

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

OVERVIEW

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 22 November 2016 and is the holding company of our Group. As at the Latest Practicable Date, the subsidiaries of our Company is comprised of Goal Rise Logistics (BVI), Goal Rise Logistics (HK) and Guangzhou World-Link, which has branches in Taicang, Tianjin and Shenzhen. Details of the subsidiaries of our Company and the corporate structure of our Group are set out in the paragraph headed “Establishment and development of the subsidiaries of our Company” in this section below.

Prior to the [REDACTED], our Group underwent the Reorganisation and immediately following the completion of the Reorganisation and the [REDACTED] Investment, our Company was owned as to approximately 50.55% by Goal Rise, 34.45% by Portree Wealth, 9.00% by Junliet Profits and 6.00% by Hemann Capital Management.

BUSINESS DEVELOPMENT

We are an established logistics service provider in the PRC which offered a wide range of logistics services to meet different needs of our customers’ supply chains, including (i) transportation; (ii) warehousing; (iii) in-plant logistics; and (iv) customisation services.

The history of our Group can be traced back to 1996 when our operating subsidiary, Guangzhou World-Link which was formerly known as Guangzhou Zhonglian World-Link Warehousing and Transportation Company Limited*, (廣州中聯環宇貨業儲運有限公司) was established by several Independent Third Parties. At the inception stage, the scope of operation of Guangzhou World-Link included, inter alia, local transportation services, freight information services and warehousing services. During 2005 and 2007, Mr. Li JX, who joined Guangzhou World-Link in 1997 and held the position as the then supervisor thereof, acquired the controlling stake of Guangzhou World-Link with his personal resources. Thereafter, Mr. Li JX and his brother Mr. Li JM further expanded the scope of the logistics services of our Group over the years.

In 2015, in order to streamline our corporate structure, Guangzhou World-Link took up the logistics service contracts and assets, including delivery vehicles, from Dafenghang (a joint stock cooperative enterprise wholly owned by Mr. Li JM, Mr. Li JX and his spouse which carried out part of our Group’s logistics business at that time), by way of novation and transfer of assets. For further details, please refer to the sub-paragraphs headed “Dafenghang” in this section below.

During the Track Record Period, we rented five warehouses located at Guangdong Province with an approximate aggregate area of 59,000 sq.m.. We have maintained long-standing relationships with our major customers. Most notably, we have maintained approximately 15 years and 20 years of business relationship with our two largest customers, Customer A and Customer B, respectively, up to the Latest Practicable Date. For further details regarding Customer A and Customer B, please refer to the section headed “Business — Customers” in this document.

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Milestones of our Group

The following table sets forth the important milestones in the development of our business up to the Latest Practicable Date:

Year	Milestone
1996	Guangzhou World-Link was established in the PRC as a limited liability company. We were awarded the first contract to provide logistics services to Customer B. For further information regarding Customer B, please refer to the section headed “Business — Customers” in this document.
1998	We were engaged by Customer B to extend our logistics services to include in-plant services.
1999	Our first warehouse began operation.
2001	We were engaged by Customer B to provide (i) warehousing services; and (ii) in-plant services in Tianjin.
2002	We were engaged by Customer A to provide transportation and warehousing services. For further information regarding Customer A, please refer to the section headed “Business — Customers” in this document.
2004	Guangzhou World-Link was accredited with ISO 9001:2000 certification (quality management system standard) for its road transportation and warehousing services.
2005	Mr. Li JX acquired controlling stake of Guangzhou World-Link.
2012	We were engaged by Customer B to provide in-plant logistics services in Taicang, Jiangsu Province.
2013	We were engaged by Customer A to provide in-plant logistics services in Guangzhou, Guangdong Province.
2015	Guangzhou World-Link was awarded 2014 Top 10 Logistics Enterprises in Guangzhou (2014年度廣州十佳物流企業) by the Guangzhou Logistics & Supply Chain Association (廣州物流與供應鏈協會).
2016	Guangzhou World-Link was awarded 2015 Top 10 Logistics Enterprises in Guangzhou (2015年度廣州十佳物流企業) by the Guangzhou Logistics & Supply Chain Association (廣州物流與供應鏈協會).
2017	We leased our sixth warehouse and the aggregate site area of our six warehouses will reach approximately 68,000 sq.m. once our sixth warehouse begins operation, which is expected to be October 2017.

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ESTABLISHMENT AND DEVELOPMENT OF THE SUBSIDIARIES OF OUR COMPANY

Our Company was incorporated in the Cayman Islands under the Companies Law on 22 November 2016 in preparation for the [REDACTED] and is the holding company of our Group. As at the Latest Practicable Date, our Group was comprised of our Company, Goal Rise Logistics (BVI), Goal Rise Logistics (HK), Guangzhou World-Link and four branches of Guangzhou World-Link in Shenzhen, Huangpu, Tianjin and Taicang in the PRC. Set out below is the brief corporate history of the subsidiaries of our Company.

Guangzhou World-Link

Guangzhou World-Link (formerly known as Guangzhou World-Link Zhonglian Warehousing and Transportation Company Limited* (廣州中聯環宇貨業儲運有限公司)) was established in the PRC on 27 November 1996 as a limited liability company. During the Track Record Period and up to the Latest Practicable Date, Guangzhou World-Link offered a wide range of logistics services to meet different needs of our customers’ supply chains, including (i) transportation; (ii) warehousing; (iii) in-plant logistics; and (iv) customisation services.

Since its establishment, the shareholding and registered capital of Guangzhou World-Link underwent certain changes. As at the date of establishment, Guangzhou World-Link had a registered capital of RMB100,000, which was owned by four Independent Third Parties.

Immediately prior to July 2005, Guangzhou World-Link’s registered capital was increased to RMB4,800,000, which was owned as to 70.00% and 30.00% by two Independent Third Parties, namely Guangdong Province Gaofeng Enterprise Company Limited* (廣東高豐企業有限公司) (“**Guangdong Province Gaofeng**”) and Mr. Huang Weibo, respectively.

