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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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 audited consolidated revenue of the Group for the year ended 31 December 2018 was approximately RMB211.3 million with an increase of approximately RMB19.2 million as compared with that for the year ended 31 December 2017.

- The Group recorded an audited profit attributable to owners of the Company of approximately RMB22.2 million for the year ended 31 December 2018 (2017: approximately RMB6.9 million).

- The audited basic earnings per share of the Company was approximately RMB2.78 cents for the year ended 31 December 2018 (2017: approximately RMB1.08 cents).

- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: nil).

ANNUAL RESULTS

The board of Directors (the "**Board**") is pleased to announce the audited consolidated financial results of the Group for the year ended 31 December 2018, together with the comparative audited figures for the year ended 31 December 2017.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	NOTES	**2018** *RMB'000*	2017 *RMB'000*
Revenue	*3*	**211,271**	192,075
Other income, gains and losses		**689**	160
Employee benefits expenses		**(71,992)**	(63,715)
Sub-contracting expenses		**(61,681)**	(58,679)
Operating lease rentals		**(21,907)**	(19,497)
Depreciation of property, plant and equipment		**(2,953)**	(3,900)
Interest expense on bank borrowings		**–**	(1,223)
Listing expenses		**–**	(11,286)
Other expenses		**(23,157)**	(20,655)
Profit before taxation		**30,270**	13,280
Income tax expenses	*5*	**(8,033)**	(6,342)
Profit for the year	*6*	**22,237**	6,938
Profit and total comprehensive income for the year		**22,237**	6,938
Earnings per share	*7*		
— Basic, RMB cents		**2.78**	1.08
— Diluted, RMB cents		**N/A**	1.08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	NOTES	**2018** **RMB'000**	2017 *RMB'000*
Non-current assets			
Property, plant and equipment		**6,102**	7,084
Rental deposits		**3,326**	3,302
		9,428	10,386
Current assets			
Trade and other receivables and prepayments	*8*	**81,492**	68,297
Amount due from a related party		**–**	1,726
Bank balances and cash		**64,284**	45,114
		145,776	115,137
Current liabilities			
Trade and other payables and accrued expenses	*9*	**32,118**	23,973
Amount due to a related party		**–**	646
Tax payable		**6,244**	6,299
		38,362	30,918
Net current assets		**107,414**	84,219
NET ASSETS		**116,842**	94,605
CAPITAL AND RESERVES			
Share capital	*10*	**6,761**	6,761
Reserves		**110,081**	87,844
TOTAL EQUITY		**116,842**	94,605

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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

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. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The consolidated financial statements for the year ended 31 December 2018 are prepared in accordance with 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 ("**HKICPA**"), and the disclosure requirements of the GEM Listing Rules and the Hong Kong Companies Ordinance.

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

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Transportation service
- Warehousing service
- In-plant logistics service
- Customisation service

Information about the Group's performance obligations is disclosed in note 3.

Summary of effects arising from initial application of HKFRS 15

The adoption of HKFRS 15 had no material effects to the amounts recognised in the Group's consolidated statement of financial position at 1 January 2018 and 31 December 2018 nor its consolidated statement of profit or loss and other comprehensive income for the current year.

HKFRS 9 "Financial Instruments" and the related amendments

In the current year, the Group has applied HKFRS 9 and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("**ECL**") for financial assets and other items (for example, financial guarantee contracts) and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

Summary of effects arising from initial application of HKFRS 9

The adoption of HKFRS 9 had no material effects to the amounts recognised in the Group's consolidated statement of financial position at 1 January 2018 and 31 December 2018 nor its consolidated statement of profit or loss and other comprehensive income for the current year.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[2]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[5]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019.
2 Effective for annual periods beginning on or after 1 January 2021.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
5 Effective for annual periods beginning on or after 1 January 2020.

Except for the new HKFRS mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB67,366,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of RMB3,326,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

3. REVENUE

(a) For the year ended 31 December 2018

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

	2018
	RMB'000
Types of services	
Transportation service	**97,684**
Warehousing service	**43,014**
In-plant logistics service	**69,415**
Customisation service	**1,158**
Total	**211,271**
Timing of revenue recognition	
Over time	**210,113**
At a point in time	**1,158**
	211,271

(ii) 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 cover across the PRC.

