GOAL RISE LOGISTICS (CHINA) HOLDINGS LIMITED
健升物流(中國)控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1529)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2020, operating results of Goal Rise Logistics (China) Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") were as follows:

- The consolidated revenue was approximately RMB185.2 million (2019: RMB209.8 million), representing a decrease of approximately RMB24.6 million or 11.7% as compared with the year ended 31 December 2019.

- Profit and total comprehensive income for the year was approximately RMB2.5 million (2019: approximately RMB9.3 million), representing a decrease of approximately RMB6.8 million or 73.6% as compared with the year ended 31 December 2019. Disregarding the impact of certain non-operational expenses, including equity-settled share-based expense recognized for the year ended 31 December 2020, and non-recurring expenses, including Transfer of Listing expenses incurred for the year ended 31 December 2019, respectively, the profit and total comprehensive income for the years ended 31 December 2020 and 2019 would be approximately RMB8.1 million and RMB18.2 million, respectively, representing a decrease of approximately RMB10.1 million or 55.6%.

- The basic earnings per share of the Company was approximately RMB0.31 cents (2019: approximately RMB1.17 cents).

- The directors of the Company (the "**Directors**") do not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: nil).

ANNUAL RESULTS

The board (the "**Board**") of Directors is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2020, together with the audited comparative figures for the year ended 31 December 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	**2020** *RMB'000*	2019 *RMB'000*
Revenue	*3*	**185,198**	209,750
Other income, gains and losses		**1,411**	1,825
Employee benefits expenses		**(72,854)**	(75,456)
Sub-contracting expenses		**(46,483)**	(61,955)
Depreciation of property, plant and equipment		**(3,143)**	(2,076)
Depreciation of right-of-use assets		**(17,325)**	(17,166)
Finance costs	*5*	**(3,438)**	(2,914)
Professional fee relating to transfer of listing		**–**	(8,867)
Other expenses	*6*	**(36,352)**	(27,185)
Profit before taxation		**7,014**	15,956
Income tax expenses	*7*	**(4,551)**	(6,635)
Profit and total comprehensive income for the year	*8*	**2,463**	9,321
Earnings per share	*9*		
— Basic, RMB cents		**0.31**	1.17
— Diluted, RMB cents		**0.31**	1.17

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**20,431**	19,803
Right-of-use assets		**49,495**	72,031
Rental deposits		**3,192**	3,097
Deferred tax assets		**–**	385
		73,118	95,316
CURRENT ASSETS			
Trade and other receivables and prepayments	*10*	**79,943**	68,867
Bank balances and cash		**74,965**	71,419
		154,908	140,286
CURRENT LIABILITIES			
Trade and other payables and accrued expenses	*11*	**26,716**	30,540
Lease liabilities		**15,070**	15,318
Bank borrowing		**10,000**	–
Tax payable		**4,975**	5,894
		56,761	51,752
NET CURRENT ASSETS		**98,147**	88,534
TOTAL ASSETS LESS CURRENT LIABILITIES		**171,265**	183,850
NON-CURRENT LIABILITIES			
Lease liabilities		**36,571**	57,687
Deferred tax liabilities		**456**	–
		37,027	57,687
NET ASSETS		**134,238**	126,163
CAPITAL AND RESERVES			
Share capital	*12*	**6,761**	6,761
Reserves		**127,477**	119,402
TOTAL EQUITY		**134,238**	126,163

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

Goal Rise Logistics (China) Holdings Limited was incorporated on 22 November 2016 in the Cayman Islands as an exempted company with limited liability. The Company's registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and principal place of business registered in Hong Kong is Room 1106, 11/F, Sterling Centre, 11 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong. The headquarters and principal place of business of the Group is at Units 1301 and 1302, 13/F, Citic Plaza, No. 233, Tianhe Road North, Guangzhou, the People's Republic of China (the "**PRC**").

The Company is an investment holding company and the Company's subsidiaries are principally engaged in the provision of logistics services. The shares of the Company (the "**Shares**") were listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 18 October 2017 (the "**Listing**") and have been transferred from GEM of the Stock Exchange to the Main Board of the Stock Exchange with effect from 19 December 2019 (the "**Transfer of Listing**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is same as the functional currency of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements for the year ended 31 December 2020 are prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**"), amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and the Hong Kong Companies Ordinance.

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and on the disclosures set out in these consolidated financial statements.

2.1 Impacts on application of Amendments to HKAS 1 and HKAS 8 *Definition of Material*

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions[4]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[2]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 June 2020
5 Effective for annual periods beginning on or after 1 January 2021

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

  (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

  (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date.

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will continue to be held in share-based payments reserve.

Share options granted to non-employees

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the services. The fair values of the goods or services received are recognised as expense (unless the goods or services qualify for a recognition as assets).

3. REVENUE

(a) Disaggregation of the Group's revenue from contracts with customers

	2020	2019
	RMB'000	*RMB'000*
Types of services		
Transportation service	**66,018**	96,607
Warehousing service	**48,504**	40,334
In-plant logistics service	**69,739**	72,013
Customisation service	**937**	796
Total	**185,198**	209,750
Timing of revenue recognition		
Over time	**184,261**	208,954
At a point in time	**937**	796
	185,198	209,750

All services are provided within a period of less than one year. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

(b) Performance obligations for contracts with customers

The performance obligations for contracts with customers of the Group's major sources of revenue are as follow:

- Transportation service: delivery of the customers' inventory to their downstream clients, manufacturing plants and/or designated locations. The transportation services mainly cover across the PRC and Egypt.

