS PROFIT		**58,135**	82,397
Other income and gains		**199,083**	91,126
Selling and distribution expenses		**(12,839)**	(12,092)
Administrative expenses		**(59,281)**	(35,747)
Other expenses		**(197)**	(824)
Finance costs	*6*	**(3,948)**	(5,203)
(Impairment losses)/reversal of impairment losses on financial assets		**(6,063)**	8,628
Share of losses of associates		**(540)**	(234)
PROFIT BEFORE TAX	*5*	**174,350**	128,051
Income tax expense	*7*	**(4,648)**	(238)
PROFIT FOR THE PERIOD		**169,702**	127,813
Attributable to:			
Owners of the parent		**159,039**	111,300
Non-controlling interests		**10,663**	16,513
		169,702	127,813
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted		**RMB0.28**	RMB0.19

	30 June 2026 (Unaudited) *RMB'000*	30 June 2025 (Unaudited) *RMB'000*
PROFIT FOR THE PERIOD	**169,702**	127,813
OTHER COMPREHENSIVE LOSSES		
Other comprehensive losses that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(48,975)**	(5,258)
	(48,975)	(5,258)
Net other comprehensive losses that may be reclassified to profit or loss in subsequent periods	**(48,975)**	(5,258)
Other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**4**	(42)
	4	(42)
Net other comprehensive income/(losses) that will not be reclassified to profit in subsequent periods	**4**	(42)
OTHER COMPREHENSIVE LOSSES FOR THE PERIOD, NET OF TAX	**(48,971)**	(5,300)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**120,731**	122,513
Attributable to:		
Owners of the parent	**109,134**	105,984
Non-controlling interests	**11,597**	16,529
	120,731	122,513

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2026

	Notes	**30 June 2026 (Unaudited) *RMB'000***	31 December 2025 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Prepayments and other receivables		**716,863**	653,351
Property, plant and equipment		**358,891**	426,257
Right-of-use assets		**49,568**	62,474
Goodwill		**8,572**	8,572
Intangible assets		**1,098**	1,305
Investment in an associate		**47,544**	27,516
Equity investments designated at fair value through other comprehensive income		**2,027**	2,023
Deferred tax assets		**1,206**	1,115
Total non-current assets		**1,185,769**	1,182,613
CURRENT ASSETS			
Inventories		**11,874**	8,863
Trade receivables	*10*	**192,029**	142,586
Due from related parties		**32,968**	12,704
Prepayments and other receivables		**83,196**	68,263
Financial assets at fair value through profit or loss		**230,843**	58,995
Cash and bank balances		**260,913**	428,704
Total current assets		**811,823**	720,115
CURRENT LIABILITIES			
Trade payables	*11*	**144,801**	147,459
Other payables and accruals		**73,571**	97,805
Interest-bearing bank and other borrowings		**57,729**	28,200
Tax payable		**3,514**	3,126
Lease liabilities		**36,865**	34,481
Total current liabilities		**316,480**	311,071
NET CURRENT ASSETS		**495,343**	409,044
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,681,112**	1,591,657

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**3,793**	11,572
Lease liabilities	**3,358**	20,916
Deferred tax liabilities	**106**	114
Total non-current liabilities	**7,257**	32,602
Net assets	**1,673,855**	1,559,055
EQUITY		
Equity attributable to owners of the parent		
Share capital	**219**	205
Reserves	**1,593,967**	1,490,778
	1,594,186	1,490,983
Non-controlling interests	**79,669**	68,072
Total equity	**1,673,855**	1,559,055

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is an exempted company incorporated in the Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 25 September 2023. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the period, the Company's subsidiaries were principally engaged in the provision of integrated cross-border logistics services.

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

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following new and amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The nature and impact of the new and amended IFRS Accounting Standards are described below:

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features.

Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments did not have any significant impact on the interim condensed consolidated financial information.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments did not have any significant impact on the interim condensed consolidated financial information.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are applicable to the Group are as follows:

- IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. The amendments did not have any significant impact on the interim condensed consolidated financial information.

- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. The amendments did not have any significant impact on the interim condensed consolidated financial information.

- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. The amendments did not have any significant impact on the interim condensed consolidated financial information.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". The amendments did not have any significant impact on the interim condensed consolidated financial information.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and only has one reportable operating segment. Management monitors the results of the Group's operating segments as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Mainland China	**769,261**	746,820
Others	**115,473**	158,164
	884,734	904,984

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

(b) Non-current assets

The vessels and containers (included in property, plant and equipment) are primarily utilised across geographical markets for shipment of cargoes around the world. Accordingly, it is impractical to present the locations of the vessels and containers by geographical areas. Therefore, the vessels and containers are presented as unallocated non-current assets.

Information about a major customer

No revenue from a major customer accounted for 10% or more of the Group's revenue during the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**859,262**	861,156
Revenue from other sources		
Time charter income	**25,472**	43,828
Total	**884,734**	904,984

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of service provided	**795,473**	783,924
Cost of inventories sold	**2,137**	–
Depreciation of property, plant and equipment	**22,734**	29,639
Depreciation of right-of-use assets	**15,490**	15,776
Amortisation of intangible assets	**207**	216
Impairment losses/(reversal of impairment losses) of financial assets, net		
– Trade receivables	**6,063**	2,370
– Other receivables	**–**	(10,998)
Fair value gains on financial assets at fair value through profit or loss	**(38,045)**	(4,196)
Foreign exchange gain, net	**(9,038)**	(2,934)
Interest income	**(4,373)**	(13,635)
Gains on disposal of property, plant and equipment	**(145,151)**	(61,483)

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**2,017**	2,929
Interest on lease liabilities	**1,931**	2,274
Total	**3,948**	5,203

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in this jurisdiction.

The Group's subsidiary incorporated in Hong Kong was subject to Hong Kong profits tax at the rate of 16.5% on any estimated assessable profits arising in Hong Kong for the period.

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

The Group's subsidiaries in the United States ("**US**") are subject to US federal and state income taxes, which are provided for at an aggregate rate of approximately 30% on their estimated assessable profits.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
Chinese Mainland	**230**	226
Hong Kong	**3,058**	–
US	**1,454**	–
Deferred tax	**(94)**	12
Total tax charge for the period	**4,648**	238

8. DIVIDENDS

The board of directors has resolved not to pay an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

The board of directors approved the declaration and payment of a special dividend of HK$0.25 per ordinary share to the shareholders, totalling approximately HK$143,000,000 in aggregate on 27 January 2026.

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 574,634,347 (six months ended 30 June 2025: 572,538,312) outstanding in issue during the period, as adjusted to reflect the rights issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2026 and 2025.

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**159,039**	111,300

	Number of shares	
	2026	2025
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**574,634,347**	572,538,312

10. TRADE RECEIVABLES

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

	30 June 2026 *RMB'000* (Unaudited)	31 December 2025 *RMB'000* (Audited)
Within 1 month	**98,210**	81,641
1 to 3 months	**61,013**	34,704
3 to 6 months	**15,036**	13,206
6 to 12 months	**13,616**	6,136
Over 1 year	**4,154**	6,899
Total	**192,029**	142,586

11. TRADE PAYABLES

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

	30 June 2026 *RMB'000* (Unaudited)	31 December 2025 *RMB'000* (Audited)
Within 1 year	**128,291**	127,858
Over 1 year	**16,510**	19,601
Total	**144,801**	147,459

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

BUSINESS REVIEW

Leveraging the extensive experience and industry knowledge of the Group's management team, the Group is able to promptly adjust its service strategies and business focus, thereby flexibly allocating transportation resources between its two major business lines, namely, cross-border logistics services and time charter services.

Cross-border logistics services

The Company's cross-border logistics services are mainly divided into self-operated cross-border logistics services and cross-border logistics services provided by third-party shipping carriers.