- 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 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. The payment terms and credit terms (if any) are set out in note 8.

The aggregate amount of transaction price allocated to performance obligations that are satisfied (or partially unsatisfied) is nil as at the end of the reporting period.

(b) **For the year ended 31 December 2017**

	2017
	RMB'000
Transportation service income	89,319
Warehousing service income	41,759
In-plant logistics service income	59,626
Customisation service income	1,371
Total	192,075

4. SEGMENT INFORMATION

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

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

Segment revenue and results

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

For the year ended 31 December 2018

	Transportation service	**Warehousing service**	**In-plant logistics service**	**Customisation service**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue					
External sales	**97,684**	**43,014**	**69,415**	**1,158**	**211,271**
Results					
Segment results	**21,994**	**6,802**	**13,460**	**535**	**42,791**
Unallocated corporate income					**689**
Unallocated corporate expenses					**(13,210)**
Profit before taxation					**30,270**

For the year ended 31 December 2017

	Transportation service *RMB'000*	Warehousing service *RMB'000*	In-plant logistics service *RMB'000*	Customisation service *RMB'000*	Total *RMB'000*
Revenue					
External sales	89,319	41,759	59,626	1,371	192,075
Results					
Segment results	17,878	7,334	14,106	629	39,947
Listing expenses					(11,286)
Unallocated corporate income					160
Unallocated corporate expenses					(15,541)
Profit before taxation					13,280

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 expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

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

Other segment information

For the year ended 31 December 2018

	Transportation service *RMB'000*	**Warehousing service** *RMB'000*	**In-plant logistics service** *RMB'000*	**Customisation service** *RMB'000*	**Segment Total** *RMB'000*	**Corporate** *RMB'000*	**Consolidated** *RMB'000*
Amounts included in the measure of segment results:							
Depreciation of property, plant and equipment	**669**	**1,369**	**11**	**–**	**2,049**	**904**	**2,953**
Loss on disposal of property, plant and equipment	**–**	**–**	**–**	**–**	**–**	**7**	**7**

For the year ended 31 December 2017

	Transportation service *RMB'000*	Warehousing service *RMB'000*	In-plant logistics service *RMB'000*	Customisation service *RMB'000*	Segment Total *RMB'000*	Corporate *RMB'000*	Consolidated *RMB'000*
Amounts included in the measure of segment results:							
Depreciation of property, plant and equipment	705	2,338	8	–	3,051	849	3,900
Gain on disposal of property, plant and equipment	–	–	–	–	–	5	5

Geographical information

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

Information about major customers

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

	2018 *RMB'000*	2017 *RMB'000*
Customer A	**76,269**	69,911
Customer B	**54,301**	48,256
Customer C	**43,914**	38,299
	174,484	156,466

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

5. INCOME TAX EXPENSES

	2018 *RMB'000*	2017 *RMB'000*
Current tax		
PRC Enterprise Income Tax ("**EIT**") — current year	**8,033**	6,342

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

6. PROFIT FOR THE YEAR

	2018 *RMB'000*	2017 *RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Directors' remuneration:		
— Fees	**264**	67
— Salaries and other allowances	**1,256**	1,544
— Retirement benefit scheme contributions	**84**	84
	1,604	1,695
Other staff salaries and allowances	**56,207**	51,620
Retirement benefit scheme contributions, excluding those of directors	**14,181**	10,400
Total employee benefits expenses	**71,992**	63,715
Fleet operating expenses	**6,072**	5,765
Auditor's remuneration		
— Audit services	**902**	793
Loss (gain) on disposal of property, plant and equipment	**7**	(5)
Bank interest income	**(409)**	(121)
Government subsidies *(Note)*	**(103)**	(132)
Exchange (gains) losses	**(153)**	163

Note: The government subsidies mainly represent the annual payment to the Group for maintaining lower unemployment rate, and early retirement of motor vehicles which do not comply with latest environmental regulatory requirement with no unfulfilled conditions attached before recognition.

7. EARNINGS PER SHARE

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

	2018 *RMB'000*	2017 *RMB'000*
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**22,237**	6,938

	2018	2017
Number of shares		
Number of shares for the purpose of basic (2017: basic and diluted) earnings per share *(in thousands)*	**800,000**	641,096

No diluted earnings per share was presented for the year ended 31 December 2018 as there was no potential ordinary share outstanding for 2018.