- Warehousing service: provision of inventory storage and management services in the Group's warehouses located in the PRC with specified physical conditions.

- In-plant logistics service: provision of a wide-range of in-house services at customers' manufacturing plants to integrate the production processes, which cover the management of the movements of (a) production materials and components and work-in-progress to the production lines within the manufacturing plants of the customers of the Group; and (b) delivery of finished goods to the factory gates of the relevant customers deployed by staff of the Group at its customers' manufacturing plants.

- Customisation service: provision of labelling services (i.e. sticking labels onto the surface of the inventory according to customers' instructions) and the bundling services (i.e. bundling the inventory to facilitate handling and transportation) generally provided inside the Group's warehouses.

The Group recognises its revenue from the provision of the transportation service, warehousing service and in-plant logistics service over time as the customers receive and consume the benefits of the Group's performance as it occurs. The Group recognises its revenue from customisation service at a point in time when the customers accept the services and the Group has present right to payment and collection of the consideration is probable.

4. SEGMENT INFORMATION

The Group's operating segments, which also represent the Group's reportable segments, are determined based on information reported to the chief operating decision maker (the "**CODM**") of the Group, being the executive directors of the Company, who are also the directors of the operating subsidiary, for the purpose of resource allocation and performance assessment.

The CODM regularly reviews revenue and results analysis by (i) transportation service, (ii) warehousing service, (iii) in-plant logistics service; and (iv) customisation service.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments.

For the year ended 31 December 2020

	Transportation service *RMB'000*	**Warehousing service** *RMB'000*	**In-plant logistics service** *RMB'000*	**Customisation service** *RMB'000*	**Total** *RMB'000*
Revenue					
External sales	66,018	48,504	69,739	937	185,198
Results					
Segment results	10,707	1,577	16,861	368	29,513
Unallocated corporate income					2,389
Unallocated corporate expenses					(24,888)
Profit before taxation					7,014

For the year ended 31 December 2019

	Transportation service *RMB'000*	Warehousing service *RMB'000*	In-plant logistics service *RMB'000*	Customisation service *RMB'000*	Total *RMB'000*
Revenue					
External sales	96,607	40,334	72,013	796	209,750
Results					
Segment results	21,752	3,910	14,247	309	40,218
Unallocated corporate income					1,698
Unallocated corporate expenses					(25,960)
Profit before taxation					15,956

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent profit earned from each segment without allocation of listing expenses, corporate income and certain expenses. This is the measure reported to the CODM of the Group for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

No analysis of segment assets or liabilities is presented as they are not regularly provided to the CODM.

Other segment information

For the year ended 31 December 2020

	Transportation service *RMB'000*	Warehousing service *RMB'000*	In-plant logistics service *RMB'000*	Customisation service *RMB'000*	Segment Total *RMB'000*	Corporate *RMB'000*	Consolidated *RMB'000*
Amounts included in the measure of segment results:							
Depreciation of property, plant and equipment	523	2,425	19	–	2,967	176	3,143
Depreciation of right-of-use assets	446	16,246	–	–	16,692	633	17,325
Loss on disposal of property, plant and equipment	–	–	–	–	–	17	17

For the year ended 31 December 2019

	Transportation service *RMB'000*	Warehousing service *RMB'000*	In-plant logistics service *RMB'000*	Customisation service *RMB'000*	Segment Total *RMB'000*	Corporate *RMB'000*	Consolidated *RMB'000*
Amounts included in the measure of segment results:							
Depreciation of property, plant and equipment	702	1,223	23	–	1,948	128	2,076
Depreciation of right-of-use assets	556	15,949	–	–	16,505	661	17,166
Loss on disposal of property, plant and equipment	–	–	–	–	–	6	6

Geographical information

The Group's revenue is mainly derived from operations in the PRC and the Group's non-current assets are located in the PRC by location of assets.

Information about major customers

Revenue from customers of the reporting period contributing over 10% of the Group's revenue are as follows:

	2020 ***RMB'000***	2019 *RMB'000*
Customer A	**57,129**	65,023
Customer B	**55,272**	58,355
Customer C	**38,623**	55,714
	151,024	179,092

Revenue from Customer A is solely generated from transportation service segment. Revenue from Customers B and C are generated from all of the transportation service, warehousing service, in-plant logistics service and customisation service segments.

5. FINANCE COSTS

	2020	2019
	RMB'000	*RMB'000*
Interest on bank borrowing	**131**	–
Interest on lease liabilities	**3,307**	2,914
Total borrowing costs	**3,438**	2,914

6. OTHER EXPENSES

	2020	2019
	RMB'000	*RMB'000*
Auditor's remuneration	**1,124**	1,151
Entertainment expenses	**776**	1,097
Expenses relating to short-term leases	**9,134**	1,311
Fleet operating expenses	**3,902**	5,128
Insurance expenses	**837**	1,138
Legal and professional fees	**3,283**	1,277
Other operating expenses *(Note)*	**5,458**	4,663
Other taxes and surcharges	**521**	391
Outsourced labour costs	**5,971**	4,860
Repair and maintenance expenses	**523**	1,180
Equity-settled share-based expense for non-employees	**335**	–
Telephone and communication fees	**458**	438
Travelling expenses	**355**	874
Utilities expenses	**3,675**	3,677
	36,352	27,185

Note: Other operating expenses included individual items less than RMB1,000,000, such as bank charges, general office expenses, annual dinner expenses, annual general meeting costs etc.

