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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

UNAUDITED INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Goal Rise Logistics (China) Holdings Limited (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2021, together with the unaudited comparative figures for the corresponding period in 2020.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	99,214	83,416
Other income, gains and losses		2,673	1,412
Employee benefits expenses		(34,636)	(35,590)
Sub-contracting expenses		(33,917)	(21,959)
Depreciation of property, plant and equipment		(1,487)	(1,426)
Depreciation of right-of-use assets		(7,704)	(8,717)
Finance costs	5	(1,363)	(1,781)
Other expenses	6	(41,914)	(12,927)
		<hr/>	<hr/>
(Loss)profit before taxation		(19,134)	2,428
Income tax expenses	7	(41)	(2,801)
		<hr/>	<hr/>
Loss and total comprehensive expense for the period	8	(19,175)	(373)
		<hr/>	<hr/>
Loss per share	9		
— Basic, RMB cents		(2.397)	(0.047)
		<hr/>	<hr/>
— Diluted, RMB cents		(2.397)	(0.047)
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		At 30 June 2021 <i>RMB'000</i> (Unaudited)	At 31 December 2020 <i>RMB'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		2,590	20,431
Right-of-use assets		9,871	49,495
Rental deposits		2,907	3,192
		15,368	73,118
CURRENT ASSETS			
Trade and other receivables and prepayments	10	84,988	79,943
Bank balances and cash		71,686	74,965
		156,674	154,908
CURRENT LIABILITIES			
Trade and other payables and accrued expenses	11	31,338	26,716
Lease liabilities		2,968	15,070
Bank borrowing	12	10,000	10,000
Tax payable		5,007	4,975
		49,313	56,761
NET CURRENT ASSETS		107,361	98,147
TOTAL ASSETS LESS CURRENT LIABILITIES		122,729	171,265
NON-CURRENT LIABILITIES			
Lease liabilities		7,330	36,571
Deferred tax liabilities		336	456
		7,666	37,027
NET ASSETS		115,063	134,238
CAPITAL AND RESERVES			
Share capital	13	6,761	6,761
Reserves		108,302	127,477
TOTAL EQUITY		115,063	134,238

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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 Unit B, 23/F., Central 88, No. 88-98 Des Voeux Road Central, 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") have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 December 2019.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is same as the functional currency of the Company. The condensed consolidated financial statements for the six months ended 30 June 2021 have not been audited by the auditors of the Company but have been reviewed by the audit committee of the Company (the "Audit Committee").

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements for the six months ended 30 June 2021 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, 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.

The accounting policies and method of computation used in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2021 are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2020, except for the adoption of certain new and amendments to HKFRSs which are effective for the current period as mentioned below.

New and amendments to HKFRSs that are mandatorily effective for the current period

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied any new and amendments to HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of all these new and amendments to HKFRSs will have no material impact on the condensed consolidated financial statements in the foreseeable future.

Equity-settled share-based payment transactions

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. Details regarding the determination of the fair value of equity-settled share-based payment transactions are set out in note 14 to the condensed consolidated financial statements.

For share options that vest immediately at the date of grant, the fair value of share options granted is expensed immediately to profit or loss. When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained earnings.

3. REVENUE

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

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Types of services		
Transportation service	41,119	32,496
Warehousing service	25,265	20,555
In-plant logistics service	32,072	30,017
Customisation service	758	348
Total	99,214	83,416
Timing of revenue recognition		
Over time	98,456	83,068
At a point in time	758	348
	99,214	83,416

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 in 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 six months ended 30 June 2021

	Transportation service <i>RMB'000</i> (Unaudited)	Warehousing service <i>RMB'000</i> (Unaudited)	In-plant logistics service <i>RMB'000</i> (Unaudited)	Customisation service <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Revenue					
External sales	<u>41,119</u>	<u>25,265</u>	<u>32,072</u>	<u>758</u>	<u>99,214</u>
Results					
Segment results	<u>6,598</u>	<u>(18,199)</u>	<u>7,048</u>	<u>356</u>	<u>(4,197)</u>
Unallocated corporate income					922
Unallocated corporate expenses					<u>(15,859)</u>
Loss before taxation					<u>(19,134)</u>