The calculation of diluted earnings per share for the year ended 31 December 2017 did not assume the exercise of the over-allotment options since the exercise price of those options was higher than the average market price of the Company's shares for 2017.

8. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2018	2017
	RMB'000	*RMB'000*
Trade receivables from contracts with customers, gross and net	**77,796**	64,975
Prepayments and other receivables	**3,696**	3,322
	81,492	68,297

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

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

	2018	2017
	RMB'000	*RMB'000*
Within 30 days	**31,753**	32,016
31 to 60 days	**18,883**	15,178
61 to 90 days	**17,997**	16,727
Over 90 days	**9,163**	1,054
	77,796	64,975

9. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

	2018	2017
	RMB'000	*RMB'000*
Trade payables	**21,657**	14,807
Accrued employee benefits	**6,745**	5,721
Other payables and accrued expenses	**3,716**	3,445
	32,118	23,973

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.

	2018	2017
	RMB'000	*RMB'000*
Within 30 days	**11,678**	9,046
31 to 60 days	**4,994**	4,921
61 to 90 days	**4,962**	822
Over 90 days	**23**	18
	21,657	14,807

10. SHARE CAPITAL

	Number of shares	Share capital *HK$*
Ordinary shares of HK$0.01 each		
Authorised		
At 1 January 2017	**38,000,000**	**380,000**
Increase on 26 September 2017 *(Note i)*	**9,962,000,000**	**99,620,000**
At 31 December 2017 and 31 December 2018	**10,000,000,000**	**100,000,000**
Issued and fully paid		
Issued as at 1 January 2017	**10,000**	**100**
Issue of new shares *(Note ii)*	**599,990,000**	**5,999,900**
Issue of new shares upon listing *(Note iii)*	**200,000,000**	**2,000,000**
At 31 December 2017 and 31 December 2018	**800,000,000**	**8,000,000**

	2018 *RMB'000*	2017 *RMB'000*
Shown in the consolidated statement of financial position	**6,761**	6,761

Notes:

(i) On 26 September 2017, the Company passed a written resolution pursuant to which the authorised share capital of the Company was increased by HK$99,620,000 by the creation of 9,962,000,000 shares of par value HK$0.01 each.

(ii) On 26 September 2017, the Company has approved the issuance of 599,990,000 shares standing to the credit of the share premium of the Company conditional on the share premium account of the Company being credited as a result of the share offer of the shares of the Company ("**Capitalisation Issue**"). The Capitalisation Issue was completed on 18 October 2017.

(iii) On 18 October 2017, the shares of the Company were listed on the GEM of the Stock Exchange. 200,000,000 ordinary shares by way of share offer at an offer price of HK$0.30 each have been issued to investors with gross proceeds of HK$60,000,000.

The new shares issued rank pari passu in all aspects with the existing shares.

11. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018 (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 consist mainly 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. Our six warehouses located in the Guangdong Province with an approximate total area of 68,000 square metres offer warehousing services to our customers while the rental agreement of one of these warehouses has expired at the end of 2018. We decided not to renew this rental agreement due to deterioration of the warehouse infrastructure. Our 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 our customers' 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.

With our proven track record of providing flexible, reliable and timely logistics services in the logistics industry, we have established a broad customer base comprising customers from various industries, including pharmaceutical, fast-moving consumer goods, packaging, health and beauty and other industries. We trust that our ability to provide logistics services to our customers for over 20 years would not only enable us to generate stable revenue, but also demonstrate our strength to perform logistics services at 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 year ended 31 December 2018 as compared with the year ended 31 December 2017. The Group's major business segments, including transportation services, warehousing services and in-plant logistics services, recorded better performance which in aggregate contributed an increase of approximately 10.2% in the Group's revenue.