7. INCOME TAX EXPENSES

	2020	2019
	RMB'000	*RMB'000*
Current tax charges:		
PRC Enterprise Income Tax ("**EIT**") — current year	**3,711**	7,020
Deferred tax charges (credits):		
Current year	**840**	(385)
	4,551	6,635

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong. PRC EIT is calculated at 25% (2019: 25%) of the estimated assessable profits for the current year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. PROFIT FOR THE YEAR

	2020	2019
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Directors' remuneration:		
— Fees	**354**	272
— Salaries and other allowances	**2,331**	1,227
— Discretionary bonus	**399**	1,496
— Retirement benefit scheme contributions	**44**	90
— Equity-settled share-based expense	**936**	–
	4,064	3,085
Other staff salaries and other allowances	**59,286**	58,362
Retirement benefit scheme contributions, excluding those of directors	**5,163**	14,009
Equity-settled share-based expense	**4,341**	–
Total employee benefits expenses	**72,854**	75,456
Equity-settled share-based expense for non-employees	**335**	–
Auditor's remuneration		
— Audit services	**1,124**	1,151
— Non-audit services (included in professional fee relating to transfer of listing)	**–**	1,297
Loss on disposal of property, plant and equipment	**17**	6
Other income, gains and losses mainly included:		
Bank interest income	**(1,114)**	(641)
Interest income from rental deposits	**(138)**	(127)
Government grants *(Note)*	**(1,190)**	(589)
Gain on lease modification	**(157)**	–
Net foreign exchange losses (gains)	**1,255**	(414)

Note: For the years ended 31 December 2019 and 2020, the amount mainly included government grants to the Group for maintaining lower unemployment rate and the value-added tax ("**VAT**") credit granted under the new VAT policy with no unfulfilled conditions attached before recognition.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company for the year is based on the following data:

	2020	2019
Earnings		
Profit for the year attributable to the owners of the Company for the purpose of basic and diluted earnings per share (in RMB'000)	**2,463**	9,321
Number of shares		
Number of ordinary shares for the purpose of basic and diluted earnings per share (in thousands)	**800,000**	800,000

The computation of diluted earnings per share for the year ended 31 December 2020 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of the shares of the Company during the year.

There was no potential ordinary share in issue for the year ended 31 December 2019.

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2020 ***RMB'000***	2019 *RMB'000*
Trade receivables from contracts with customers, gross and net	**70,519**	65,018
Prepayments and other receivables	**2,847**	3,849
Rental deposit *(Note)*	**6,577**	–
	79,943	68,867

Note: The balance represents rental deposit placed by the Group in connection with its rented premise under a short-term lease during the year.

As at 1 January 2019, trade receivables from contracts with customers amounted to RMB77,796,000.

For long-term customers with good credit quality and payment history, the Group allows credit period of no longer than 150 (2019: 120) days. For other customers, the Group demands for full settlement upon issuance of invoice after the provision of services.

The following is an aging analysis of trade receivables presented based on the invoice date at the end of the reporting period.

	2020 ***RMB'000***	2019 *RMB'000*
Within 30 days	**28,720**	25,697
31 to 60 days	**14,667**	17,351
61 to 90 days	**14,122**	15,420
Over 90 days	**13,010**	6,550
	70,519	65,018

11. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

	2020	2019
	RMB'000	*RMB'000*
Trade payables	**15,077**	15,311
Accrued employee benefits	**6,733**	8,237
Other payables and accrued expenses	**4,906**	6,992
	26,716	30,540

The credit period of trade payables is ranging from 30 to 90 days.

The following is an aging analysis of trade payables based on the invoice date at the end of the reporting period.

	2020	2019
	RMB'000	*RMB'000*
Within 30 days	**10,589**	7,376
31 to 60 days	**3,340**	4,383
61 to 90 days	**649**	3,495
Over 90 days	**499**	57
	15,077	15,311

12. SHARE CAPITAL

	Number of shares	**Share capital**
		HK$
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2019, 31 December 2019 and 2020	**10,000,000,000**	**100,000,000**
Issued and fully paid:		
At 1 January 2019, 31 December 2019 and 2020	**800,000,000**	**8,000,000**

	2020	2019
	RMB'000	*RMB'000*
Shown in the consolidated statement of financial position	**6,761**	6,761

13. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: nil).

14. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to the written resolutions of the shareholders of the Company on 26 September 2017, the Company adopted a share option scheme (the "**Share Option Scheme**") to grant share options to eligible participants, including the executive directors of the Company. Details of the Share Option Scheme are disclosed in the Group's consolidated financial statements for the year ended 31 December 2020 presented in the annual report 2020 of the Company, which will be published in due course.

No share option was granted since the adoption of the Share Option Scheme until 1 June 2020, when the Company granted 73,400,000 share options (the "**Share Options**") to eligible participants with an exercise price of HK$0.188 per share. The Share Options are valid and exercisable for a period of ten years from the date of grant to 31 May 2030 (both days inclusive).

The fair value of the options granted on 1 June 2020 was calculated by an external professional valuer using the Binomial Option Pricing Model. The assumptions used were as follows:

	2020
Share price of the Company at date of grant	**HK$0.188**
Exercise price	**HK$0.188**
Expected volatility	**41.606%**
Expected life	**10 years**
Risk-free rate	**0.529%**
Expected dividend yield	**0.00%**
Early exercise multiple for directors	**2.800**
Early exercise multiple for employees	**2.200**
Early exercise multiple for non-employees	**2.200**

The expected volatility is based on historical price volatility of listed companies that are similar in business nature with the Company in the past few years. The risk-free rate was determined with reference to the yields of Hong Kong Sovereign Curve as extracted from Bloomberg as at 1 June 2020. The dividend yield of 0% was adopted which is with reference to the Company's historical dividend payout.

