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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)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 AND THE INTERIM REPORT FOR THE PERIOD ENDED 30 JUNE 2021

Reference is made to the annual report (the “**2020 Annual Report**”) for the year ended 31 December 2020 and the interim report (the “**2021 Interim Report**”) for the period ended 30 June 2021 (collectively the “**Reports**”) of Goal Rise Logistics (China) Holdings Limited (the “**Company**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Reports. In addition to the information provided in the 2020 Annual Report and 2021 Interim Report, the Board would like to provide further information in relation to the use of the net proceeds from the share offer (after deducting listing expenses) (the “**Net IPO Proceeds**”) of approximately HK\$38.8 million and the Share Options granted by the Company as follows:

USE OF PROCEEDS

An analysis of the utilisation of the Net IPO Proceeds from the date of the Listing up to 30 June 2021 is set out below:

Purpose of net proceeds as disclosed in the Prospectus	Planned use of net proceeds (as stated in the Prospectus) HK\$'million	Actual use of net proceeds up to 31 December 2019 HK\$'million	Actual use of net proceeds during the year ended 31 December 2020 HK\$'million	Unutilised use of proceeds up to 31 December 2020 HK\$'million	Actual use of net proceeds during the period ended 30 June 2021 HK\$'million	Unutilised use of proceeds up to 30 June 2021 HK\$'million	Expected timeline for unutilised use of proceeds
Upgrading one of the warehouses by installing automated storage facilities and systems	18.0	15.8	2.2	—	—	—	N/A
Expanding existing in-plant logistics business in the North China and East China regions	6.0	2.8	2.4	0.8	0.8	—	N/A
Expanding vehicle fleet	4.0	2.7	0.4	0.9	0.2	0.7	On or before 31 December 2022

Purpose of net proceeds as disclosed in the Prospectus	Planned use of net proceeds (as stated in the Prospectus) <i>HK\$'million</i>	Actual	Actual use of	Actual use of	Actual use of	Unutilised use	Expected
		use of net proceeds up to 31 December 2019 <i>HK\$'million</i>	net proceeds during the year ended 31 December 2020 <i>HK\$'million</i>	net proceeds up to 31 December 2020 <i>HK\$'million</i>	net proceeds during the period ended 30 June 2021 <i>HK\$'million</i>	of proceeds up to 30 June 2021 <i>HK\$'million</i>	of proceeds up to 30 June 2021 <i>HK\$'million</i>
Enhancing sales and marketing efforts	4.0	2.6	0.9	0.5	0.5	—	N/A
Repaying the bank loans	4.0	4.0	—	—	—	—	N/A
General working capital	2.8	2.8	—	—	—	—	N/A
Total	38.8	30.7	5.9	2.2	1.5	0.7	

The unutilised net proceeds amounted to approximately 8.1 million, approximately 2.2 million and approximately 0.7 million as at 31 December 2019, 31 December 2020 and 30 June 2021 respectively.

As disclosed in the Prospectus, all the Net IPO Proceeds were planned to be fully utilised by 31 December 2019. However, the use of the Net IPO Proceeds was delayed because the implementation of the relevant upgrading and expansion plans were postponed as the Board needed more time to assess the potential adverse impact on the global economy caused by the US-China trade frictions and the outbreak of COVID-19 on those relevant business.

As disclosed in the sections headed “Comparison of Business Objectives with Actual Business Progress” and “Use of Proceeds” in the Interim Report, the Company had used approximately HK\$3.3 million of the Net IPO Proceeds up to 30 June 2021 in the manner disclosed in the Interim Report and due to the outbreak of COVID-19, the Group’s plan to expand vehicle fleet had been delayed, with the balance of the unutilised Net IPO Proceeds expected to be utilised on or before the financial year ended 31 December 2022.

The expected timeline for fully utilising the unutilised proceeds disclosed above is based on the best estimation from the Board with latest information as at the date of this announcement. The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and the Group considers that the delay in use of Net IPO Proceeds does not have any material adverse impacts on the operation of the Group. However, due to the adverse impacts of the outbreak of COVID-19 on worldwide economies, the Board will continue to closely monitor the situation and evaluate the impacts on the timeline to utilise the unutilised proceeds and will keep shareholders and potential investors informed if there is any material changes.

SHARE OPTIONS GRANTED

Out of the 73,400,000 Share Options, a total of 4,400,000 Share Options were granted to 2 consultants of the Company (the “**Consultants**”). To the best knowledge of the Directors, the background of the Consultants are as follows:

Consultant A

Consultant A is Ms. Fan Wing Ki, the former company secretary of the Company. She has resigned as the company secretary of the Company with effect from 23 June 2021. She was granted with 400,000 Share Options on 1 June 2020.

Consultant B

Consultant B is Mr. Cheng Lai Kau and he has extensive experience in business consulting and investments with business network in various fields. The Company considers that Consultant B will be able to make use of his connections and network in finding potential investors and projects for the Company. Consultant B was granted with 4,000,000 Share Options on 1 June 2020.

The Company believed that the grant of Share Option to the above two consultants could provide motivations for the consultants to create value for the Company without affecting the operating cost of the Company. The number of Share Options granted to them is determined with reference to the market and the potential benefits and/or income they may bring to the Group.

None of the Consultants is a director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them. None of the Consultants hold Share Options entitling them to subscribe for Shares exceeding 1% of the total issued Shares of the Company as at the date of grant.

The Board confirmed that the supplemental information provided in this announcement does not affect any other information contained in the Reports and, save as disclosed above, the contents of the Reports remain unchanged.

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

Hong Kong, 15 October 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.