For the six months ended 30 June 2020

	Transportation service <i>RMB'000</i> (Unaudited)	Warehousing service <i>RMB'000</i> (Unaudited)	In-plant logistics service <i>RMB'000</i> (Unaudited)	Customisation service <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Revenue					
External sales	32,496	20,555	30,017	348	83,416
Results					
Segment results	6,609	2,991	5,847	161	15,608
Unallocated corporate income					1,344
Unallocated corporate expenses					(14,524)
Profit before taxation					2,428

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.

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.

5. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank borrowing	245	–
Interest on lease liabilities	1,118	1,781
Total borrowing costs	1,363	1,781

6. OTHER EXPENSES

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Auditor's remuneration	558	580
Entertainment expenses	351	299
Equity-settled share-based expense for non-employees	–	330
Expenses in respect of short-term leases	12,785	471
Fleet operating expenses	2,365	1,736
Freight handling expenses	1,540	1,673
Impairment of property, plant and equipment	16,479	–
Insurance expenses	395	463
Legal and professional fees	1,018	1,295
Other operating expenses (<i>Note</i>)	2,446	2,784
Other taxes and surcharges	196	246
Outsourced labour costs	1,659	911
Repair and maintenance expenses	375	188
Telephone and communication fees	216	225
Travelling expenses	202	209
Utilities expenses	1,329	1,517
	<u>41,914</u>	<u>12,927</u>

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

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax charges:		
PRC Enterprise Income Tax (“EIT”) — current period	–	3,006
Other Jurisdiction— current period	92	–
Deferred tax credits:		
Current period	<u>(51)</u>	<u>(205)</u>
	<u>41</u>	<u>2,801</u>

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% of the estimated assessable profits for both periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Loss for the period has been arrived at after charging (crediting):		
Directors' remuneration:		
— Fees	165	179
— Salaries and other allowances	1,067	912
— Equity-settled share-based payments	–	322
— Retirement benefit scheme contributions	52	15
	<u>1,284</u>	<u>1,428</u>
Other staff salaries and other allowances	28,211	26,633
Equity-settled share-based payments, excluding those of directors	–	4,881
Retirement benefit scheme contributions, excluding those of directors	5,141	2,648
	<u>34,636</u>	<u>35,590</u>
Total employee benefits expenses		
Equity-settled share-based payments (<i>Note a</i>)	–	330
Auditor's remuneration		
— Audit services	558	580
Bank interest income	(559)	(423)
Interest income from rental deposits	(70)	(68)
Government grants (<i>Note b</i>)	(285)	(654)
Exchange losses (gains)	176	(200)

Notes:

- (a) Equity-settled share-based payments arising from share options granted to eligible participants (other than directors and employees) were included in “Other expenses” in the condensed consolidated statement of profit or loss and other comprehensive income.
- (b) The government grants mainly represented the annual payment 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. LOSS PER SHARE

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

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purpose of basic and diluted loss per share	<u>(19,175)</u>	<u>(373)</u>

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	800,000,000	800,000,000
Effect of dilutive potential ordinary shares:		
— Share options	—	—
Weighted average number of ordinary shares for the purpose of diluted loss per share calculation	<u>800,000,000</u>	<u>800,000,000</u>

For the six months ended 30 June 2021, as all potential ordinary shares arising from share options would be anti-dilutive, no adjustment has been made to the calculation of the dilutive loss per share. For the six months ended 30 June 2020, there was no potential ordinary share outstanding in that period.

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2021 RMB'000 (Unaudited)	At 31 December 2020 RMB'000 (Audited)
Trade receivables from contracts with customers, gross and net	68,662	70,519
Prepayments and other receivables	9,394	2,847
Rental deposit (<i>Note</i>)	<u>6,932</u>	<u>6,577</u>
	<u>84,988</u>	<u>79,943</u>

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

For long-term customers with good credit quality and payment history, the Group allows credit period of no longer than 150 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.

