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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: 8457)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on the GEM are generally small and mid-sized companies, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on the GEM.

*This announcement, for which the directors (the “**Directors**”) of Goal Rise Logistics (China) Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS

- The unaudited revenue of the Group for the three months ended 31 March 2018 was approximately RMB43.4 million with an increase of approximately RMB5.8 million as compared with that for the corresponding period in 2017.
- The Group recorded an unaudited profit attributable to owners of the Company of approximately RMB2.1 million for the three months ended 31 March 2018.
- The unaudited basic earnings per share of the Company was approximately RMB0.35 cent for the three months ended 31 March 2018.

RESULTS

The board of Directors (the “**Board**”) hereby announces the unaudited condensed consolidated financial results of the Group for the three months ended 31 March 2018 together with the audited comparative figures for the corresponding period in 2017 as follows:

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

For the three months ended 31 March 2018

	<i>Notes</i>	Three months ended 31 March	
		2018	2017
		<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(audited)
Revenue	3	43,382	37,555
Other income, gain and losses		(1,087)	128
Employee benefits expenses		(16,305)	(13,634)
Sub-contracting expenses		(11,664)	(9,779)
Operating lease rentals		(5,667)	(4,645)
Depreciation of property, plant and equipment		(816)	(1,004)
Interest expense on bank borrowings		–	(483)
Listing expenses		–	(3,996)
Other expenses		(4,737)	(5,036)
Profit (loss) before taxation		3,106	(894)
Income tax expenses	4	(992)	(830)
Profit (loss) and total comprehensive income (expense) for the period attributable to owners of the Company	5	<u>2,114</u>	<u>(1,724)</u>
Earnings (loss) per share	6		
— Basic (<i>RMB cents</i>)		<u>0.35</u>	<u>(0.29)</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND REORGANISATION

Goal Rise Logistics (China) Holdings Limited (the “**Company**”) was incorporated on 22 November 2016 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office address is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and principal place of business in Hong Kong is Room E, 10/F, Full Win Commercial Centre, 573 Nathan Road, Kowloon, Hong Kong. The headquarters and principal place of business of the Group is at Units 1301 and 1302, 13/F, Citic Plaza, No. 233, Tianhe Road North, Guangzhou, the People’s Republic of China (the “**PRC**”).

In preparing for the initial listing of the shares of the Company on the GEM of the Stock Exchange, the companies now comprising the Group underwent the group reorganisation (the “**Reorganisation**”) to rationalise the group structure. Pursuant to the Reorganisation, the Company became the holding company of the Group on 29 December 2016. Details of the Reorganisation are more fully explained in the section headed “History, Reorganisation and Corporate Structure” of the prospectus of the Company dated 29 September 2017 (the “**Prospectus**”). The Group resulting from the Reorganisation is regarded as a continuing entity.

The Company is an investment holding company and the Company’s subsidiaries are principally engaged in the provision of logistics services. 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 three months ended 31 March 2018 have not been audited.

The shares of the Company have been listed on the GEM of the Stock Exchange (the “**Listing**”) since 18 October 2017 (the “**Listing Date**”).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants. In addition, the unaudited condensed consolidated financial statements include the applicable disclosures required by the GEM Listing Rules and by 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 three months ended 31 March 2018 are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2017.

The adoption of the new and revised HKFRSs, which are effective for the Group’s financial year beginning on 1 January 2018, has had no significant effect on the unaudited condensed consolidated financial statements for the three months ended 31 March 2018 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the three months ended 31 March 2018.

The Group has not applied any new and revised standards, amendments or interpretations that have been issued but not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group’s results of operations and financial position.

3. REVENUE

An analysis of the Group's revenue for the period is as follows:

	Three months ended 31 March	
	2018	2017
	RMB'000	RMB'000
	(unaudited)	(audited)
Transportation service income	18,011	14,783
Warehousing service income	10,357	9,613
In-plant logistics service income	14,726	12,947
Customisation service income (<i>Note</i>)	288	212
	<u>43,382</u>	<u>37,555</u>

Note: Customisation service income mainly include provision of labelling services and bundling services.

4. INCOME TAX EXPENSES

	Three months ended 31 March	
	2018	2017
	RMB'000	RMB'000
	(unaudited)	(audited)
Current tax		
PRC Enterprise Income Tax ("EIT")	<u>992</u>	<u>830</u>

PRC EIT is calculated at 25% of the estimated assessable profit for both periods.