The variables and assumptions used in computing the fair value of the share options are based on the management's best estimate. The value of an option varies with different variables of a number of subjective assumptions and with regard to the limitation of the Binomial Option Pricing Model. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

Based on the fair values derived from the above pricing model, the estimated fair value of the Share Options granted on 1 June 2020 was RMB5,612,000, which was recognised as an equity-settled share-based expense in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020 (2019: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group provides a wide range of logistics services to meet the needs of the customers' supply chains in the PRC, which include (i) transportation; (ii) warehousing; (iii) in-plant logistics; and (iv) customisation services (consisting mainly of labelling services and bundling services).

The Group offers transportation services which primarily involve the delivery of the customers' production materials, components and finished goods to their downstream clients, manufacturing plants and/or designated locations. The Group has six warehouses located in the Guangdong Province with a total gross floor area of approximately 98,000 square metres which offer warehousing services to customers. The Group's in-plant logistics services cover the management of the movement of (i) production materials and components and work-in-progress to the production lines within the customers' manufacturing plants; and (ii) finished goods out to their factory gate. The Group's range of services gives it a competitive advantage over other logistics service providers in the PRC which offer only a limited range of services.

Impact of COVID-19 on our operations and performance

In early 2020, the Coronavirus Disease 2019 (COVID-19) (the "**Pandemic**") outbreak brought additional challenges to the Group's operating environment in China. Due to the outbreak of the Pandemic across the mainland China, a number of provinces took various emergency public health measures and other actions to prevent the spread of the Pandemic, including imposing restriction on the resumption date of work after the Chinese New Year holidays, compulsory quarantining arrangement, travel restrictions, among others.

As far as the Group's businesses are concerned, during the first two months of 2020, the persisted situation of the Pandemic caused operational delays to the Group's customers' businesses due to mandatory temporary closure of their manufacturing facilities required by the PRC government, in particular after the Chinese New Year holidays, which in turn led to an unprecedented backlog of and/or suspension in demand for our logistics services during that period. As a result of the shutdown requirement of our customers' plants, we experienced partial interruptions of service resumption ranging from a few days to a few weeks in February 2020. Moreover, due to travel restrictions and regional lockdowns, around 13% of our staff and workers were unable to return to work after the holidays, leading to a temporary shortage of manpower for full resumption of operation, hence, lowering our operation capacity and efficiency. Under these mandated preventive measures and while economic activities were stagnant during January to March 2020, the Group encountered an immediate and drastic reduction in revenue generated from the Group's transportation service of approximately 50.3% and in-plant logistics service of approximately 21.8%, as compared to the same period of last year. While consumers continued to hold back on their spending specifically in the first half of the year, some of our customers which were engaged in the fast-moving consumer goods business, in response, also adjusted their production schedules, impacting the demand for our logistics services. In spite of a gradual alleviation of the Pandemic condition in China since the second quarter of 2020, the overall demand for the Group's operation in the provision of both domestic transportation and international freight forwarding agency service, have yet to resume to the normal level before the Pandemic. The Pandemic had caused the Group's revenue from transportation service to decline by approximately 31.7% for the whole year.

Furthermore, the efficiency of logistics flow was adversely affected by the Pandemic, which inflated the Group's operation costs, and consequently added cost pressure onto the Group's profits. The negative impact of the Pandemic on the Group was primarily in the first half of the year, during which we incurred incremental costs associated with the Pandemic, such as incurrence of higher outsourced labour costs in order to maintain a stable labour supply and to cope with the adjustment of customers' production schedules, higher sub-contracting expenses for international freight forwarding agency service caused by the limited availability of cargo space from shipping companies, higher general and administrative expenses in purchasing COVID-19 protection supplies, and additional costs for disinfection etc. Considering the market uncertainty, the Group has been managing operating expenses and reducing marketing and promotion budgets cautiously. In addition, we made full use of the government subsidy programs, such as reduction in social security fund contribution and waiver of toll charges, which lessened our operation costs. Since the Group's operation is service-oriented and labour intensive, we have taken measures to minimise the risk of exposure to infection. We provided our delivery personnel with face masks, hand sanitizers and other protective equipment immediately after the outbreak and required all our staff, drivers and workers to put on face masks at all times when they were on duty and be highly aware of personal hygiene.

To enhance the revenue stream which used to focus on large-sized and multi-national customers, the Group has also modified its business plan by extending its service to more small-to-mid-scale and temporary customers. During the whole year, there were 23 new customers and they contributed approximately 6% of the total revenue. Also, the overall recoverability of receivables was positive and the Group did not encounter material defaults of settlement during the year.

The Group took pre-emptive actions to strengthen its liquidity by drawing down banking facilities for possible funding needs. The Directors have assessed that, based on the latest available cash balances and bank facilities and prudent estimates of recoverability of trade receivables and settlement of trade payables, the Group's liquidity position remained sufficiently healthy to meet its working capital and capital commitments in the next year.

Land resumption plans

In early July 2020, the Group was informed by the local government of forthcoming land resumption plans involving the land at which four of the Group's warehouses (the "**Relevant Warehouses**") are situated. The expiry dates of the leases of the Relevant Warehouses range from January 2022 to April 2027, and the Group has not been formally notified of the termination of such leases. Nevertheless, in view of the forthcoming land resumption plans, the Group considered that the leases will be terminated soon and has commenced and completed the search for suitable replacement warehouse(s). The Group was able to lease a warehouse in Dongguan and it started to operate in the third quarter of the year. Pending actual termination of the leases of the Relevant Warehouses, the Group continues its operation as usual.