	At 30 June 2021 RMB'000 (Unaudited)	At 31 December 2020 RMB'000 (Audited)
Within 30 days	32,269	28,720
31 to 60 days	12,434	14,667
61 to 90 days	12,033	14,122
Over 90 days	<u>11,926</u>	<u>13,010</u>
	<u>68,662</u>	<u>70,519</u>

11. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

	At 30 June 2021 <i>RMB'000</i> (Unaudited)	At 31 December 2020 <i>RMB'000</i> (Audited)
Trade payables	19,052	15,077
Accrued employee benefits	4,876	6,733
Other payables and accrued expenses	7,410	4,906
	<u>31,338</u>	<u>26,716</u>

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.

	At 30 June 2021 <i>RMB'000</i> (Unaudited)	At 31 December 2020 <i>RMB'000</i> (Audited)
Within 30 days	14,117	10,589
31 to 60 days	3,337	3,340
61 to 90 days	944	649
Over 90 days	654	499
	<u>19,052</u>	<u>15,077</u>

12. BANK BORROWING

	At 30 June 2021 <i>RMB'000</i> (Unaudited)	At 31 December 2020 <i>RMB'000</i> (Audited)
Bank borrowing — fixed rate and unsecured, repayable within one year	10,000	10,000

The above borrowing as at 30 June 2021 is guaranteed by Mr. Li Jianxin, chairman of the Company. The effective interest rate is 4.85% per annum, which is denominated in the functional currency of relevant group entity.

13. SHARE CAPITAL

	Number of shares	Share capital <i>HK\$</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2020, 31 December 2020 and 30 June 2021	<u>10,000,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
At 1 January 2020, 31 December 2020 and 30 June 2021	<u>800,000,000</u>	<u>8,000,000</u>
	At	At
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Shown in the consolidated statement of financial position	<u>6,761</u>	<u>6,761</u>

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 were disclosed in the Group’s consolidated financial statements for the year ended 31 December 2020.

No share option was granted since the adoption of the Share Option Scheme save for that on 1 June 2020, the Company granted 73,400,000 share options (the “**Share Options**”) to eligible participants with an exercise price of HK\$0.188 per share and the Share Options granted have no vesting period. 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:

	1 June 2020
Share price of the Company at date of grant	HK\$0.188
Exercise price	HK\$0.188
Expected volatility	41.606%
Contractual option life	10 years
Risk-free rate	0.529%
Expected dividend yield	0%

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 fair value of the Share Options granted on 1 June 2020 was approximately HK\$6,100,000, which was recognised as an equity-settled share-based payment in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2020.

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 six months ended 30 June 2021.

15. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (2020: nil).

16. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with current period's presentation.

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 during the reporting period. 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.

During the first half of 2021, the Coronavirus Disease 2019 (COVID-19) (the "**Pandemic**") continued to have a negative impact on the whole logistics industry, especially the efficiency of logistics flow was adversely affected by the persisted situation of the Pandemic which inflated the Group's operation costs, and consequently added cost pressure onto the Group's profits. During the reporting period, incremental costs were incurred in 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.

Following the local government's land resumption plans which involve the land at which four of the Group's warehouses (the "**Relevant Warehouses**") are situated, the Group has found a suitable replacement warehouse and a new warehouse in Dongguan with a total gross floor area of approximately 54,000 square metres started its operation in the third quarter of 2020. The leases of the Relevant Warehouses have been terminated at the end of July 2021 and a provision for impairment on fixed assets of the Relevant Warehouses of approximately RMB16.5 million have been made for the relevant equipment and leasehold improvement which cannot be relocated to the new warehouse.

The Group also has applied to the local government for compensation or ex gratia payment for the impact of the land resumption plans. Further announcements will be made by the Company in respect of any material development regarding the compensation related to the land resumption plans as when appropriate.

As a result of higher costs and the provision for impairment on fixed assets of the Relevant Warehouses, the Group recorded a loss for the period, even after returning to positive revenue growth.