During the Period, the Group mainly provided cross-border logistics services through third-party shipping carriers, covering destinations across the globe. The Group's service volume of cross-border seaborne transportation provided by third parties was 183,519 TEUs, representing a decrease of approximately 6.9% from 197,195 TEUs for the same period in 2025, primarily due to intensified market competition faced by the Company during the Period. The Group's average price per TEU for cross-border seaborne transportation provided by third parties increased from approximately RMB3,774.9 for the six months ended 30 June 2025 to approximately RMB4,071.8 for the Period, primarily due to an increase in market freight rates.

During the Period, the Group's self-operated cross-border logistics services consisted of break-bulk cargo transportation services. The break-bulk cargo shipping route connected China and Africa. The self-operated cross-border logistics services accounted for approximately 5.0% of the revenue from cross-border logistics services. For the six months ended 30 June 2026, the service volume of the Group's self-operated cross-border seaborne transportation was 51,851 revenue tons. For the six months ended 30 June 2026, the average price per revenue ton of the Group's self-operated cross-border seaborne transportation was RMB827.0.

Meanwhile, in order to further expand its capacity in respect of cargo pick-up and sorting, customs clearance, warehouse transit and last-mile delivery, the Group provided overseas warehousing services during the Period. The Group's overseas warehouses had a service capacity of 2 million square feet.

Time charter services

The Group has flexible business plans to utilize its shipping capacity in time charter services with reference to market conditions and charter rates.

During the Period, the Group chartered out one container vessel and one dry bulk vessel and generated revenue of RMB25.5 million. The average daily charter rate was approximately RMB101,483.3 during the Period, which was higher than that of approximately RMB101,262.7 for the same period in 2025, primarily due to the disposal of one vessel with a lower average daily charter rate in 2026. The time charter rates charged by the Group are affected by the prevailing market rates and demand at the time the relevant contracts are entered into and may therefore fluctuate.

Business Outlook

Against the backdrop of the profound evolution of the international economic and trade landscape and the accelerated reshaping of global industrial and supply chains, the Company will continue to consolidate the competitive advantages of its core businesses of cross-border integrated logistics and vessel leasing in the second half of 2026. Leveraging its self-owned fleet resources, global logistics service network, integrated digital platform, and extensive experience in vessel management and cross-border logistics, the Company will implement multiple strategic initiatives to drive steady business growth. In terms of market expansion, the Group will focus on capturing four major opportunities: firstly, to deepen its participation in infrastructure projects in countries along the "Belt and Road" with a focus on developing the engineering logistics market in Africa; secondly, to optimize the global shipping network and enhance capacity and cargo space availability on container liner routes; thirdly, to expand its cross-border e-commerce business with the aim of establishing a full-chain cross-border e-commerce logistics ecosystem featuring "seaborne transportation + warehousing + delivery"; and fourthly, to accelerate its development and deployment of overseas warehouses in order to enhance its regional service capabilities.

In terms of operational enhancement, the Group will focus its efforts on advancing three key initiatives: firstly, to optimize the operating efficiency of its self-owned fleet of feeder vessels so as to provide industry customers with more competitive logistics solutions; secondly, to step up the development of new shipping routes and continue to expand its coverage of regional markets; and thirdly, to implement refined cost management and control measures and continuously improve its asset utilization rate through proactive asset management, so as to maximize the value of its fleet assets.

Based on the above strategic initiatives, in the second half of 2026, the Group will continue to leverage the expansion of its cross-border e-commerce business, the in-depth development of its engineering logistics services, and the continuous growth of its overseas warehousing business, to drive a steady increase in revenue; meanwhile, through differentiated operating strategies and the continuous optimization of operational efficiency, the Group will seek to maintain a comparatively strong level of profitability within the industry. In the face of the complex and ever-changing external environment, the Group will actively innovate its business models, further consolidate its competitive market position and remain committed to creating long-term, stable and sustainable investment returns for Shareholders.