On 20 July 2005, Mr. Li JX acquired 70.00% equity interests of Guangzhou World-Link from Guangdong Province Gaofeng at the consideration of RMB3,360,000, which was determined with reference to the then registered capital of Guangzhou World-Link. After completion of the above transfer, Guangzhou World-Link was owned as to 70.00% by Mr. Li JX (of which approximately 4.45% and 15.00% was held on trust for Mr. Huang Weibo and another Independent Third Party, namely Ms. Ye Lishan, respectively) and 30.00% by Mr. Huang Weibo. As such, Guangzhou World-Link was beneficially owned as to 50.55%, 34.45% and 15.00% by Mr. Li JX, Mr. Huang Weibo and Ms. Ye Lishan at that time, respectively. As confirmed by our Directors, the parties entered into this trust management as Mr. Huang Weibo and Ms. Ye Lishan were not involved in the management and operation of Guangzhou World-Link and seldom stayed in Guangzhou, the trust arrangement could therefore facilitate Mr. Li JX to make decisions on their behalf in the daily operation of Guangzhou World-Link.

On 14 December 2007, the registered capital of Guangzhou World-Link was increased by RMB200,000 from RMB4,800,000 to RMB5,000,000. The additional registered capital was contributed by Mr. Li JX, Mr. Huang Weibo and Ms. Ye Lishan on a pro rata basis based on their then beneficial interests in Guangzhou World-Link. As confirmed by Mr. Li JX, Mr. Huang Weibo and Ms. Ye Lishan, after the increase of registered capital, Mr. Li JX held the additional equity interests of Mr. Huang Weibo and Ms. Ye Lishan in Guangzhou World-Link on trust for and on behalf of them. As a result, Guangzhou World-Link remained to be beneficially owned as to 50.55% by Mr. Li JX, 34.45% by Mr. Huang Weibo and 15.00% by Ms. Ye Lishan.

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On 30 July 2011, at the instruction of Mr. Huang Weibo and Ms. Ye Lishan, Mr. Li JX transferred the relevant equity interests held in trust back to them at nil consideration. After completion of the said transfers, Guangzhou World-Link continued to be legally and beneficially owned as to 50.55% by Mr. Li JX, 34.45% by Mr. Huang Weibo and 15.00% by Ms. Ye Lishan.

In July 2015, Guangzhou World-Link entered into several business transfer agreements with Dafenghang in order to consolidate our logistics business under Guangzhou World-Link. Pursuant to the business transfer agreements, Dafenghang (i) novated the then existing logistics service contracts undertaken by it to Guangzhou World-Link; and (ii) transferred its logistics related operating assets, including delivery vehicles, to Guangzhou World-Link. For further details, please refer to the subparagraphs headed “Information on Dafenghang” in this section below.

On 30 October 2015, Mr. Li JX transferred his entire equity interest in Guangzhou World-Link to Guangzhou Jiansheng (a limited partnership which was owned as to 80.00% by Mr. Li JX and 20.00% by Mr. Li JM) at the consideration of RMB2,527,500, which was determined with reference to the then registered capital of Guangzhou World-Link. On the same date, the registered capital of Guangzhou World-Link was increased by RMB7,582,500 from RMB5,000,000 to RMB12,582,500. The additional registered capital was solely contributed by Guangzhou Jiansheng in cash. Following completion of the above transfer and increase of registered capital, Guangzhou World-Link was owned as to approximately 80.35% by Guangzhou Jiansheng, 13.69% by Mr. Huang Weibo, and 5.96% by Ms. Ye Lishan.

On 17 December 2015, Mr. Huang Weibo disposed of his entire equity interest in Guangzhou World-Link to Max Fame (a company which was wholly owned by Mr. Zhu) at the consideration of RMB1,722,500. On the same date, Ms. Ye Lishan disposed of her entire equity interest in Guangzhou World-Link to Joyful Huge (a company which was wholly owned by Mr. Lee) at the consideration of RMB750,000. The consideration for both disposals were determined with reference to the then registered capital of Guangzhou World-Link. As a result of the transfers, Guangzhou World-Link transformed into a sino-foreign joint venture company, which was approved and registered by the Guangzhou Administration for Industry & Commerce on 17 December 2015.

On the same date of the above disposals, the registered capital of Guangzhou World-Link was increased by RMB7,417,500 from RMB12,582,500 to RMB20,000,000, of which RMB5,167,500 was contributed by Max Fame, and RMB2,250,000 was contributed by Joyful Huge. Following the completion of the above disposals and increase in registered capital, Guangzhou World-Link was owned as to approximately 50.55% by Guangzhou Jiansheng, 34.45% by Max Fame and 15.00% by Joyful Huge.

On 23 August 2016, in anticipation for the application for [REDACTED] on the National Equities Exchange and Quotations System of China* (全國中小企業股份轉讓系統) (“NEEQ”), Guangzhou World-Link was transformed from a sino-foreign joint venture company into a non-listed joint stock limited company under the PRC laws. For details on Guangzhou World-Link’s application for [REDACTED] on the NEEQ and the subsequent voluntary withdrawal of the application, please refer to the paragraphs headed “Guangzhou World-Link’s application for [REDACTED] on NEEQ and the subsequent withdrawal of application” in this section. The audited net assets of Guangzhou World-Link as of 30 April 2016 (prepared in accordance with the China Accounting Standards for Business Enterprise and audited by a certified public accountant registered in the PRC) was RMB26,999,175.09, among which RMB20,000,000 was converted into share capital of 20 million shares of Guangzhou

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World-Link and were owned by Guangzhou Jiansheng, Max Fame and Joyful Huge as to approximately 50.55%, 34.45% and 15.00%, respectively. The remaining net asset of RMB6,999,175.09 was converted into capital surplus. The name of Guangzhou World-Link was changed to Guangzhou Zhonglian World-Link Modern Logistics Joint Stock Company Limited* (廣州中聯環宇現代物流股份有限公司) on the same date.

On 1 December 2016, in preparation for the [REDACTED], Guangzhou World-Link was transformed back to a sino-foreign joint venture company. On the same date, the name of Guangzhou World-Link was changed back to Guangzhou Zhonglian World-Link Modern Logistics Company Limited* (廣州中聯環宇現代物流有限公司).