During the year ended 31 December 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 completed initial upgrade works on the construction of infrastructure facilities and contracted with a service provider for the design and installation of automated storage facilities and software systems enhancement in one of the warehouses. 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 via visits to customers' operation plants in both PRC and overseas. We have set up a company in Egypt aiming for expansion of our logistics business overseas and currently, we have been providing domestic and international transportation and freight forwarding agency services in Egypt for customers. 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, capitalising on the continued expansion and development of automated storage facilities and systems in our warehouses, we believe that the Group can maintain its competitiveness and strengthen its market position in the logistics industry in the PRC. Furthermore, we aim to seek opportunities to diversify our customer base and enhance our capability in the transportation and warehousing businesses. In anticipation of any potential change in the customers' operation demand for logistics services overseas, the Group will also actively consider to explore business opportunities to accommodate their needs.

Financial Review

Revenue

The revenue of the Group increased by approximately 10.0% from approximately RMB192.1 million for the year ended 31 December 2017 to approximately RMB211.3 million for the year ended 31 December 2018. The increase was mainly attributable to the increase in the transportation services and in-plant logistics services during the year ended 31 December 2018.

Revenue generated from the transportation services increased by approximately 9.4% from approximately RMB89.3 million for the year ended 31 December 2017 to approximately RMB97.7 million for the year ended 31 December 2018. The increase of the transportation services was mainly attributable to the increase in the export sea freight forwarding agency services during the year ended 31 December 2018, which was mainly contributed by the increase in orders from a new customer obtained during the year 2016.

Revenue generated from the warehousing services increased by approximately 3.0% from approximately RMB41.8 million for the year ended 31 December 2017 to approximately RMB43.0 million for the year ended 31 December 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 16.4% from approximately RMB59.6 million for the year ended 31 December 2017 to approximately RMB69.4 million for the year ended 31 December 2018, which was mainly contributed by the increase in orders from our customers.

Revenue generated from the customisation services decreased by approximately 15.5% from approximately RMB1.4 million for the year ended 31 December 2017 to approximately RMB1.2 million for the year ended 31 December 2018. The revenue contributed by this segment is subject to the demand for our labelling and bundling services from our customers on an as-needed basis.

Other income, gains and losses

Other income, gains and losses mainly consisted of bank interest income, government subsidies and net exchange gains or losses. For the year ended 31 December 2018, a net gain of approximately RMB689,000 (2017: net gain of approximately RMB160,000) was recognized, mainly attributable to the net exchange gain arising from a customer's settlement of USD-denominated trade receivables which was due to the depreciation of the RMB versus USD during 2018 and the increase in bank interest income, offset by the decrease in government subsidies for the year ended 31 December 2018.

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 RMB63.7 million and RMB72.0 million for the year ended 31 December 2017 and 31 December 2018, respectively. The increase in employee benefits expenses of RMB8.3 million over last year 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 857 and 865 full-time employees as at 31 December 2017 and 31 December 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 RMB58.7 million and RMB61.7 million for the year ended 31 December 2017 and 31 December 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 year ended 31 December 2018, for which we assisted our customers to obtain cargo space from shipping companies or shipping agents that meet the customers' requirements through outsourcing to independent subcontractors.

Operating lease rentals

Operating lease rentals increased by approximately 12.4% from approximately RMB19.5 million for the year ended 31 December 2017 to approximately RMB21.9 million for the year ended 31 December 2018. The increase was mainly attributable to the increase in operating lease rentals in respect of rented premises, including warehouses, office premises and temporary staff quarters (which was due to (i) our newly leased warehouse since April 2017; and (ii) the increase in the monthly rental in accordance with the price adjustment provision stated in the rental agreements), and rented plant and machinery such as forklifts.

Interest expense on bank borrowings

For the year ended 31 December 2017, interest expense of approximately RMB1.2 million was incurred on secured bank borrowings. These bank borrowings had been fully repaid in October 2017, and no new bank borrowings were raised subsequently, resulting in nil interest expense for the year ended 31 December 2018.

Listing expenses

Non-recurring listing expenses represent the professional and consultancy fees incurred as a result of the preparation for the Listing in 2017. For the year ended 31 December 2017, listing expenses of approximately RMB11.3 million were recognized while the Group did not incur any listing expenses for the year ended 31 December 2018.

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 RMB20.7 million and RMB23.2 million for the year ended 31 December 2017 and 31 December 2018, respectively, and the increase was mainly due to increase in the fuel costs and maintenance expenses of fleet vehicles, additional professional fees incurred for the Company's listing status and increase in the maintenance expenses for the warehouses.