FINANCIAL REVIEW

Revenue

During the Period, the Group derived its revenue from (i) cross-border logistics services; and (ii) time charter services. The following table sets forth a breakdown of the Group's revenue by business line for the periods indicated:

	For the six months ended 30 June		Change in percentage
	2026	2025	
	RMB'000	*RMB'000*	
Revenue			
Cross border logistics services[1]	**859,262**	861,156	-0.2%
Time charter services	**25,472**	43,828	-41.9%
Total	**884,734**	904,984	-2.2%

Note[1]: including the overseas warehousing business.

Revenue of the Group decreased by approximately 2.2% from RMB905.0 million for the six months ended 30 June 2025 to RMB884.7 million during the Period. This decrease was mainly attributable to the decrease in revenue generated from time charter services from RMB43.8 million for the six months ended 30 June 2025 to RMB25.5 million during the Period, which resulted from the reduction in shipping capacity available for time charter services following the Company's disposal of two vessels in 2025 and 2026.

Cost of sales

Cost of sales increased by approximately 0.5% from RMB822.6 million for the six months ended 30 June 2025 to RMB826.6 million during the Period.

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales. As a result of the foregoing, gross profit decreased by approximately 29.5% from RMB82.4 million for the six months ended 30 June 2025 to RMB58.1 million during the Period.

Gross profit margin decreased from 9.1% for the six months ended 30 June 2025 to 6.6% during the Period, as a result of the decrease in the provision of shipping capacity under time charter services during the Period.

Other income and gains

Other income and gains primarily include gains on the disposal of vessels, interest income, fair value gains on financial assets at fair value through profit or loss and government grants. Other income and gains increased by approximately 118.6% from RMB91.1 million for the six months ended 30 June 2025 to RMB199.1 million during the Period, primarily due to the Group's asset optimisation initiatives, including the optimisation of its investment strategy for vessel assets, which resulted in non-recurring gains of approximately RMB152.5 million.

Selling and distribution expenses

Selling and distribution expenses primarily include salaries and welfare expenses of the Group's sales and marketing team and travel expenses. Selling and distribution expenses increased by approximately 5.8% from RMB12.1 million for the six months ended 30 June 2025 to RMB12.8 million during the Period, primarily due to the increase in salaries and welfare expenses of the Group's sales and marketing team.

Administrative expenses

Administrative expenses primarily include (i) salaries and welfare expenses of the Group's administrative staff; (ii) consulting fees; (iii) depreciation and amortization; and (iv) office expenses and travel expenses. Administrative expenses increased by approximately 66.1% from RMB35.7 million for the six months ended 30 June 2025 to RMB59.3 million during the Period, primarily due to the increase in consulting fees and salaries and welfare expenses of the Group's administrative staff.

Other expenses

Other expenses primarily represent miscellaneous expenses. Other expenses decreased by approximately 75.0% from RMB0.8 million for the six months ended 30 June 2025 to RMB0.2 million during the Period.

Finance costs

Finance costs include interest expenses on bank and other borrowings and interest expenses on lease liabilities. Finance costs decreased from RMB5.2 million for the six months ended 30 June 2025 to RMB3.9 million during the Period, primarily due to the decrease in the average interest rate of the Group's foreign currency-denominated borrowings during the Period.

Impairment/Reversal of impairment losses on financial assets

Impairment/Reversal of impairment losses on financial assets primarily consist of impairment/reversal of impairment losses on trade receivables and other receivables. The Group recorded a reversal of impairment losses on financial assets of RMB8.6 million for the six months ended 30 June 2025 and impairment losses of RMB6.1 million during the Period, primarily due to the increase in the loss allowance made for trade receivables during the Period.

Share of losses of associates

The Group's share of loss of associates are related to Lecang International Logistics (Wuxi) Co., Ltd, in which the Group held an approximately 40.0% equity interest, Lecang (Shanghai) Investment Management Co., Ltd, in which the Group held an approximately 40.0% equity, and BAL SHIPBROKING PTE. LTD., in which the group held an approximately 40.0% equity interest. The Group recorded a share of losses of associates of RMB0.5 million during the Period.