In December 2016, as part of the Reorganisation, Goal Rise Logistics (HK) acquired the entire equity interest of Guangzhou World-Link from Guangzhou Jiansheng, Max Fame and Joyful Huge. For details, please refer to the paragraphs headed “Reorganisation” in this section below. Following the completion of the said acquisitions, Guangzhou World-Link became a wholly-owned subsidiary of Goal Rise Logistics (HK).

Goal Rise Logistics (HK)

Goal Rise Logistics (HK) was incorporated in Hong Kong with limited liability on 2 December 2016. It was incorporated to serve as an intermediate holding company of our Group.

As at the date of incorporation, Goal Rise Logistics (HK) allotted and issued as fully paid one share (representing the then entire issued shares of Goal Rise Logistics (HK)) to Goal Rise Logistics (BVI). Goal Rise Logistics (HK) remained to be a wholly-owned subsidiary of Goal Rise Logistics (BVI) since then.

Goal Rise Logistics (BVI)

Goal Rise Logistics (BVI) was incorporated with liability limited by shares under the laws of the BVI on 28 November 2016. It was incorporated to serve as an intermediate holding company of our Group.

Since at the date of incorporation, Goal Rise Logistics (BVI) is authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each, and 100 ordinary shares were allotted and issued as fully paid (representing all the issued shares of Goal Rise Logistics (BVI) at the time) to our Company on the same date. Goal Rise Logistics (BVI) remained to be a wholly-owned subsidiary of our Company since then.

The business of the following company ceased to be part of our Group after the Business Transfer and will not be included in our Group upon [REDACTED]:

Information on Dafenghang

Dafenghang was established in the PRC on 3 March 1992 as a collective enterprise. As at the date of establishment, Dafenghang had a registered capital of RMB50,000, which was owned as to 40.00% by Mr. Li JX, 20.00% by Ms. Chen, 20.00% by Mr. He and 20.00% by an Independent Third Party. As at the date of establishment.

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In May 1996, the scope of operation of Dafenghang was expanded to include delivery services.

Over the years, Dafenghang underwent several shareholding changes. As confirmed by our Directors, immediately prior to October 2003, Dafenghang was owned as to 40.00% by Mr. Li JX, 20.00% by Ms. Chen, 20.00% by Mr. He and 20.00% by an Independent Third Party. In October 2003, Ms. Chen acquired the entire equity interest of Dafenghang from Mr. He and the said Independent Third Party and Dafenghang was then owned as to 40.00% by Mr. Li JX and 60.00% by Ms. Chen. Subsequently in October 2003, the registered capital of Dafenghang was increased by RMB1,950,000 from RMB50,000 to RMB2,000,000. The additional registered capital was contributed as to (i) RMB970,000 by Ms. Chen; (ii) RMB480,000 by Mr. Li JX; and (iii) RMB500,000 by Mr. Li JM, in cash. After completion of the above equity transfers and the increase in registered capital, Dafenghang was owned as to 50.00% by Ms. Chen, 25.00% by Mr. Li JX and 25.00% by Mr. Li JM. In October 2003, Dafenghang was transformed from a collective enterprise into a joint-stock cooperative enterprise, and its scope of operation was expanded to include goods handling cartage services.

In early 2015, Guangzhou World-Link planned to apply for [REDACTED] on the NEEQ to raise fund for its business expansion. As both Guangzhou World-Link and Dafenghang were under the control of the Controlling Shareholders during the Track Record Period and were engaged in logistic business prior to the Business Transfer notwithstanding the difference of their shareholding in these two companies, i.e. Guangzhou World-Link being their majority owned subsidiary whereas Dafenghang being their wholly-owned subsidiary, in order to streamline the corporate structure and the logistics business of both Guangzhou World-Link and Dafenghang, Guangzhou World-Link took up (i) all the then subsisting logistics service contracts with Customer B by way of novation, and (ii) assets, including delivery vehicles, from Dafenghang by way of transfer of assets.

Novation of logistics service contracts with Customer B

In July 2015, Guangzhou World-Link entered into four tripartite novation agreements with Dafenghang and Customer B, pursuant to which Dafenghang transferred its rights and obligations in a total of four then subsisting in-plant logistics service contracts with Customer B (being the logistics service contracts undertaken by Dafenghang at the time) to Guangzhou World-Link. Guangzhou World-Link and Dafenghang also executed an undertaking confirming that all Dafenghang's liabilities arising from the said four logistics service contracts shall be undertaken by Guangzhou World-Link after the Business Transfer.

Both Dafenghang and Guangzhou World-Link had taken into account the following factors and commercial reasons before executing the Business Transfer by way of novation despite the novated contracts had generated significant revenue contributions to the Group during the Track Record Period and the Business Transfer would have significantly reduced the Controlling Shareholders' beneficial interests in the novated contracts:

- (i) there was a high degree of business integration and interconnections between Dafenghang and Guangzhou World-Link prior to the Business Transfer, which can be evidenced by the following:
 - (a) prior to the Business Transfer, Guangzhou World-Link shared its administrative, accounting and back-office supporting staff with Dafenghang. Furthermore, the operations of Dafenghang had been supported by Guangzhou World-Link, including the