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 adverse impact on the Group's revenue. Nonetheless, the Group considers that its financial resources remain sufficiently strong to enable us to navigate through this pandemic crisis and it appears to have gotten back on a growth track. The Group will remain cautious and continue to review and act decisively by enhancing its business continuity plans, taking effective cost control measures, ensuring minimal disruption to the customers and taking all possible measures to maintain a safe operation environment for the employees.

Looking forward, taking the advantage of the economic development in the Greater Bay Area, the Group will leverage its business strengths and aim to extend business opportunities in the region. The Group also expects to actively diversify the logistics services to a broader spectrum of industries, which in anticipation of any potential change in the customers' operation demand for logistics services, the Group will also actively consider to explore business opportunities to accommodate their needs.

Financial Review

Revenue

With the improvement in the domestic pandemic situation and the implementation of the central government's strict pandemic prevention and control measures in mainland China, the domestic economy is expected to resume growth in 2021. The overall revenue of the Group increased by approximately 18.9% from approximately RMB83.4 million for the six months ended 30 June 2020 to approximately RMB99.2 million for the six months ended 30 June 2021.

Revenue generated from the transportation services recorded an increase of approximately 26.5% from approximately RMB32.5 million for the six months ended 30 June 2020 to approximately RMB41.1 million for the six months ended 30 June 2021. The increase in the revenue generated from transportation services was mainly attributable to an increase in unit price for international freight forwarding agency services during the six months ended 30 June 2021, which was resulted from the Pandemic, although the number of customers' orders decreased as compared with the last corresponding period.

Revenue generated from the warehousing services increased by approximately 22.9% from approximately RMB20.6 million for the six months ended 30 June 2020 to approximately RMB25.3 million for the six months ended 30 June 2021, which was contributed by the expansion of warehousing service operation capacity from the new warehouse.

Revenue generated from the in-plant logistics services increased by approximately 6.8% from approximately RMB30.0 million for the six months ended 30 June 2020 to approximately RMB32.1 million for the six months ended 30 June 2021, which was mainly due to the increase in demand for in-plant logistics services from the customers.

Revenue generated from the customisation services amounted to approximately RMB0.3 million and RMB0.8 million for the six months ended 30 June 2020 and 30 June 2021, 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 six months ended 30 June 2021, a net gain of approximately RMB2.7 million (2020: approximately RMB1.4 million) was recognised, mainly representing (i) an increase in net exchange loss arising from the re-translation of foreign currency denominated monetary items and (ii) a decrease in government grants received as reward for employment stabilisation of the Group, offset by an increase in bank interest income, an increase in value-added tax credit, a gain on early termination of leases and an increase in interest income from rental deposits on application of HKFRS 16.

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 RMB35.6 million and RMB34.6 million for the six months ended 30 June 2020 and 30 June 2021, respectively. The decrease in employee benefits expenses of approximately RMB1.0 million as compared to that for the six months ended 30 June 2020 was primarily attributable to the recognition of an equity-settled share-based payment arising from the grant of share options was incurred during the last corresponding period, partly offset by the increase in the associated social security fund and insurance contribution following the cancellation of the local government's social insurance concession policy, and higher average monthly basic salary paid to our workers and drivers in the current interim period who were not on duty due to temporary closure of the warehouses and customers' manufacturing plants in early 2020. The Group had a total of 821 and 761 full-time employees as at 30 June 2020 and 30 June 2021, 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 RMB33.9 million for the six months ended 30 June 2021 (2020: approximately RMB22.0 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 six months ended 30 June 2021, 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 increase in sub-contracting expenses was due to the inefficiency of logistics process resulted from the unprecedented outbreak of the Pandemic.

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 and leases of low value assets. 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 RMB7.7 million was recognised for the six months ended 30 June 2021 (2020: approximately RMB8.7 million).

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 RMB1.1 million was recognised for the six months ended 30 June 2021 (2020: approximately RMB1.8 million).