The leases of the Relevant Warehouses and certain forklifts used in the Relevant Warehouses are recognised as right-of-use assets with corresponding lease liabilities pursuant to HKFRS 16. Subject to the actual termination dates of these leases, the Group estimates that, based on the latest available information, right-of-use assets with a carrying amount of approximately RMB36.5 million and lease liabilities with a carrying amount of approximately RMB36.5 million may have to be derecognised. In addition, certain property, plant and equipment with a carrying amount of approximately RMB17.6 million that are being used or installed in the Relevant Warehouses may be subject to asset disposal and written-off.

The Directors of the Company consider that any impending termination of the leases of the Relevant Warehouses will not have any significant adverse impact on the Group's operation as the new warehouse in Dongguan will gradually replace the Relevant Warehouses. Further announcements will be made by the Company in respect of any material development regarding the termination of the lease agreements as and when appropriate.

Outlook

The containment of the Pandemic in the macro-economic environment is still uncertain despite vaccines have been developed and rollouts of vaccination in China and some other countries. The extent to which our operations continue to be impacted by the COVID-19 outbreak will depend largely on future developments, which are highly uncertain and cannot be accurately predicted. The Group will continue to assess the impact of the Pandemic on the Group's operations and financial performance and closely monitor the Group's exposure to the risks and uncertainties in connection with the Pandemic on an ongoing basis, being cautious about the scattered cases in China, progress of COVID-19 control, possible rebound of the Pandemic, prevalent spread of the new virus variants, and more stringent preventive measures local governments might implement again, which would limit the Group's flexibility in the provision of domestic and international logistics services. The Group expects to continue experiencing some negative top-line financial impact in the short-run, but is optimistic about the Group's operation performance next year amid the gradual alleviation and the comparatively more stable and controllable condition of the Pandemic in China as well as an expected economy growth of 6%* or above in China in 2021. Having reviewed that subsequent to year end and up to the date of this announcement, there had been no significant changes on the Group's latest financial position in terms of liquidity and gearing, the Group

* *Source: Government Work Report announced at the Fourth Session of the Thirteenth National People's Congress in March 2021*

considers that its financial resources remain sufficiently strong to enable us to navigate through this pandemic crisis and resume its growth thereafter. To ease the impact of the Pandemic on our business operations, the Group will remain cautious and continue to review and act decisively by enhancing its business continuity plans, ensuring minimal service disruption to our customers through maintaining a sufficient labour supply and taking all possible measures, including routine disinfection of workplace, provision of protective masks, among others, to maintain a safe working environment for our employees.

Taking the advantage of the economic development in the Guangdong-Hong Kong-Macao Greater Bay Area ("**GBA**") and under the structural development of national dual-circulation, the Group actively participated in support of the PRC government's policy on internal economic circulation model and strategy. The Group took the initiative to expand its warehousing service operation capacity in the GBA via setting up a new warehouse with a total gross floor area of approximately 54,000 square metres in Dongguan, being another core city center in the GBA vicinity. The provision of warehousing service covers the entire GBA which cater for the diverse needs of different industries including e-commerce, pharmaceutical, food and beverage, consumer goods etc.

Looking forward, the Group will keep leveraging its business strengths and aim to extend more business opportunities in the region. The Group also expects to actively diversify the logistics services to a broader spectrum of industries. Where any potential change in the customers' operation demand for logistics services is anticipated, the Group will also actively consider to explore business opportunities to accommodate their needs.

Financial Review

Revenue

Owing to the challenges posed by the unprecedented Pandemic since early 2020, the overall revenue of the Group decreased by approximately 11.7% from approximately RMB209.8 million for the year ended 31 December 2019 to approximately RMB185.2 million for the year ended 31 December 2020.

Revenue generated from the transportation services recorded a decrease of approximately 31.7% from approximately RMB96.6 million for the year ended 31 December 2019 to approximately RMB66.0 million for the year ended 31 December 2020. The decrease in the transportation services was mainly attributable to a decrease in customers' orders for domestic transportation and international freight forwarding agency services during the year ended 31 December 2020, which was primarily caused by operational delays in our customers' businesses resulting from travel restrictions and home quarantine requirements imposed by local governments during the first few months of the year, and the cautious slowdown in customers' business expansion due to an overall downturn of the economy, which has led to a decrease in demand for the Group's logistics services. The decrease was partly offset by the revenue generated from the expansion of transportation business overseas in Egypt.

Revenue generated from the warehousing services increased by approximately 20.3% from approximately RMB40.3 million for the year ended 31 December 2019 to approximately RMB48.5 million for the year ended 31 December 2020, which was contributed by the additional demand for our warehousing services from new customers.

Revenue generated from the in-plant logistics services decreased by approximately 3.2% from approximately RMB72.0 million for the year ended 31 December 2019 to approximately RMB69.7 million for the year ended 31 December 2020, which was mainly due to the delays in service resumption by the Group which was caused by local government measures requiring temporary closure of the customers' manufacturing plants during the first few months of the year.

Revenue generated from the customisation services amounted to approximately RMB0.8 million and RMB0.9 million for the year ended 31 December 2019 and 31 December 2020, respectively. The revenue contributed by this segment is subject to the demand for the Group's labelling and bundling services from its customers on an as-needed basis.