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- sharing of principal office premises (despite the different registered offices of these two companies) and the back-office supporting services such as accounting system, human resources management and information technology services with Dafenghang;
- (b) as Customer B has been contacting the Controlling Shareholders in the negotiation of the terms of the service agreements and the provision of logistics services by each of Guangzhou World-Link and Dafenghang, to the best knowledge and belief of our Directors, Customer B has regarded Guangzhou World-Link and Dafenghang as companies under the same management control and operation of the Controlling Shareholders; and
 - (c) Guangzhou World-Link and Dafenghang had been providing financial assistance to each other prior to the Business Transfer;
- (ii) as compared to Dafenghang, Guangzhou World-Link would be a more favorable platform for our Group to further develop our logistics business:
- (a) Guangzhou World-Link has established a brand image and market recognition in the PRC's logistics and 3PL industries due to its stable and high quality clientele base, corporate profile and long operation history. On the other hand, Dafenghang had only one major customer in its logistics business, i.e. Customer B, who treated it and Guangzhou World-Link as under the same management control and operation of the Controlling Shareholders, Dafenghang therefore had limited market recognition and limited prospect of business opportunities and growth; and
 - (b) the Business Transfer would enable Guangzhou World-Link to expand its scope of services and, by leveraging Guangzhou World-Link's established customer base and Dafenghang's then existing logistics capability, further strengthen Guangzhou World-Link's competitiveness in the PRC logistics market and enhance its market penetration;
- (iii) the Business Transfer would improve the financial performance of the novated contracts, which would in turn be beneficial to the Controlling Shareholders in the long run. Based on the management accounts of Dafenghang, for the six months ended 30 June 2015, the profit margin of the novated contracts was approximately -6.0%, which was mainly due to the labour costs incurred by Dafenghang for engaging the services of dispatched workers to perform the novated contracts with Customer B. Prior to the Business Transfer, each of Dafenghang and Guangzhou World-Link had their own labour force for provision of logistics services though they share administrative, accounting and back-office supporting staff and office premises. In particular, Dafenghang entered into agreements with certain third-party employment agencies for the services of dispatched workers, primarily for performing such contracts with Customer B. Upon streamlining the logistics business of Dafenghang and Guangzhou World-Link by the Business Transfer, the profit margin of the novated contracts could be improved as a result of labour costs saving as (a) Guangzhou World-Link would be able to allocate its staff to perform the novated contracts and the contracts with other customers based on the actual workload of the projects, thereby achieving higher level of utilisation of labour than Dafenghang, which served primarily Customer B only; and (b) due to the aforesaid, the services of dispatched workers would no longer be necessary for performing the novated contracts. As a result, based on the management accounts of

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Dafenghang, the profit margin of the novated contracts improved from approximately -6.0% for the six months ended 30 June 2015, the period before the Business Transfer took place, to approximately 33.0% for the six months ended 31 December 2015.

- (iv) Mr. Li JX and Mr. Li JM were at the time contemplating to tap into the business of property management, and Dafenghang, which was wholly owned by them and Mr. Li JX’s spouse, would be a then available vehicle for the proposed business venture after the Business Transfer.

Taking into account the aforesaid, it was considered that the Business Transfer would, inter alia, streamline our corporate structure, enhance the logistics services and business development of Guangzhou World-Link, improve the profit margin of the novated contracts and bring long term benefit to our Group in the long run. Our Directors confirmed that there is no side agreement, arrangement or understanding between the Controlling Shareholders and the minority shareholders of Guangzhou World-Link in respect of the Business Transfer.

Transfer of assets

In July 2015, Guangzhou World-Link entered into two sales and purchase agreements with Dafenghang for the sales and purchase of (i) 10 delivery vehicles and 2 trailers for approximately RMB786,000; and (ii) operating assets for approximately RMB46,900. The consideration of the transfers were arrived based on the book value of the delivery vehicles and operating assets.

After the above Business Transfer, Dafenghang ceased to carry out any logistics service related business. Since March 2016 and up to the Latest Practicable Date, the scope of operation of Dafenghang consisted of property management only. As the business of Dafenghang after the Business Transfer became unrelated to that of our Group, it ceased to be part of our Group thereafter.

Save as disclosed in the sections headed “Business — Legal proceedings” and “Business — Compliance”, our Directors confirm that Dafenghang was not involved in any material non-compliance incidents, claims, litigation or legal proceedings (whether actual or threatened) during the Track Record Period and up to the Latest Practicable Date.

Our Directors confirm that even if (i) the operating cash flows attributable to the novated contracts from Dafenghang were excluded from our Group during the Track Record Period; or alternatively, (ii) the financial information of Dafenghang was included in our Group in its entirety, our Group can still fulfil the minimum cash flow requirement under Rule 11.12A of the GEM Listing Rules.

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GUANGZHOU WORLD-LINK’S APPLICATION FOR [REDACTED] ON THE NEEQ AND THE SUBSEQUENT WITHDRAWAL OF APPLICATION

Aligning with Guangzhou World-Link’s business growth, Guangzhou World-Link contemplated applying for [REDACTED] on the NEEQ (the “**NEEQ [REDACTED] Application**”) in early 2015 to raise fund for its business expansion. In May 2015, Guangzhou World-Link engaged various professional parties, including the sponsor, reporting accountants, and legal advisers and began the preparation for the NEEQ [REDACTED] Application. On 31 August 2016, Guangzhou World-Link submitted the NEEQ [REDACTED] Application to the National Equities Exchange and Quotations Co. Ltd* (全國中小企業股份系統有限責任公司) (“**NEEQCL**”).

Subsequently, after considering the facts including (i) the better market sentiment of the Hong Kong stock market; (ii) the advanced listing rules and laws and regulations in Hong Kong to maintain an orderly stock market; (iii) the better liquidity of the shares of Hong Kong listed companies; (iv) the ease of fundraising for our Group to implement its business plans and strategies upon [REDACTED] in Hong Kong; and (v) a public [REDACTED] status in Hong Kong would strengthen Guangzhou World-Link’s reputation, credibility and competitiveness, the board of Guangzhou World-Link resolved to withdraw the NEEQ [REDACTED] Application in October 2016 and pursue [REDACTED] in Hong Kong instead.

Subsequent to the approval by the board of Guangzhou World-Link to withdraw the NEEQ [REDACTED] Application in October 2016 but before the submission of the withdrawal application in November 2016, the NEEQCL issued their comments on the NEEQ [REDACTED] Application in October 2016, which required the disclosure or elaboration on the existing disclosure on matters relating to the business operation and financial performance of Guangzhou World-Link. As confirmed by the sponsor engaged by Guangzhou World-Link for the NEEQ [REDACTED] Application, (i) according to their due diligence in respect of business, financial and legal aspects on Guangzhou World-Link, Guangzhou World-Link was able to fulfill all the requirements for [REDACTED] on the NEEQ; (ii) there were nothing unusual in the comments from the NEEQCL that would, from their experience, impede the NEEQ [REDACTED] Application; and (iii) the withdrawal application was initiated by Guangzhou World-Link and submitted by them for and on behalf of Guangzhou World-Link to NEEQCL in November 2016, and the NEEQ [REDACTED] Application was subsequently terminated in March 2017.