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; (vi) provision for impairment on fixed assets; and (vii) others which mainly include maintenance expenses for the warehouses, professional fees and other miscellaneous expenses. Other expenses amounted to approximately RMB12.9 million and RMB41.9 million for the six months ended 30 June 2020 and 30 June 2021, respectively, and such increase was primarily due to the increase in the costs relating to a new warehouse in Dongguan and the increase in the provision for assets impairment for the six months ended 30 June 2021.

Loss and total comprehensive expense for the period

As a result of the aforesaid, the Group recorded a loss and total comprehensive expense for the period of approximately RMB19.2 million for the six months ended 30 June 2021 (2020: loss and total comprehensive expense of approximately RMB0.4 million).

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 30 June 2021, the Group had net current assets of approximately RMB107.4 million (at 31 December 2020: approximately RMB98.1 million) and cash and cash equivalents of approximately RMB71.7 million (at 31 December 2020: approximately RMB75.0 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 30 June 2021, the gearing ratio (calculated on the basis of total bank borrowing and lease liabilities divided by total equity at the end of the period/year) of the Group was 17.6% (at 31 December 2020: 45.9%). The recognition of lease liabilities was due to the application of HKFRS 16 since 1 January 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 and share buy-backs as well as the issue of new debt or the redemption of existing 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 30 June 2021 (at 31 December 2020: nil).

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2021 (at 31 December 2020: nil).

Capital Commitments

As at 30 June 2021, the Group had a total capital commitment of approximately RMB0.6 million (at 31 December 2020: approximately RMB0.6 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 six months ended 30 June 2021, the Group had no material acquisition and disposal of subsidiaries.

Significant Investments Held by the Group

During the six months ended 30 June 2021, the Group did not make any significant investments.

Employees and Remuneration Policies

As at 30 June 2021, the Group employed 761 (at 30 June 2020: 821) 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 30 June 2021 is set out below:

Business objectives	Implementation plans	Actual business progress
Upgrading one of the warehouses by installing automated storage facilities and systems	<ul style="list-style-type: none"> • Obtain quotation from service providers and discuss the scope of service with the service providers • Install automated storage facilities and systems in one of the Group’s existing warehouses 	<ul style="list-style-type: none"> • Service contracts with service providers have been signed and initial upgrade works on the construction of infrastructure facilities have been completed. • The installation has been completed as at the date of this announcement.
Expanding the existing in-plant logistics business in the North China and East China regions	<ul style="list-style-type: none"> • Conduct market research on the industry trend and development especially in the North China and East China regions • Participate in the tendering process of potential customers • Hire approximately 30 additional staff for the in-plant logistics business • Rent new forklifts and other equipment 	<ul style="list-style-type: none"> • Market researches on the industry trend and development were performed. • The Group has participated in the tendering process of potential customers which include several large customers from the beverage, textile and pharmaceutical industries. • The Group has hired over 30 additional staff for the in-plant logistics business. • For the sake of cost-saving and fitting the local business model, all in-plant equipment used, including forklifts, in the existing in-plant logistics business in the North China and East China regions are required to be provided by our customers.
Expanding vehicle fleet	<ul style="list-style-type: none"> • Acquire four trucks for transportation • Hire approximately ten additional drivers for transportation business 	<ul style="list-style-type: none"> • Four trucks have been purchased and put in use. • Seven additional drivers have been on board.

Business objectives

Enhancing sales and marketing efforts

Implementation plans

- Participate in industry exhibitions and trade fairs
- Redesign and maintain the Company's website for marketing purpose
- Set up a sales and marketing department and hire approximately seven sales specialists

Actual business progress

- 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.
- 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.
- 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 30 June 2021 is set out below:

	Planned use of net proceeds (as stated in the Prospectus) HK\$'million	Actual use of net proceeds up to 30 June 2021 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	6.0
Expanding vehicle fleet	4.0	3.3
Enhancing sales and marketing efforts	4.0	4.0
Repaying the bank loans	4.0	4.0
General working capital	<u>2.8</u>	<u>2.8</u>
Total	<u><u>38.8</u></u>	<u><u>38.1</u></u>

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 30 June 2021, approximately HK\$38.1 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 save for that on 1 June 2020, 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 Share Options granted have no vesting period. The fair value of the Share Options granted was approximately HK\$6,100,000. 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 six months ended 30 June 2021.