Other income, gains and losses

Other income, gains and losses mainly consisted of bank interest income, government grants and net exchange gains or losses. For the year ended 31 December 2020, a net gain of approximately RMB1.4 million (2019: approximately RMB1.8 million) was recognised, mainly representing (i) government grants received as reward for employment stabilisation of the Group, (ii) an increase in bank interest income, (iii) value-added tax credit, (iv) gain on lease modification and (v) an increase in interest income from rental deposits on application of the HKFRS 16, offset by a net exchange loss (2019: net exchange gain) arising from the re-translation of foreign currency denominated monetary items.

Employee benefits expenses

Employee benefits expenses primarily consisted of (i) wages and salaries; (ii) social security fund and insurance contribution; and (iii) other allowances and benefits. The Group's employee benefits expenses amounted to approximately RMB75.5 million and RMB72.9 million for the year ended 31 December 2019 and 31 December 2020, respectively. The decrease in employee benefits expenses of approximately RMB2.6 million as compared to that of the year ended 31 December 2019 was primarily attributable to the decrease in the associated social security fund and insurance contribution following the local government's social insurance concession policy, and lower average monthly basic salary paid to our workers and drivers who were refrained from duty due to temporary closure of the warehouses and customers' manufacturing plants in early 2020. The decrease was partly offset by the recognition of an equity-settled share-based expense arising from the grant of share options. The Directors consider that, subject to the continued implementation of the social insurance concession policy by the local government in the coming years, the Group's social insurance costs may be increased, impacting the result of the Group. The Group had a total of 828 and 793 full-time employees as at 31 December 2019 and 31 December 2020, respectively.

Sub-contracting expenses

Sub-contracting expenses primarily represented the amount paid to subcontractors for the provision of certain transportation services. The Group's sub-contracting expenses amounted to approximately RMB46.5 million for the year ended 31 December 2020 (2019: approximately RMB62.0 million). In general, the subcontractors charged the Group based on the price stated in the subcontracting agreements which specify the price for each type of services they provided. Sub-contracting expenses were incurred for the orders for domestic transportation service and international freight forwarding agency services by our customers during the year ended 31 December 2020, whereby the Group, through outsourcing to independent subcontractors, assisted the customers to obtain cargo space from shipping companies or shipping agents that meet their requirements. The decrease in sub-contracting expenses was in line with the decrease in the revenue from transportation services.

Depreciation of right-of-use assets

The Group has certain leases in respect of (i) premises comprising warehouses, office premises and temporary staff quarters; and (ii) plant and machinery such as forklifts. Upon adoption of HKFRS 16 on 1 January 2019, the Group has recognised right-of-use assets and the corresponding lease liabilities in respect of all leases, except for short-term leases. Under HKFRS 16, right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated over the shorter of the lease term and its useful life. As a result, depreciation of right-of-use assets of approximately RMB17.3 million was recognised for the year ended 31 December 2020 (2019: approximately RMB17.2 million).

Finance costs

(i) Interest expense on lease liabilities

Upon adoption of HKFRS 16 on 1 January 2019, the lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liabilities are adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. As a result, an interest expense on lease liabilities of approximately RMB3.3 million was recognised for the year ended 31 December 2020 (2019: approximately RMB2.9 million).

(ii) Interest expense on bank borrowing

During the year ended 31 December 2020, the Group drawn down a short-term bank loan of RMB10.0 million bearing an effective interest rate of 4.85% per annum and such bank loan is guaranteed by Mr. Li Jianxin (an executive Director of the Company). Accordingly, an interest expense of approximately RMB0.1 million was incurred for the year ended 31 December 2020 (2019: nil).

Professional fee relating to transfer of listing

During the year ended 31 December 2019, the Company submitted an application to the Stock Exchange in relation to the Transfer of Listing and the Transfer of Listing was completed on 19 December 2019. Accordingly, non-recurring professional and consultancy fees of approximately RMB8.9 million were incurred for the Transfer of Listing for the year ended 31 December 2019 while the Group did not incur any of such listing expenses for the year ended 31 December 2020.

Other expenses

Other expenses mainly include (i) fleet vehicles operating expenses which mainly include fuel costs and maintenance expenses of our fleet vehicles; (ii) utilities expenses which mainly include water and electricity expenses; (iii) office and telephone expenses which mainly include general office expenses and long-distance calling fees; (iv) insurance expenses for the warehouses and transportations; (v) entertainment and travelling expenses for business soliciting; and (vi) others which mainly include maintenance expenses for the warehouses, professional fees and other miscellaneous expenses. Other expenses amounted to approximately RMB27.2 million and RMB36.4 million for the year ended 31 December 2019 and 31 December 2020, respectively, and such increase was primarily due to the increase in expenses relating to short-term leases, outsourced labour costs, professional fees incurred for the Company's listing status and recognition of equity-settled share-based expense for non-employees, which was partly offset by the decrease in fleet expenses as well as entertainment and travelling for business soliciting.

Profit and total comprehensive income for the year

As a result of the aforesaid, the Group recorded a profit and total comprehensive income for the year of approximately RMB2.5 million for the year ended 31 December 2020 (2019: approximately RMB9.3 million), representing a decrease of approximately RMB6.8 million or 73.6%. Disregarding the impact of certain non-operational expenses, including equity-settled share-based expense recognized for the year ended 31 December 2020, and non-recurring expenses, including Transfer of Listing expenses incurred for the year ended 31 December 2019, respectively, the profit and total comprehensive income for the years ended 31 December 2020 and 2019 would be approximately RMB8.1 million and RMB18.2 million, respectively, representing a decrease of approximately RMB10.1 million or 55.6%.