As confirmed by our Directors, all material disclosure regarding Guangzhou World-Link as requested by the NEEQCL, which is applicable, has already been made in this document where appropriate.

Pursuant to the due diligence conducted by the professional parties for the [REDACTED], our Directors take the view, and the Sole Sponsor concurs, that there is not (i) any matter which might lead to a rejection by the NEEQCL; or (ii) any unusual comment from the NEEQCL which might potentially affect the suitability of our Company to list on the Stock Exchange.

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PARTIES ACTING IN CONCERT

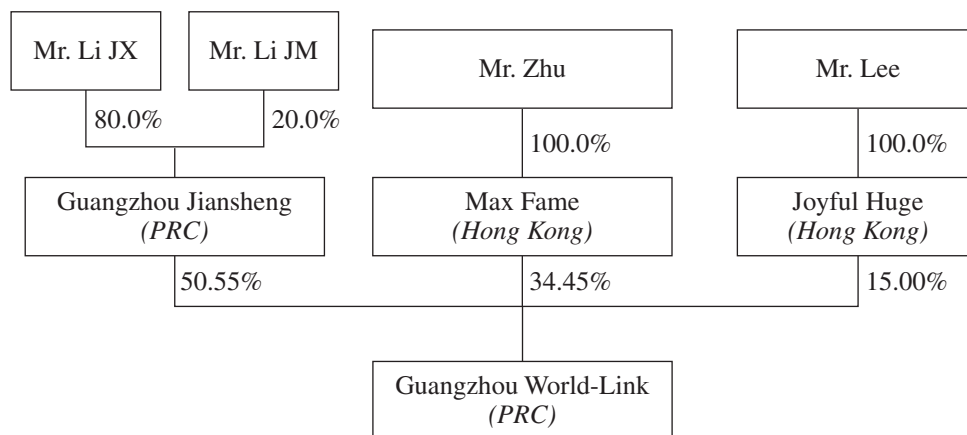
On 19 April 2017, Mr. Li JX and Mr. Li JM entered into the Concert Parties Confirmatory Deed to acknowledge and confirm that:

- (a) amongst each of them that they are parties acting in concert in respect of each of the members of the Group (the “**Relevant Companies**”) since the date they both held direct or indirect shareholding interests in each of the Relevant Companies, and shall continue to do the same as at and after the date of the Concert Parties Confirmatory Deed;
- (b) they shall continue to give unanimous consent, approval or rejection on any other material issues and decisions in relation to the business of the Relevant Companies;
- (c) they shall continue to cast an unanimous vote collectively for or against all resolutions in all meetings and discussions of the Relevant Companies;
- (d) they shall continue to cooperate with each other to obtain and maintain the consolidated control and the management of the Relevant Companies; and
- (e) they shall continue to obtain written consent from all the parties to the Concert Parties Confirmatory Deed in advance of purchasing, selling, pledging or creating any right to acquire or dispose of any securities of our Company and/or any of the Relevant Companies.

REORGANISATION

Prior to the Reorganisation, the structure of our Group was as follows:

A. Guangzhou World-Link



Corporate restructuring

To rationalise our Group’s structure in preparation for the [REDACTED], our Group underwent various corporate restructuring, more particularly described as follows:

1. On 1 December 2016, Guangzhou World-Link was transformed from a joint stock limited company into a sino-foreign joint venture company.

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2. Goal Rise was incorporated under the laws of the BVI with liability limited by shares on 17 November 2016. Since the date of incorporation, Goal Rise is authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each, and 80 ordinary shares (representing 80.00% of all the issued shares of Goal Rise at that time) and 20 ordinary shares (representing 20.00% of all the issued shares of Goal Rise at that time) were allotted and issued as fully paid to Mr. Li JX and Mr. Li JM, respectively on the date of incorporation.
3. Junliet Profits was incorporated under the laws of the BVI with liability limited by shares on 21 November 2016. Since the date of incorporation, Junliet Profits is authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each, and 100 ordinary shares (representing the only issued shares of Junliet Profits at that time) were allotted and issued as fully paid to Mr. Lee on the date of incorporation.
4. Portree Wealth was incorporated under the laws of the BVI with liability limited by shares on 21 November 2016. Since the date of incorporation, Portree Wealth is authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each, and 100 ordinary shares (representing the only issued shares of Portree Wealth at that time) were allotted and issued as fully paid to Mr. Zhu on the date of incorporation.
5. Our Company was incorporated in the Cayman Islands on 22 November 2016 as an exempted company with limited liability under the Companies Law. As at the time of incorporation, our Company had an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of par value HK\$0.01 each, of which one Share was allotted and issued as fully paid to an initial subscriber. On the same day, (i) the subscriber Share was transferred to Goal Rise at par; and (ii) 5,054 Shares, 3,445 Shares and 1,500 Shares were allotted and issued as fully paid to Goal Rise, Portree Wealth and Junliet Profits, respectively. Immediately following the above transfer and allotment of shares, our Company was owned as to approximately 50.55% by Goal Rise, 34.45% by Portree Wealth and 15.00% by Junliet Profits.
6. Goal Rise Logistics (BVI) was incorporated with liability limited by shares under the laws of the BVI on 28 November 2016. Since the date of incorporation, Goal Rise Logistics (BVI) is authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each, and 100 ordinary shares were allotted and issued as fully paid (representing all the issued shares of Goal Rise Logistics (BVI) at that time) to our Company on the date of incorporation.
7. Goal Rise Logistics (HK) was incorporated in Hong Kong with limited liability on 2 December 2016. As at the date of incorporation, Goal Rise Logistics (HK) allotted and issued as fully paid one share (representing the only issued share of Goal Rise Logistics (HK) at the time) to Goal Rise Logistics (BVI).
8. On 9 December 2016, Goal Rise Logistics (HK) entered into an equity transfer agreement with Guangzhou Jiansheng, Max Fame, Joyful Huge and Guangzhou World-Link (the “**Equity Transfer Agreement**”). Pursuant to the equity transfer agreement,