5. PROFIT (LOSS) FOR THE PERIOD

	Three months ended 31 March	
	2018	2017
	RMB'000	RMB'000
	(unaudited)	(audited)
Profit (loss) for the period has been arrived at after charging/(crediting):		
Auditors' remuneration:		
— Audit services	250	—
— Non-audit services	—	—
Directors' remuneration:		
— Fees	63	—
— Salaries and other allowances	339	294
— Retirement benefit scheme contributions	28	4
Other staff salaries and allowances	12,781	11,555
Retirement benefit scheme contributions, excluding those of Directors	<u>3,094</u>	<u>1,781</u>
Total employee benefits expenses	<u>16,305</u>	<u>13,634</u>
Fleet operating expenses	1,423	1,380
Exchange loss/(gain)	1,112	(59)
Bank interest income	<u>—</u>	<u>(20)</u>

6. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to owners of the Company is based on the following data:

	Three months ended 31 March	
	2018 <i>RMB'000</i> (unaudited)	2017 <i>RMB'000</i> (audited)
Earnings (Loss)		
Profit (loss) for the period attributable to owners of the Company for the purpose of basic earnings (loss) per share	<u>2,114</u>	<u>(1,724)</u>
Number of shares		
Number of shares for the purpose of basic earnings (loss) per share (in thousands)	<u>600,000</u>	<u>600,000</u>

No diluted earnings per share are presented as there were no potential dilutive ordinary shares in issue for both periods.

7. RESERVES

For the three months ended 31 March 2017 and 2018

	Share capital/ paid-in capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Statutory reserve <i>RMB'000</i> <i>(Note)</i>	Other reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2017 (audited)	–	–	2,593	6,999	13,456	23,048
Loss and total comprehensive expense for the period	–	–	–	–	(1,724)	(1,724)
Transfers	–	–	232	–	(232)	–
At 31 March 2017 (audited)	<u>–</u>	<u>–</u>	<u>2,825</u>	<u>6,999</u>	<u>11,500</u>	<u>21,324</u>

	Share capital/ paid-in capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Statutory reserve <i>RMB'000</i> <i>(Note)</i>	Other reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2018 (audited)	6,761	37,763	4,686	27,094	18,301	94,605
Profit and total comprehensive income for the period	-	-	-	-	2,114	2,114
Transfers	-	-	298	-	(298)	-
At 31 March 2018 (unaudited)	<u>6,761</u>	<u>37,763</u>	<u>4,984</u>	<u>27,094</u>	<u>20,117</u>	<u>96,719</u>

Note: Amount represents statutory reserve of the subsidiary of the Company established in the PRC. According to the relevant laws in the PRC, the subsidiary in the PRC is required to transfer at least 10% of its net profit after taxation, as determined under the relevant accounting principles and financial regulations applicable to enterprises established in the PRC, to a non-distributable reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2018 (three months ended 31 March 2017: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

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

The scope of logistics services that we provide to each customer varies as different customers often require different kinds of services and expertise. We normally offer transportation services to our customers to deliver inventory (which includes production materials, components and finished goods) to their downstream clients, manufacturing plants and/or designated locations. We also offer warehousing services to our customers. We currently have six warehouses located in the Guangdong Province with an approximate total area of 68,000 square metres. Apart from the provision of traditional transportation and warehousing services, we also provide our customers with in-plant logistics services which cover the management of the movement of (i) production materials and components and work-in-progress to the production lines within their manufacturing plants; and (ii) finished goods out to their factory gate. Our range of services gives us a competitive advantage over other logistics service providers in the PRC which offer only a limited range of services.

Our business is built on a customer-oriented culture, and we focus on establishing relationships with reputable customers by providing flexible, reliable and timely logistics services. With our proven track record in the logistics industry, we have established a broad customer base comprising customers from various industries, including pharmaceutical, FMCG (Fast-moving consumer goods, such as diapers, tissues and toothpaste), packaging, health and beauty and other industries.

In addition, prior to the provision of logistics services, we will discuss with our customers in relation to (i) their delivery plan, which specifies the points of delivery and the delivery schedule; (ii) their warehousing plan, which includes storage requirements; and (iii) their other logistics plans, which include their shipping schedules and other specific logistics requirements, if any. Such information will be transmitted into our intelligent logistics management system for the advanced planning of the supply chain process and to ensure efficient flow of services. We believe our ability to plan logistics solutions in advance not only allows us to provide our customers with flexible logistics services, but also, in the long run, enhances our collaborations and relationship with our customers.

Our Directors believe that our ability to provide logistics services to our customers for over 20 years would not only enable us to generate stable revenue, but such relationship, can also demonstrate our ability to perform and complete logistics services to a high quality standard and build up our reputation in the logistics industry in the PRC.