Profit before tax

As a result of the foregoing, profit before tax increased by approximately 36.1% from RMB128.1 million for the six months ended 30 June 2025 to RMB174.4 million during the Period.

Income tax expense

Income tax expense primarily consists of PRC corporate income tax, Hong Kong profits tax and U.S. income tax. The Group recorded an income tax expense of RMB0.2 million for the six months ended 30 June 2025 and an income tax expense of RMB4.6 million during the Period.

Profit for the Period

As a result of the foregoing, the Group's profit for the Period increased by approximately 32.8% from RMB127.8 million for the six months ended 30 June 2025 to RMB169.7 million during the Period.

Liquidity, Financial and Capital Resources

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

Net current assets

As at 30 June 2026, the Group's net current assets amounted to RMB495.3 million (31 December 2025: RMB409.0 million). Specifically, the Group's total current assets increased by approximately 12.7% from RMB720.1 million as at 31 December 2025 to RMB811.8 million as at 30 June 2026. The Group's total current liabilities increased by approximately 1.7% from RMB311.1 million as at 31 December 2025 to RMB316.5 million as at 30 June 2026.

Cash position

As at 30 June 2026, the Group had cash and bank balances of RMB260.9 million (31 December 2025: RMB428.7 million). The following table sets forth the currencies in which the Group's cash and bank balances were denominated as at 30 June 2026:

	As at 30 June 2026 *RMB'000*
Denominated in RMB	**20,308**
Denominated in United States dollars ("**USD**")	**109,758**
Denominated in Malagasy ariaries	**3,949**
Denominated in Hong Kong dollars	**126,547**
Denominated in Euro	**36**
Denominated in Singapore Dollars	**315**
Total cash and bank balances	**260,913**

Borrowings

As at 30 June 2026, the Group had borrowings of RMB61.5 million (31 December 2025: RMB39.8 million), which comprised interest-bearing bank and other borrowings.

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

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Bank loans and overdraft repayable:		
– Within one year	**43,000**	13,000
Other borrowings repayable:		
– On demand or within a period not exceeding one year	**14,729**	15,200
– Within a period of more than one year but not exceeding two years	**3,793**	11,572
Subtotal	**18,522**	26,772
Total	**61,522**	39,772

As at 30 June 2026, except for borrowings amounting to RMB18.5 million which were denominated in USD (31 December 2025: RMB26.8 million), the remaining borrowings of the Group were denominated in RMB. All of the Group's bank and other borrowings bore interest at fixed rates ranging from 2.60% to 6.47% as at 30 June 2026 (31 December 2025: 2.85% to 7.71%).

Borrowing costs

The Group's interest expenses on bank and other borrowings decreased from RMB2.9 million for the six months ended 30 June 2025 to RMB2.0 million during the Period, primarily due to the decrease in the average interest rate of the Group's foreign currency-denominated borrowings.

Pledge of assets

As at 30 June 2026, the Group had mortgaged container vessels with aggregate carrying amounts of RMB46.0 million (31 December 2025: RMB49.9 million) to secure bank and other borrowings amounting to RMB18.5 million (31 December 2025: RMB26.8 million).

As at 30 June 2026, the Group had no pledged deposits (31 December 2025: RMB10.4 million as security for a payment guarantee issued by a bank).

Financial risks

The Group's principal financial instruments mainly include trade and notes receivables, amounts due from related parties, financial assets included in prepayments and other receivables, cash and cash equivalents and financial liabilities included in other payables and accruals, all of which arise directly from its operations. The Group also has other financial liabilities such as interest-bearing other borrowings. The main purpose of these financial instruments is to finance the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Generally, the Group adopts a conservative approach to risk management. To maintain the Group's exposure to these risks at a minimum, the Group has not used any derivative and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

Interest rate risk

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

Foreign currency risk

The Group has minimal transactional currency exposure as most of the Group's sales and purchases by its operating units are denominated in the functional currencies of the relevant operating units. The Group manages its foreign currency risk by closely monitoring foreign currency exchange rates.