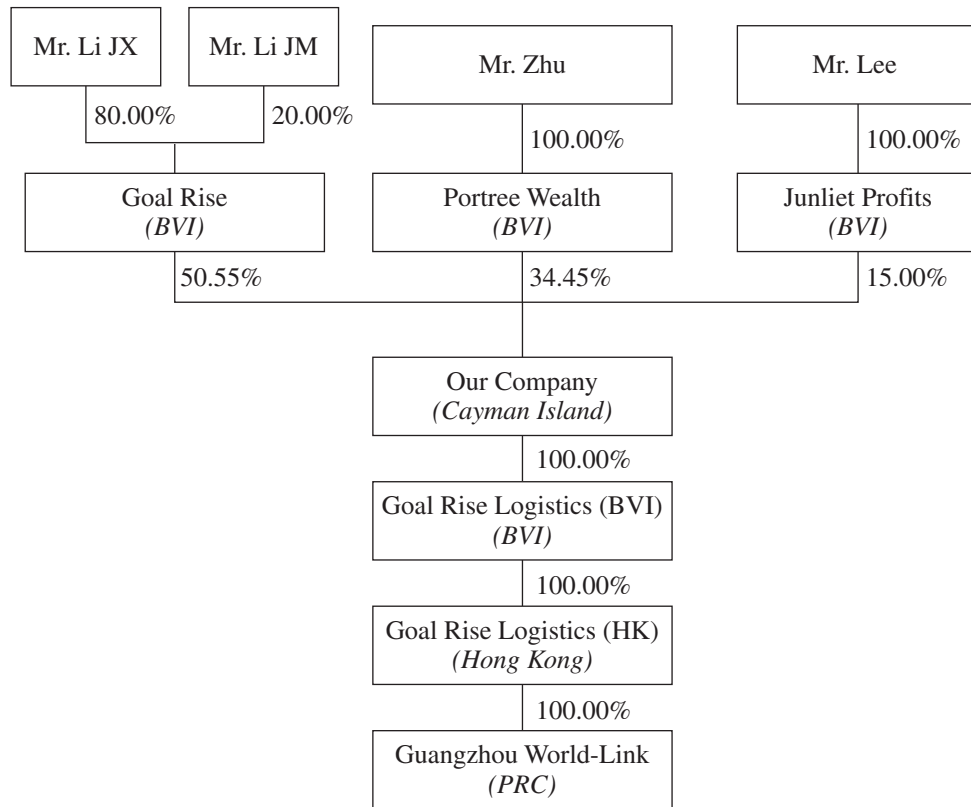
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Goal Rise Logistics (HK) agreed to (i) acquire the entire equity interest held by Guangzhou Jiansheng in Guangzhou World-Link at the consideration of RMB10,110,000; (ii) acquire the entire equity interest held by Max Fame in Guangzhou World-Link at the consideration of RMB6,890,000; and (iii) acquire the entire equity interest held by Joyful Huge in Guangzhou World-Link at the consideration of RMB3,000,000. The consideration for each of the above transfers was agreed between the relevant parties on an arm’s length basis and determined with reference to the registered capital of Guangzhou World-Link at the time.

9. The aforesaid consideration for acquisition of Guangzhou Jiansheng’s equity interests in Guangzhou World-Link was financed by a shareholder’s loan advanced by Mr. Li JX to Goal Rise Logistics (HK) (the “**Shareholder’s Loan**”). Pursuant to a deed of novation entered into among Goal Rise Logistics (HK), Mr. Li JX and Goal Rise Logistics (BVI) dated 19 April 2017, Goal Rise Logistics (BVI) has assumed and become solely responsible for the repayment of the Shareholder’s Loan and become responsible for the discharge of all liabilities and claims against Goal Rise Logistics (HK) arising out of or in connection with the Shareholder’s Loan. As a result, the Shareholder’s Loan together with all claims and liabilities owing by Goal Rise Logistics (HK) to Mr. Li JX have been novated to Goal Rise Logistics (BVI).
10. Pursuant to a deed of assignment entered into between Mr. Li JX and our Company dated 19 April 2017, Mr. Li JX assigned his rights to the Shareholder’s Loan to our Company. On 19 April 2017, the directors of Goal Rise Logistics (BVI) were authorised to allot and issue one new ordinary share, credited as fully paid, of Goal Rise Logistics (BVI) to our Company in consideration of the capitalisation of the Shareholder’s Loan.
11. On 19 April 2017, Max Fame assigned its rights to the aforesaid sum of RMB6,890,000, being the consideration payable to it under the Equity Transfer Agreement, to Mr. Zhu pursuant to a deed of assignment dated the even date. Subsequently, at the instruction of Mr. Zhu, such sum of RMB6,890,000 payable to him was settled by the allotment and issue of one ordinary share, credited as fully paid, of Goal Rise Logistics (BVI) to our Company.
12. On 19 April 2017, Joyful Huge assigned its rights to the aforesaid sum of RMB3,000,000, being the consideration payable to it under the Equity Transfer Agreement, to Mr. Lee pursuant to a deed of assignment dated the even date. Subsequently, at the instruction of Mr. Lee, such sum of RMB3,000,000 payable to him was settled by the allotment and issue of one ordinary share, credited as fully paid, of Goal Rise Logistics (BVI) to our Company.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Upon completion of the Reorganisation set out above, our Company became the holding company of our Group. The following chart sets out the shareholding and corporate structure of our Group immediately after the Reorganisation:



The PRC Legal Advisers confirmed that all relevant approvals and permits in relation to the transfer of equity interest of the PRC established company in our Group, as described above as part of the Reorganisation, had been obtained and the procedures involved had been carried out in accordance with PRC laws and regulations. As advised by the PRC Legal Advisers, Mr. Li JX and Mr. Li JM, who are our ultimate beneficial owners and are also PRC residents, have completed the registration of their foreign investment pursuant to Circular 37 and Circular 13 on 27 December 2016.