Benefiting from the listing status of the Company and the continued support from the customers together with their own business expansion, the Group achieved favourable growth in its business operation which resulted in higher revenue as well as profit for the three months ended 31 March 2018 as compared with the previous corresponding period of 2017. Each of the Group's business segments, including transportation services, warehousing services, in-plant logistics services and customisation services, recorded better performance which contributed to an increase of 15.4% in the Group's overall revenue.

During the first quarter of 2018, the Group has gradually carried out the implementation plans of those business objectives as set out in the Prospectus. In connection with the business objective of upgrading one of the warehouses to strengthen the provision of quality logistics services to our customers, we have commenced discussions with service providers on the scope of services of installing automated storage facilities and systems. On expanding the existing in-plant logistics business in the North China and the East China regions, the Group has participated in the tendering process of potential customers which include several large customers from various industries including beverage, chemical and pharmaceutical businesses. We have also expanded our vehicle fleet by acquiring new trucks and employing additional drivers for our transportation business. In respect of enhancing sales and marketing effort, the Group has participated in some industry exhibitions and conferences and set up a Sales and Marketing Department to oversee the Group's existing and potential customer base as well as to capture additional business opportunities. A comparison of the status of the implementation plans with the actual business progress is also provided in a later section of this Announcement.

Looking forward, we intend to expand and develop automated storage facilities and systems to improve the capacity and efficiency of our existing warehouses. We believe the installation of automated storage facilities and systems is crucial for maintaining our competitiveness and strengthening our position in the logistics industry in the PRC. At the first stage of automation, we target to finish upgrading one of our existing warehouses by the end of 2018. Furthermore, we aim to seek for opportunities to diversify our customer base and enhance our capability in the transportation and warehousing businesses.

Financial Review

Revenue

The revenue of the Group increased by approximately 15.4% from approximately RMB37.6 million for the three months ended 31 March 2017 to approximately RMB43.4 million for the three months ended 31 March 2018. The increase was mainly attributable to the increase in the transportation services and the in-plant logistics services during the three months ended 31 March 2018.

Revenue generated from the transportation services increased by approximately 21.6% from approximately RMB14.8 million for the three months ended 31 March 2017 to approximately RMB18.0 million for the three months ended 31 March 2018. The increase of the transportation services was mainly attributable to the increase in the export sea freight forwarding agency services, mainly contributed by the increase in orders from a new customer obtained during the year 2016, during the three months ended 31 March 2018.

Revenue generated from the warehousing services increased by approximately 8.3% from approximately RMB9.6 million for the three months ended 31 March 2017 to approximately RMB10.4 million for the three months ended 31 March 2018. The increase was primarily driven by the increase in orders from our customers.

Revenue generated from the in-plant logistics services increased by approximately 14.0% from approximately RMB12.9 million for the three months ended 31 March 2017 to approximately RMB14.7 million for the three months ended 31 March 2018, which was mainly contributed by the increase in orders from our customers.

Revenue generated from the customisation services increased by approximately 50.0% from approximately RMB0.2 million for the three months ended 31 March 2017 to approximately RMB0.3 million for the three months ended 31 March 2018. The increase was mainly arisen from additional bundling service orders.

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. Our employee benefits expenses amounted to approximately RMB13.6 million and RMB16.3 million for the three months ended 31 March 2017 and 2018, respectively. The increase in employee benefits expenses of RMB2.7 million over the previous corresponding period was primarily attributable to (i) the increase in the average monthly salary of our staff and workers and (ii) the increase in the overall benefits and the associated social security fund and insurance contribution. Our Group had a total of 862 and 853 full-time employees as at 31 March 2017 and 2018, respectively.

Sub-contracting expenses

Sub-contracting expenses primarily represented the amount paid to our subcontractors for the provision of certain transportation services. Our sub-contracting expenses amounted to approximately RMB9.8 million and RMB11.7 million for the three months ended 31 March 2017 and 2018, respectively. In general, the subcontractors charged us based on the price stated in the subcontracting agreements which specify the price for each type of services they provided. The increase of sub-contracting expenses was mainly attributable to the increase in the export sea freight forwarding agency services during the three months ended 31 March 2018, for which we assist our customers to obtain cargo space from shipping companies or shipping agents that meet the customers' requirements through outsourcing to independent subcontractors.

Other expenses

Other expenses mainly include (i) fleet vehicles operating expense which mainly includes the fuel costs and maintenance expenses of our fleet vehicles; (ii) utilities expense which mainly includes the water and electricity expenses; (iii) office and telephone expense which mainly includes the general office expenses and long-distance calling fees; (iv) insurance expenses for the warehouses and transportations; (v) entertainment and travelling expenses for business soliciting; and (vi) others which mainly include maintenance expenses for the warehouses, professional fee and other miscellaneous expenses. Our other expenses amounted to approximately RMB5.0 million and RMB4.7 million for the three months ended 31 March 2017 and 2018, respectively.