Credit risk

The Group is exposed to credit risk in relation to its trade and notes receivables, financial assets included in prepayments and other receivables, amounts due from related parties, and cash and cash equivalents.

The Group expects that there is no significant credit risk associated with cash and cash equivalents since they are deposited with state-owned banks and other medium or large-sized listed banks. For trade receivables from third parties, the Group has a large number of customers and there is no concentration of credit risk as the customer base relating to the Group's trade receivables is widely dispersed. In addition, the receivable balances are monitored on an ongoing basis. The Group expects that there is no significant credit risk associated with financial assets included in prepayments and other receivables since they have low historical default risk. The Group expects the credit risk associated with non-trade-related amounts due from related parties to be low, since the relevant related parties have a strong capacity to meet their contractual cash flow obligations in the near term.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. Cash flows are closely monitored on an ongoing basis.

Key Financial Ratios

As at 30 June 2026, the current ratio of the Group, being current assets divided by current liabilities, was 2.6 times (31 December 2025: 2.3 times).

The Group monitors its capital using a gearing ratio, which is calculated as the sum of interest-bearing borrowings and amounts due to a related party divided by total equity. The Group's policy is to maintain a healthy gearing ratio. As at 30 June 2026, the gearing ratio of the Group was 3.7% (31 December 2025: 2.6%). The increase in the Group's gearing ratio was mainly attributable to the increase in the interest-bearing borrowings during the Period.

Contingent Liabilities

As at 30 June 2026, the Group had no significant contingent liabilities.

Commitments

As at 30 June 2026, the Group had capital commitments of RMB1,877.6 million (31 December 2025: RMB712.4 million). The amount as at 30 June 2026 related to the purchase of container vessels.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group intends to utilize the net proceeds (the "**Net Proceeds**") from the Listing in accordance with the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 13 September 2023 (the "**Prospectus**"). Furthermore, as disclosed in the Company's announcement dated 27 February 2026, the Company entered into two shipbuilding agreements for the construction and acquisition of two 11,000-TEU container vessels at an aggregate consideration of US$236 million.

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

USE OF PROCEEDS FROM THE LISTING

The Company raised net proceeds from the Global Offering (including the proceeds from the partial exercise of the Over-allotment Option (as defined in the Prospectus)) in the amount of approximately HK$95.1 million. The Net Proceeds will be utilized for the purposes set out in the Prospectus. The following table sets forth the status of the use of the Net Proceeds as at 30 June 2026:

Use	Percentage of the Net Proceeds as stated in the Prospectus	Unutilized Net Proceeds as at 31 December 2025 *HK$ million*	Actual use of the Net Proceeds during the Period *HK$ million*	Unutilized Net Proceeds as at 30 June 2026 *HK$ million*	Expected timeframe of full utilization of the Net Proceeds
Setting up logistics facilities, including warehouses and container yards, purchasing trucks and investing in software systems for warehouse, order and transportation management	52.0%	–	–	–	–
Expanding the business coverage and global network	4.0%	–	–	–	–
Adopting digital technologies and upgrading internet service systems in providing integrated cross-border logistics services	7.0%	2.7	1.3	1.4	2026
Strategic investments and/or acquisitions in businesses or assets that complement the Group's business	20.0%	–	–	–	–
Establishing a trucking service matching platform	7.0%	6.7	–	6.7	2026
General corporate purposes and working capital needs	10.0%	–	–	–	–
Total	100.0%	9.4	1.3	8.1	

As at 30 June 2026, the Directors were not aware of any material change in the planned use of the Net Proceeds. The remaining Net Proceeds which had not been utilized were placed in short-term demand deposits with licensed financial institutions. The unutilised Net Proceeds will be applied in the manner disclosed by the Company. However, the expected timeline for the full utilisation of the unutilised Net Proceeds set out above is based on the Directors' best estimate barring unforeseen circumstances, and is subject to change based on the future development of the Group's business and the market conditions.