Details of the options granted to the Grantees under the Share Option Scheme and movements in such holdings during the six months ended 30 June 2021 were as follows:

Grantees	Date of grant (Note 1)	Exercise period	Exercise price per share (HK\$)	Number of share options		
				At 1 January 2021	Granted during the period (Note 2)	At 30 June 2021
Directors						
Mr. Li Jianxin	1 June 2020	1 June 2020 to 31 May 2030	0.188	800,000	–	800,000
Mr. Li Jianming	1 June 2020	1 June 2020 to 31 May 2030	0.188	800,000	–	800,000
Ms. Lin Jianfang	1 June 2020	1 June 2020 to 31 May 2030	0.188	8,000,000	–	8,000,000
Mr. Li Jiahao	1 June 2020	1 June 2020 to 31 May 2030	0.188	800,000	–	800,000
Mr. Li Jiali	1 June 2020	1 June 2020 to 31 May 2030	0.188	800,000	–	800,000
Dr. Wan Ho Yuen, Terence	1 June 2020	1 June 2020 to 31 May 2030	0.188	800,000	–	800,000
Dr. Wu Ka Chee, Davy	1 June 2020	1 June 2020 to 31 May 2030	0.188	800,000	–	800,000
Mr. 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	55,400,000	–	55,400,000
Consultants	1 June 2020	1 June 2020 to 31 May 2030	0.188	4,400,000	–	4,400,000
Total				<u>73,400,000</u>	<u>–</u>	<u>73,400,000</u>

Note:

1. 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' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provision of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares and underlying Shares of the Company:

Name of Directors	Capacity	Number of Shares and underlying shares	Approximate percentage of total issued Shares (Note 2)
Mr. Li Jianxin	Interest in a controlled corporation; interest held jointly with another person	303,300,000 (Note 3)	37.91%
	Beneficial owner	800,000 (Note 1)	0.1%
Mr. Li Jianming	Interest in a controlled corporation; interest held jointly with another person	303,300,000 (Note 3)	37.91%
	Beneficial owner	800,000 (Note 1)	0.1%
Ms. Lin Jianfang	Beneficial owner	8,000,000 (Note 1)	1.0%
Mr. Li Jiahao	Beneficial owner	800,000 (Note 1)	0.1%
Mr. Li Jiali	Beneficial owner	800,000 (Note 1)	0.1%
Dr. Wan Ho Yuen, Terence	Beneficial owner	800,000 (Note 1)	0.1%
Dr. Wu Ka Chee, Davy	Beneficial owner	800,000 (Note 1)	0.1%
Mr. Shao Wei	Beneficial owner	800,000 (Note 1)	0.1%

Notes:

1. These interests in underlying Shares represent the interests in share options granted to the Directors under the Share Option Scheme. Details of which are shown in the section headed “Share Option Scheme” of this announcement.
2. The total number of issued Shares as at 30 June 2021 (i.e. 800,000,000 Shares) has been used in the calculation of the approximate percentage.
3. Goal Rise Profits Limited (“**Goal Rise**”) is the registered and beneficial owner holding 303,300,000 Shares representing approximately 37.91% of the issued shares of the Company. The issued share capital of Goal Rise is owned as to 80% by Mr. Li Jianxin and 20% by Mr. Li Jianming. By virtue of acting in concert arrangement between Mr. Li Jianxin and Mr. Li Jianming which is confirmed and documented in the Concert Parties Confirmatory Deed, each of Mr. Li Jianxin and Mr. Li Jianming is deemed to be interested in the entire shareholding interests of Goal Rise in the Company under the SFO.