Profit (Loss) for the period

The Group recorded a profit of approximately RMB2.1 million for the period ended 31 March 2018 versus a loss of approximately RMB1.7 million for the period ended 31 March 2017. The loss for the prior corresponding period was mainly due to the recognition of the non-recurring listing expenses of approximately RMB4.0 million during the said period which was no longer incurred during the period ended 31 March 2018.

CHARGE ON THE GROUP'S ASSETS

The Group did not have any charge on its assets as at 31 March 2018.

As at 31 March 2017, total bank borrowings amounted to approximately RMB28.3 million, out of which, RMB26.0 million were secured by (i) pledge of properties and land use rights held by certain Directors and/or their family members; and (ii) the personal guarantee of Mr. Li Jianxin and his spouse. These bank borrowings had been fully repaid and the securities were released during the year ended 31 December 2017. The remaining balance of bank borrowings of approximately RMB2.3 million were unguaranteed and secured by the bank deposits of a subsidiary of the Company. These bank borrowings had been fully repaid and the securities were released during the year ended 31 December 2017.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2017 and 2018.

CAPITAL COMMITMENTS

The Group did not have capital commitment as at 31 March 2017 and 2018.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the three months ended 31 March 2018, the Group had no material acquisition and disposal of subsidiaries.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS AND USE OF PROCEEDS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date to 31 March 2018 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 	<ul style="list-style-type: none"> The Group is in the process of discussing with the service providers the scope of service as well as the price quotation.
Expanding the existing in-plant logistics business in the North China and the East China regions	<ul style="list-style-type: none"> Conduct market research on the industry trend and development especially in the North China and the 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, the chemical and the pharmaceutical industries. The plan has yet to be implemented subject to the confirmation of the tenders with those customers as mentioned above. The plan has yet to be implemented subject to the confirmation of the tenders with those customers as mentioned above.
Expanding vehicle fleet	<ul style="list-style-type: none"> Acquire two trucks for transportation Hire approximately eight additional drivers for transportation business 	<ul style="list-style-type: none"> Two trucks have been purchased and put in use during the first quarter of 2018. Four drivers have already been on board.
Enhancing sales and marketing effort	<ul style="list-style-type: none"> Participate in industry exhibitions and trade fairs 	<ul style="list-style-type: none"> During the first quarter of 2018, the Group attended industry exhibitions which include the 2018 Shanghai International Container Exhibition (2018上海國際集裝箱展覽會) in Shanghai, PRC and the Third Global Logistics Technology Conference 2018 (2018第三屆全球物流技術大會) held at Haikou, PRC.

Business objectives	Implementation plans	Actual business progress
	<ul style="list-style-type: none"> • Redesign the Company's website for marketing purpose • Set up a sales and marketing department and hire approximately seven sales specialists 	<ul style="list-style-type: none"> • 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.

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 Listing Date up to 31 March 2018 is set out below:

Use of net proceeds	Planned use of total net proceeds raised as stated in the Prospectus <i>HK\$'million</i>	Approximate percentage of total net proceeds %	Actual use of net proceeds up to 31 March 2018 <i>HK\$'million</i>	Unutilized net proceeds up to 31 March 2018 <i>HK\$'million</i>
Upgrading one of the warehouses by installing automated storage facilities and systems	18.0	46.4	–	18.0
Expanding the existing in-plant logistics business in the North China and the East China regions	6.0	15.5	–	6.0
Expanding vehicle fleet	4.0	10.3	0.7	3.3
Enhancing sales and marketing effort	4.0	10.3	0.3	3.7
Repaying bank loans	4.0	10.3	4.0	–
General working capital	2.8	7.2	2.8	–
Total	38.8	100.0	7.8	31.0

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

As at 31 March 2018, approximately HK\$7.8 million out 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.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the three months ended 31 March 2018, the Group did not make any significant investments.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2018, 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 (the "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 provisions 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 rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long position in the shares of the Company

Name of Directors	Capacity	Number and class of securities	Approximate percentage of shareholding
Mr. Li Jianxin ("Mr. Li JX") (Note)	Interest in a controlled corporation; interest held jointly with another person	303,300,000 Ordinary shares	37.91%
Mr. Li Jianming ("Mr. Li JM") (Note)	Interest in a controlled corporation; interest held jointly with another person	303,300,000 Ordinary shares	37.91%

Note:

Goal Rise Profits Limited ("Goal Rise") is the registered and beneficial owner holding 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 JX and 20% by Mr. Li JM. By virtue of acting in concert arrangement between Mr. Li JX and Mr. Li JM which is confirmed and documented in the Concert Parties Confirmatory Deed, each of Mr. Li JX and Mr. Li JM 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 31 March 2018, none of the Directors and the chief executive of the Company or their associates (as defined in the GEM 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 such provisions 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 rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2018, 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 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; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of shareholders	Capacity	Number and class of securities	Approximate percentage of shareholding
Goal Rise	Beneficial owner	303,300,000 Ordinary shares	37.91%
Ms. Chen Ruihua ("Ms. Chen") (Note 1)	Interest of spouse	303,300,000 Ordinary shares	37.91%
Ms. Wu Xiaojie ("Ms. Wu") (Note 2)	Interest of spouse	303,300,000 Ordinary shares	37.91%
Mr. Lee Seo Thin Patrick ("Mr. Lee") (Note 3)	Interest in a controlled corporation	54,000,000 Ordinary shares	6.75%
Junliet Profits Limited ("Junliet Profits") (Note 3)	Beneficial owner	54,000,000 Ordinary shares	6.75%
Mr. Zhu Zhijian ("Mr. Zhu") (Note 4)	Interest in a controlled corporation	206,700,000 Ordinary shares	25.84%
Portree Wealth Limited ("Portree Wealth") (Note 4)	Beneficial owner	206,700,000 Ordinary shares	25.84%

Notes:

1. Ms. Chen is the spouse of Mr. Li JX and is deemed, or taken to be, interested in the entire shareholding interests of Goal Rise in the Company under the SFO.
2. Ms. Wu is the spouse of Mr. Li JM and is deemed, or taken to be, interested in the entire shareholding interests of Goal Rise in the Company under the SFO.
3. Junliet Profits is the registered owner holding approximately 6.75% of the issued shares in the Company. The entire issued share capital of Junliet Profits is owned by Mr. Lee. Under the SFO, Mr. Lee is deemed to be interested in all the shares registered under the name of Junliet Profits.
4. Portree Wealth is the registered owner holding approximately 25.84% 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 31 March 2018, 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; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or options in respect of such share capital.

SHARE OPTION SCHEME

Pursuant to the written resolutions of the shareholders of the Company passed on 26 September 2017, the Company has conditionally adopted a share option scheme (the “**Share Option Scheme**”). The principal terms of the Share Option Scheme are set out in section headed “Statutory and General Information — D. Share Option Scheme” in Appendix IV to the Prospectus. No option had been granted as at 31 March 2018.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme, during the three months ended 31 March 2018, 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. No share option has been granted, lapsed, exercised or cancelled pursuant to such Share Option Scheme since its adoption by the Company and up to the date of this announcement. As at 31 March 2018, none of the Directors or chief executives of the Company held any share options of the Company.

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 three months ended 31 March 2018 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, our Group will continue to comply with the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules and the associated GEM Listing Rules (the “**CG Code**”).

To the best knowledge of the Board, the Company had complied with the code provisions in the CG Code during the three months ended 31 March 2018 and up to the date of this announcement.

COMPETING INTERESTS

For the three months ended 31 March 2018, 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 (as defined in the GEM Listing Rules) 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.

COMPLIANCE ADVISER’S INTERESTS

As at 31 March 2018 and up to the date of this announcement, save for the compliance adviser agreement entered into between the Company and CLC International Limited (“**CLC**”) on 28 September 2017, neither CLC, the Compliance Adviser of the Company, nor any of its directors, employees or close associates (as defined in the GEM Listing Rules) has any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by Directors in accordance with Rules 5.46 to 5.67 of the GEM Listing Rules (the “**Code**”). The Company has made specific inquiry with all the Directors, and has not been notified of any non-compliance with the required standard of dealings and the Code by the Directors during the three months ended 31 March 2018 and up to the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) on 26 September 2017 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and paragraph C.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of external auditors; review the financial statements and material advice in respect of financial reporting; and oversee internal control and risk management procedures of the Group. The Group’s unaudited condensed consolidated financial statements for the three

months ended 31 March 2018 have been reviewed by the Audit Committee. 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.

EVENT AFTER THE REPORTING PERIOD

The Board is not aware of any important events affecting the Group, which have occurred subsequent to 31 March 2018 and up to the date of this announcement.

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

Hong Kong, 8 May 2018

As at the date of this announcement, the Board consists of two Executive Directors, Mr. Li Jianxin and Mr. Li Jianming; and three Independent Non-executive Directors, Dr. Wan Ho Yuen, Terence, Dr. Wu Ka Chee, Davy and Mr. Shao Wei.