All the share transfers mentioned above in this section have been properly and legally completed and settled.

[REDACTED] INVESTMENT

Background of the [REDACTED] Investor

Hemann Capital Management is an investment holding company incorporated in the BVI on 3 January 2017, and the shares of which are legally and beneficially wholly owned by Mr. He, who is also the sole director of Hemann Capital Management and has been acquainted with Mr. Li JX and Mr. Li JM for over 20 years. Prior to its investment in our Group, Hemann Capital Management was an Independent Third Party. To the best knowledge and belief of our Directors, Mr. He decided to invest in

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

our Group through Hemann Capital Management in view of the prospects and growth potential of our Group. The source of funding of Hemann Capital Management was from the personal resources of Mr. He..

Investment

Pursuant to a sale and purchase agreement dated as of 11 January 2017, Hemann Capital Management purchased 600 Shares from Junliet Profits at the consideration of HK\$7,000,000. The consideration was agreed between the parties on an arm's length basis and determined (i) after taking into account the prospective growth potential of the business of our Group; and (ii) with reference to the prevailing price-to-earnings ratios of comparable listed companies in Hong Kong. The said share transfer was properly and legally completed and settled. Mr. He is experienced in the investment and corporate management of logistics services companies. He was the authorised representative of Guangzhou City Dongshan District Jinze Trading Company Limited* (廣州市東山區金澤貿易有限公司), an ex-shareholder of Guangzhou World-Link since its establishment and up to December 1999. Mr. He was also a shareholder of Dafenghang since its establishment and up to October 2003. With Mr. He's experience in the logistics industry and his business connection in the PRC, Hemann Capital Management is expected to (i) offer advice on the business positioning, strategies, corporate development and management to our Group; and (ii) refer business opportunities to our Group through Mr. He's business connections.

The following table sets out the summary of the [REDACTED] Investment by Hemann Capital Management:

Amount of consideration	HK\$7,000,000
Payment date of consideration in full	20 January 2017
Approximate cost per Share paid under [REDACTED] Investment (Note)	HK\$[REDACTED]
Discount to the [REDACTED]	Approximately [REDACTED]% (based on HK\$[REDACTED] per [REDACTED], being the mid-point of [REDACTED] range stated in this document)
Use of proceeds from the [REDACTED] Investment	The sale proceeds were for the own use and direction of Junliet Profits
Benefit from the [REDACTED] Investment	Through Mr. He, Hemann Capital Management is expected to (i) offer advice on the business positioning and strategies and corporate development and management to the Group; and (ii) refer business opportunities to our Group through Mr. He's business connections
Approximate shareholding upon [REDACTED] (Note)	[REDACTED]%

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Note: This is derived based on [REDACTED] Shares to be held by Hemann Capital Management upon completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be issued upon the exercise of the [REDACTED] and the options which may be granted under the Share Option Scheme).

The said sale and purchase agreement does not provide any guaranteed discount to the [REDACTED]. Hemann Capital Management confirmed that the consideration paid by it under the Pre-IPO Investment was irrevocable. No special right was granted to Hemann Capital Management in connection with its investment.

Public Float

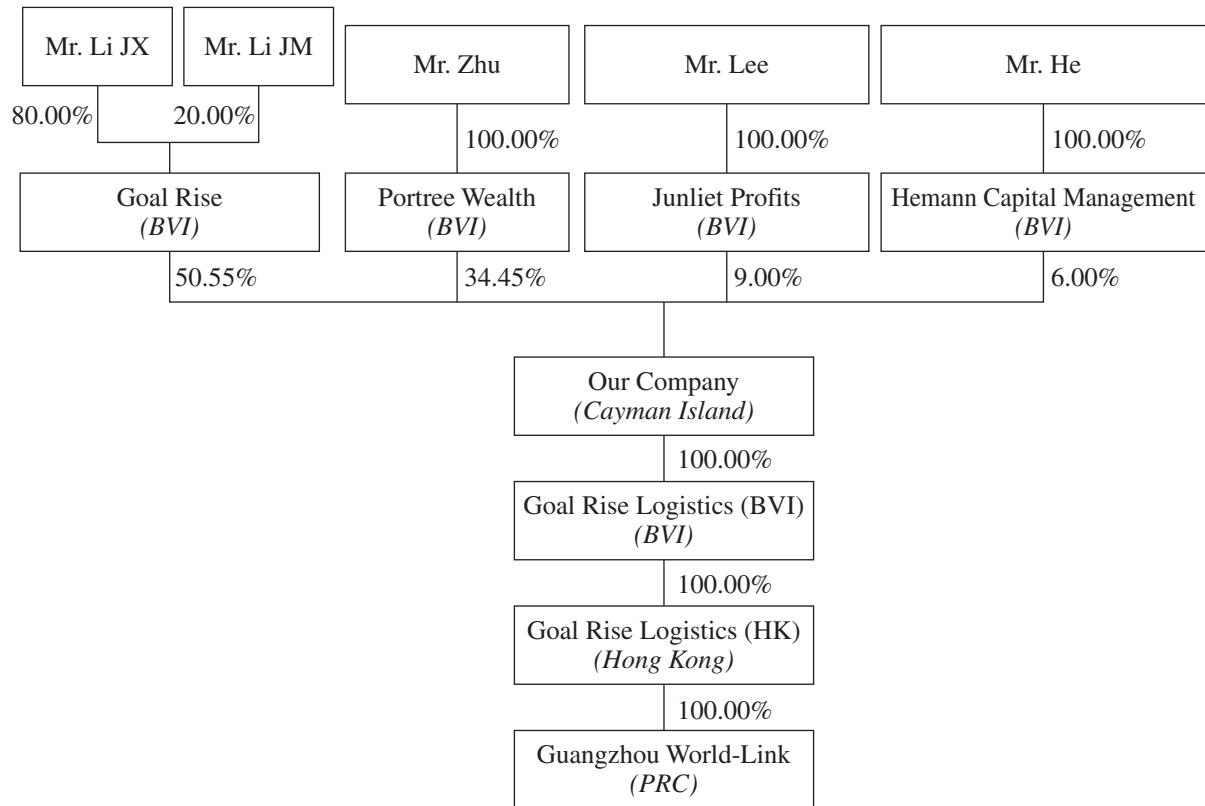
As each of Hemann Capital Management and its beneficial owner is not a connected person of our Company, Shares held by Hemann Capital Management will be counted towards the public float after the [REDACTED].