Save as disclosed above, as at 30 June 2021, none of the Directors and the chief executive of the Company or their associates (as defined in the Listing Rules) had any interests and short positions in any Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provision of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

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

As at 30 June 2021, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholders	Capacity	Number of Shares and underlying shares	Approximate percentage of total issued Shares (Note 1)
Goal Rise	Beneficial owner	303,300,000	37.91%
Ms. Chen Ruihua	Interest of spouse (Note 2)	304,100,000	38.01%
Ms. Wu Xiaojie	Interest of spouse (Note 3)	304,100,000	38.01%
Mr. Zhu Zhijian ("Mr. Zhu")	Interest in a controlled corporation (Note 4)	166,700,000	20.84%
Portree Wealth Limited ("Portree Wealth")	Beneficial owner (Note 4)	166,700,000	20.84%

Notes:

1. The total number of issued Shares as at 30 June 2021 (i.e. 800,000,000 Shares) has been used in the calculation of the approximate percentage.
2. Ms. Chen Ruihua is the spouse of Mr. Li Jianxin and accordingly, she was deemed to be interested in all the shares in which Mr. Li Jianxin was interested by virtue of the SFO.
3. Ms. Wu Xiaojie is the spouse of Mr. Li Jianming and accordingly, she was deemed to be interested in all the shares in which Mr. Li Jianming was interested by virtue of the SFO.
4. Portree Wealth is the registered owner holding approximately 20.84% of the issued shares in the Company. The entire issued share capital of Portree Wealth is owned by Mr. Zhu. Under the SFO, Mr. Zhu is deemed to be interested in all the shares registered under the name of Portree Wealth.

All the interests disclosed above represent long positions in the Shares and underlying Shares of the Company.

Save as disclosed above, as at 30 June 2021, the Directors are not aware of any other person, other than Directors and the chief executive of the Company who had, or was deemed to have, interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme", during the six months ended 30 June 2021, 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 six months ended 30 June 2021 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 six months ended 30 June 2021 and up to the date of this announcement.

COMPETING INTERESTS

For the six months ended 30 June 2021, 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 six months ended 30 June 2021 and up to the date of this announcement.

AUDIT COMMITTEE

The primary duties of the Audit Committee of the Company 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 unaudited consolidated financial statements for the six months ended 30 June 2021 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.

IMPACT OF COVID-19

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.

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. Considering the market uncertainty, the Group has been managing operating expenses and reducing marketing and promotion budgets cautiously. 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.

EVENTS AFTER THE REPORTING PERIOD

(a) Subscription of Bonds

On 13 August 2021, the Company announced that Guangzhou World-Link (China) Limited (廣州中聯環宇現代物流有限公司) (the “**Subscriber**”), a wholly-owned subsidiary of the Company, entered into the subscription agreement with Trendzon (Guangzhou) Construction Investment Company Limited (卓航(廣州)建設投資有限公司) (the “**Issuer**”), a wholly-owned subsidiary of Trendzon Holdings Group Limited (“**Trendzon Holdings**”) (stock code: 1865) pursuant to which the Subscriber agreed to subscribe for the bonds according to the terms of the subscription agreement and the bond instrument with the principal amount of RMB40,000,000. The bonds is unsecured and bears an interest rate of 4.3% per annum and will mature on the first anniversary from the date of issue.

(b) Entering into of the Cooperation Framework Agreement

On 13 August 2021, the Company announced that the Company entered into the cooperation framework agreement with Trendzon Holdings, pursuant to which, Trendzon Holdings agrees to grant priority to the Group to use the logistics facilities and infrastructure in the Trendzon Diandian Science and Technology Innovation City after completion of the construction of the same, and the Company agrees to procure the Group to provide logistics services with international standard in the Trendzon Diandian Science and Technology Innovation City.

Pursuant to the cooperation framework agreement, Trendzon Holdings also agrees to give the first right of refusal to the Group so that in the event that Trendzon Holdings and its subsidiaries will invite investors to participate in Trendzon Diandian Science and Technology Innovation City project in future, the Group would have priority to invest in the project. The parties shall enter into a formal agreement to govern the amount of investment and the interest to be acquired by the Group.

Except for above mentioned, there were no material events occurred after the reporting period.

PUBLICATION OF INTERIM RESULTS AND INTERIM 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 interim report of the Group for the six months ended 30 June 2021 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, 31 August 2021

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