PROCEEDS FROM THE PLACING

On 11 June 2026, the Company and three placing agents entered into a placing agreement, pursuant to which the joint placing agents had conditionally agreed to procure not less than six placees (who and whose ultimate beneficial owners will be independent third parties) to subscribe for 42,153,600 placing shares at the placing price of HK$3.3 per placing share.

The placing price of HK$3.3 per placing share represented (a) a discount of approximately 17.09% to the closing price of HK$3.98 per share of the Company (the "**Share(s)**") as quoted on the Stock Exchange on the date of the placing agreement; and (b) a discount of approximately 16.46% to the average closing price of approximately HK$3.95 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the placing agreement.

Completion of the placing took place on 22 June 2026. A total of 42,153,600 placing shares were successfully placed at the placing price of HK$3.3 per placing share to no less than six placees (who and whose ultimate beneficial owners will be independent third parties). None of the placees became a substantial shareholder of the Company immediately upon completion of the placing.

The Company received the net proceeds from the placing, after deducting the placing commission and other relevant costs and expenses, of approximately HK$137.54 million. On this basis, the net issue price is approximately HK$3.26 per placing share.

The net proceeds from the placing will be used for potential strategic acquisitions and general working capital. Details of the planned and actual use of the net proceeds from the placing were as follows:

	Percentage of the net proceeds as stated in the announcement of the Company dated 22 June 2026	Net proceeds received as at 22 June 2026 *HK$ million*	Actual use of the net proceeds from 22 June 2026 to 30 June 2026 *HK$ million*	Unutilized net proceeds as at 30 June 2026 *HK$ million*	Expected timeframe of full utilization of the net proceeds
Use					
Potential strategic acquisition	90%	123.79	–	123.79	2027
General working capital	10%	13.75	–	13.75	2027
Total	100%	137.54	–	137.54	

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of 340 full-time employees. During the Period, staff costs relating to the Group's employees recognized as expenses amounted to RMB39.3 million.

The Group offers its employees remuneration packages that include a fixed salary, allowances and a performance-based bonus. In general, the Group determines an employee's salary based on the employee's qualifications, experience and capabilities as well as the prevailing market remuneration rates. The Group is required to make contributions to mandatory social insurance funds for its employees to provide retirement, medical, work-related injury, maternity and unemployment benefits, as well as to housing provident funds, under the applicable PRC laws and regulations. During the Period, no labour union was established by the Group's employees, and the Group did not experience any significant disputes with its employees or any disruption to its operations due to labour disputes. The Group also did not experience any difficulties in the recruitment and retention of experienced staff or skilled personnel.

The Group provides orientation training to newly recruited employees to help them understand the corporate culture of the Company. The Group also organizes a mentorship programme under which its more experienced employees help newly recruited employees to enhance their skills and knowledge in relation to daily operations. From time to time, the Group also holds training sessions to enhance the skills of its employees.

SUBSEQUENT EVENTS

On 9 July 2026, the Company proposed to change its English name from "LC Logistics, Inc." to "LC Group Holding Limited" and its dual foreign name in Chinese from "乐舱物流股份有限公司" to"乐舱集团控股有限公司". Further details are set out in the announcement of the Company dated 9 July 2026.

Save as disclosed above, there have been no other material events affecting the Company since 30 June 2026 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including any sale or transfer of treasury shares) during the Period. As at 30 June 2026, the Company did not hold any treasury shares.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

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

REVIEW OF THE INTERIM RESULTS BY THE AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprised three independent non-executive Directors, namely Dr. Yang Kequan (chairman), Dr. Gu Lin and Mr. Qi Yinliang. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2026. The Audit Committee and the Company's management have also reviewed the accounting principles and practices adopted by the Group. The Audit Committee has agreed with the management of the Company on the unaudited interim results of the Group for the six months ended 30 June 2026.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.lcang.com). The interim report of the Company for the six months ended 30 June 2026, containing all the information required by the Listing Rules will be despatched (if requested) to the Shareholders and made available for review on the same websites in due course.

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

Hong Kong, 25 August 2026

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