Liquidity and financial resources

The Group's operation and investments were financed principally by cash generated from its own business operations and the proceeds from the Listing. As at 31 December 2020, the Group had net current assets of approximately RMB98.1 million (at 31 December 2019: approximately RMB88.5 million) and cash and cash equivalents of approximately RMB75.0 million (at 31 December 2019: approximately RMB71.4 million). The Directors confirm that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

Gearing ratio

As at 31 December 2020, the gearing ratio (calculated on the basis of total bank borrowing and lease liabilities divided by total equity at the end of the year) of the Group was 45.9% (at 31 December 2019: 57.9%). The Group did not have any bank and other borrowings as at 31 December 2019.

Capital structure

The capital structure of the Group consisted of cash and cash equivalents, net of bank borrowings and equity attributable to the owners of the Company, comprising issued share capital and reserves. The Directors review the Group's capital structure regularly. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt.

Foreign currency exposure

The Group's business activities are principally in the PRC and are primarily denominated in RMB. Certain subsidiaries of the Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the Directors will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Charge on the Group's assets

The Group did not have any charge on its assets as at 31 December 2020 (at 31 December 2019: nil).

Contingent liabilities

The Group did not have any significant contingent liabilities as at 31 December 2020 (at 31 December 2019: nil).

Capital commitments

As at 31 December 2020, the Group had a total capital commitment of approximately RMB0.6 million (at 31 December 2019: approximately RMB7.2 million), representing capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment.

Material acquisitions and disposals of subsidiaries

During the year ended 31 December 2020, the Group had no material acquisition and disposal of subsidiaries.

Significant investments held by the Group

During the year ended 31 December 2020, the Group did not make any significant investments.

Employees and remuneration policies

As at 31 December 2020, the Group employed 793 (at 31 December 2019: 828) full time employees. The Group determines the employee's remuneration based on factors such as qualification, duty, contributions, work experience, the prevailing market conditions and the Group's remuneration policy. Employees' benefits include contributions to retirement scheme and share options under the Company's share option scheme. To enhance the expertise of our employees, the Group also provides them on-the-job training and sponsors them to attend external training courses and seminars.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the sections headed "Comparison of business objectives with actual business progress" and "Use of proceeds" of this announcement, and the impact of the land resumption plans on possible early termination of the leases of the Relevant Warehouses which may lead to acquisition and/or installation of new facilities for the replacement warehouse(s), the Group does not have any concrete plan for material investments or capital assets for the coming year.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the prospectus of the Company dated 29 September 2017 (the "**Prospectus**") with the Group's actual business progress for the period from the date of the Listing to 31 December 2020 is set out below:

Business objectives	Implementation plans	Actual business progress
Upgrading one of the warehouses by installing automated storage facilities and systems	• Obtain quotation from service providers and discuss the scope of service with the service providers	• Service contracts with service providers have been signed and initial upgrade works on the construction of infrastructure facilities have been completed.
	• Install automated storage facilities and systems in one of the Group's existing warehouses	• The installation has been completed as at the date of this announcement.

Business objectives	Implementation plans	Actual business progress
Expanding the existing in-plant logistics business in the North China and East China regions	• Conduct market research on the industry trend and development especially in the North China and East China regions	• Market researches on the industry trend and development were performed.
	• Participate in the tendering process of potential customers	• The Group has participated in the tendering process of potential customers which include several large customers from the beverage, textile and pharmaceutical industries.
	• Hire approximately 30 additional staff for the in-plant logistics business	• The Group has hired over 30 additional staff for the in-plant logistics business.
	• Rent new forklifts and other equipment	• The plan has yet to be implemented.
Expanding vehicle fleet	• Acquire four trucks for transportation	• Four trucks have been purchased and put in use.
	• Hire approximately ten additional drivers for transportation business	• Seven additional drivers have been on board.
Enhancing sales and marketing efforts	• Participate in industry exhibitions and trade fairs	• The Group attended industry exhibitions which include the 2018 Shanghai International Container Exhibition (2018上海國際集裝箱展覽會) held in Shanghai, PRC, the Third Global Logistics Technology Conference 2018 (2018第三屆全球物流技術大會) held at Haikou, PRC and the Guangdong 21st Century Maritime Silk Road International Expo Theme Forum 2019 (2019廣東21世紀海上絲綢之路國際博覽會主題論壇) held at Guangzhou, PRC.
	• Redesign and maintain the Company's website for marketing purpose	• The Company's website has been redesigned with more graphics and picturesque images and has also been enhanced by adding more company news and industry information.
	• Set up a sales and marketing department and hire approximately seven sales specialists	• The sales and marketing department has been set up and four sales specialists were employed.
		• Staff representatives of the Group visited customers' new factory plants overseas and a company has been set up in Egypt for expansion of the Group's logistics business overseas.

USE OF PROCEEDS

The net proceeds from the offering of the shares of the Company by way of share offer, net of underwriting commission and relevant expenses, amounted to approximately HK$38.8 million.

An analysis of the utilisation of the net proceeds from the date of the Listing up to 31 December 2020 is set out below:

	Planned use of net proceeds (as stated in the Prospectus) *HK$'million*	**Actual use of net proceeds up to 31 December 2020** *HK$'million*
Upgrading one of the warehouses by installing automated storage facilities and systems	18.0	18.0
Expanding existing in-plant logistics business in the North China and East China regions	6.0	5.2
Expanding vehicle fleet	4.0	3.1
Enhancing sales and marketing efforts	4.0	3.5
Repaying the bank loans	4.0	4.0
General working capital	2.8	2.8
Total	38.8	36.6

The business objectives as stated in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds was applied in accordance with the actual development of the market.