Sponsor’s confirmation

Given that (i) no special rights have been granted to Hemann Capital Management in respect of its investment; (ii) our Directors having confirmed that the terms of the investment by Hemann Capital Management (including the consideration) were determined on an arm’s length basis after taking into account the prospective growth potential of our Group; and (iii) the completion of the [REDACTED] Investment took place more than 28 clear days before the submission of the [REDACTED] application, the Sole Sponsor is of the view that the [REDACTED] Investment by Hemann Capital Management is in compliance with the “Interim Guidance on [REDACTED] Investments” (HKEx-GL29-12) and the “Guidance on [REDACTED] Investments” (HKEx-GL43-12) issued by the Stock Exchange.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

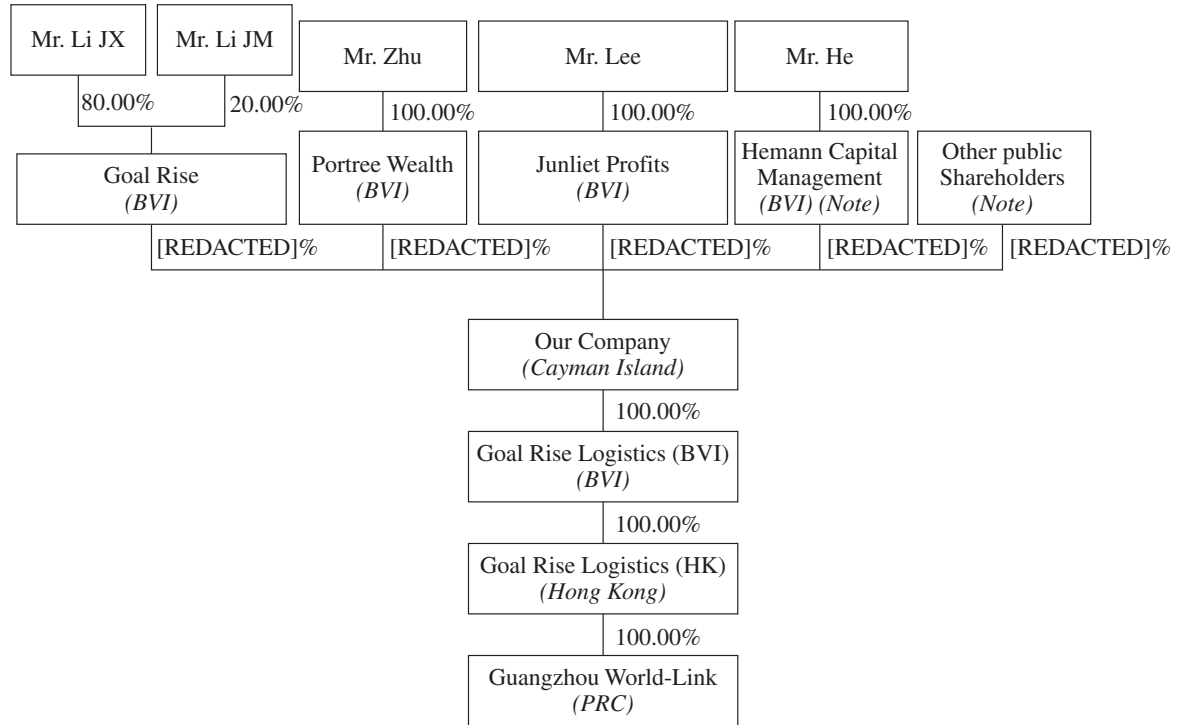
The following chart sets out the shareholding structure of our Group immediately following the [REDACTED] Investment, but prior to the [REDACTED] and the Capitalisation Issue:



Conditional on the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the [REDACTED], certain amounts standing to the credit of the share premium account of our Company will be capitalised and applied in paying up in full at par such number of Shares for allotment and issue to our Shareholders (i.e. Goal Rise, Portree Wealth, Junliet Profits and Hemann Capital Management) in proportion to their respective shareholdings prior to trading and dealing of the Shares commence on GEM, so that the number of Shares so allotted and issued, when aggregated with the number of Shares already owned by them, will constitute not more than 75.00% of the total issued share capital of our Company. Details of the Capitalisation Issue are set out in the paragraph headed “A. Further information about our Company and our subsidiaries — 3. Written resolutions of our Shareholders” in Appendix IV to this document.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The following chart sets out the shareholding structure of our Group immediately following the [REDACTED] and the Capitalisation Issue (without taking into account any Shares which may be issued upon the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme):



Notes:

1. Mr. Li JX, Mr. Li JM and Goal Rise are a group of Controlling Shareholders.
2. Mr. Zhu and Portree Wealth held more than 30% of the issued Shares as at the date of the document, but will hold less than 30% of the issued Shares immediately following the [REDACTED]. As a result, Mr. Zhu and Portree Wealth were controlling shareholders of our Company as at the date of this document and are subject to the lock-up requirement under Rule 13.16A(1)(a) of the GEM Listing Rules. For details regarding such lock-up requirement, please refer to the paragraph headed “Undertakings to the Stock Exchange pursuant to the GEM Listing Rules” in the section headed “Underwriting” in this document.
3. Immediately following the [REDACTED] and the Capitalisation Issue, the public (including Hemann Capital Management and Junliet Profits) will hold [REDACTED]% of the enlarged issued share capital of the Company, assuming the [REDACTED] is not exercised.