As at 31 December 2020, approximately HK$36.6 million of the net proceeds from the Listing had been used. The unused net proceeds have been deposited in licensed banks.

The Company intends to apply the net proceeds in the manner as stated in the Prospectus. However, the Directors will constantly evaluate the Group's business objectives and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.

SHARE OPTION SCHEME

Under the Share Option Scheme, the Board may, at its absolute discretion, invite any employee (full-time or part-time) of the Company or any member of the Group, including any executive, non-executive and independent non-executive directors, advisors, consultants of the

Company or any of its subsidiaries, to subscribe for shares of the Company representing up to a maximum of 10% of the shares in issue on the date of the Listing.

No share option was granted since the adoption of the Share Option Scheme until 1 June 2020, when the Company offered to grant an aggregate of 73,400,000 Share Options to certain Directors, employees and consultants of the Company (the "**Grantees**"), subject to acceptance of the Grantees, under the Share Option Scheme. The Share Options will enable the Grantees to subscribe for an aggregate of 73,400,000 shares, representing approximately 9.175% of the issued share capital of the Company as at the date of grant. The validity period of the Share Options is ten years from the date of grant and the exercise price of the Share Options is HK$0.188 per share. The estimated fair value of the Share Options granted was approximately RMB5,612,000. Since then, the Group has not granted any share options under the Share Option Scheme up to the date of this announcement. None of the Share Options of the Company was exercised, lapsed, cancelled or forfeited during the year ended 31 December 2020.

Details of the options granted to the Grantees under the Share Option Scheme and movements in such holdings during the year ended 31 December 2020 were as follows:

				Number of share options		
Grantees	**Date of grant** *(Note 1)*	**Exercise period**	**Exercise price per share** *(HK$)*	**At 1 January 2020**	**Granted during the year** *(Note 2)*	**At 31 December 2020**
Directors						
Li Jianxin	1 June 2020	1 June 2020 to 31 May 2030	0.188	–	800,000	800,000
Li Jianming	1 June 2020	1 June 2020 to 31 May 2030	0.188	–	800,000	800,000
Lin Jianfang	1 June 2020	1 June 2020 to 31 May 2030	0.188	–	8,000,000	8,000,000
Wan Ho Yuen, Terence	1 June 2020	1 June 2020 to 31 May 2030	0.188	–	800,000	800,000
Wu Ka Chee, Davy	1 June 2020	1 June 2020 to 31 May 2030	0.188	–	800,000	800,000
Shao Wei	1 June 2020	1 June 2020 to 31 May 2030	0.188	–	800,000	800,000
Employees	1 June 2020	1 June 2020 to 31 May 2030	0.188	–	57,000,000	57,000,000
Consultants	1 June 2020	1 June 2020 to 31 May 2030	0.188	–	4,400,000	4,400,000
Total				–	73,400,000	73,400,000

Notes:

1. The Share Options vested on the date of grant.

2. The closing price of the shares of the Company immediately before the date of grant of the Share Options was HK$0.19 per share.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme", during the year ended 31 December 2020, the Company or any of its subsidiaries was not a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2020 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance in order to uphold the transparency of the Group and safeguard interests of the shareholders of the Company.

To accomplish this, the Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the "**CG Code**") and Corporate Governance Report contained in Appendix 14 to the Listing Rules.

To the best knowledge of the Board, the Company had complied with the code provisions in the CG Code during the year ended 31 December 2020 and up to the date of this announcement.

COMPETING INTERESTS

For the year ended 31 December 2020, the Directors are not aware of any business or interest of the Directors, the substantial shareholders of the Company or any of their respective associates that competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interests which any such person has or may have with the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' transactions in the securities of the Company. Specific enquiry has been made of all the Directors and all Directors confirmed that they had fully complied with the required standard of dealings and the code of conduct adopted by the Company and there was no event of non-compliance throughout the year ended 31 December 2020 and up to the date of this announcement.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

AUDIT COMMITTEE

The primary duties of the audit committee of the Company (the "**Audit Committee**") are mainly to make recommendations to the Board on the appointment and removal of external auditors; review the financial statements and material advice in respect of financial reporting; and oversee internal control and risk management procedures of the Group. The Audit Committee comprises three independent non-executive Directors, namely, Dr. Wan Ho Yuen, Terence, Dr. Wu Ka Chee, Davy and Mr. Shao Wei. Dr. Wan Ho Yuen, Terence is the chairman of the Audit Committee. The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2020 and is of the view that such financial statements have been prepared in compliance with the applicable accounting standards, and that adequate disclosures have been made.

ANNUAL GENERAL MEETING

The annual general meeting ("**AGM**") of the Company will be held on Monday, 31 May 2021. A notice convening the AGM will be published in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 25 May 2021 to Monday, 31 May 2021, both days inclusive during which no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming AGM or any adjournment thereof, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 24 May 2021.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.goalrise-china.com). The annual report of the Group for the year ended 31 December 2020 containing all the information required by the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Goal Rise Logistics (China) Holdings Limited
Li Jianxin
Chairman

Hong Kong, 23 March 2021

As at the date of this announcement, the executive Directors are Mr. Li Jianxin, Mr. Li Jianming and Ms. Lin Jianfang, and the independent non-executive Directors are Dr. Wan Ho Yuen Terence, Dr. Wu Ka Chee Davy and Mr. Shao Wei.