Profit for the year

As a result of the aforesaid, the Group recorded a profit for the year of approximately RMB22.2 million for the year ended 31 December 2018 (2017: approximately RMB6.9 million), representing an increase of approximately RMB15.3 million.

Liquidity and financial resources

The Group's operation and investments were financed principally by cash generated from its own business operations, bank borrowings and the proceeds from the Listing. As at 31 December 2018, the Group had net current assets of approximately RMB107.4 million (2017: approximately RMB84.2 million) and cash and cash equivalents of approximately RMB64.3 million (2017: approximately RMB45.1 million). The Directors confirm that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

Gearing ratio

As at 31 December 2018, the gearing ratio (calculated on the basis of total bank and other borrowings divided by total equity at the end of the year) of the Group was zero (2017: zero).

Capital structure

For the year ended 31 December 2018, the capital structure of the Group consisted of cash and cash equivalents and equity attributable to the owners of the Company, comprising issued share capital and reserves. The Group did not have any borrowing as at 31 December 2018 and up to the date of this announcement. The Directors review the Group's capital structure regularly. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt and redemption of existing debt.

Foreign currency exposure

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

Charge on the Group's assets

The Group did not have any charge on its assets as at 31 December 2018 (2017: nil).

Contingent liabilities

Our Group did not have any significant contingent liabilities as at 31 December 2018 (2017: nil).

Operating leases commitments

As at 31 December 2018, the Group had commitments for future minimum leases payments under non-cancellable operating leases in respect of rented premises and plant and machinery of approximately RMB67.4 million (2017: approximately RMB70.0 million).

Capital commitments

As at 31 December 2018, the Group had a total capital commitment of approximately RMB14.8 million (2017: approximately RMB0.7 million), representing capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment.

Material acquisitions and disposals of subsidiaries

During the year ended 31 December 2018, the Group had no material acquisition and disposal of subsidiaries.

Significant investments held by the Group

During the year ended 31 December 2018, the Group did not make any significant investments.

Employees and remuneration policies

As at 31 December 2018, the Group employed 865 (2017: 857) full time employees. We determine the employee's remuneration based on factors such as qualification, duty, contributions, work experience, the prevailing market conditions and the Company'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.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

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 December 2018 is set out below:

Business objectives	Implementation plans	Actual business progress
Upgrading one of the warehouses by installing automated storage facilities and systems	• Obtain quotation from service providers and discuss the scope of service with the service providers	• Service contracts with service providers have been signed and initial upgrade works on the construction of infrastructure facilities have been completed.
	• Install automated storage facilities and systems in one of the Group's existing warehouses	• The Group has entered into a contract of approximately RMB13 million with a service provider for the design and installation of automated storage facilities and equipment and software systems enhancement in one of the warehouses.
Expanding the existing in-plant logistics business in the North China and the East China regions	• Conduct market research on the industry trend and development especially in the North China and the East China regions	• Market researches on the industry trend and development were performed.
	• Participate in the tendering process of potential customers	• The Group has participated in the tendering process of potential customers which include several large customers from the beverage, the chemical and the pharmaceutical industries.
	• Hire approximately 30 additional staff for the in-plant logistics business	• The Group has hired 30 additional staff for the in-plant logistics business.
	• Rent new forklifts and other equipment	• The plan has yet to be implemented.

Business objectives	Implementation plans	Actual business progress
Expanding vehicle fleet	• Acquire four trucks for transportation	• Four trucks were purchased.
	• Hire approximately eight additional drivers for transportation business	• Four additional drivers have been on board.
Enhancing sales and marketing effort	• Participate in industry exhibitions and trade fairs	• The Group attended industry exhibitions which include the 2018 Shanghai International Container Exhibition (2018上海國際集裝箱展覽會) held in Shanghai, PRC and the Third Global Logistics Technology Conference 2018 (2018第三屆全球物流技術大會) held at Haikou, PRC.
	• Redesign and maintain the Company's website for marketing purpose	• The Company's website has been redesigned with more graphics and picturesque images and has also been enhanced by adding more company news and industry information.
	• Set up a sales and marketing department and hire approximately seven sales specialists	• The sales and marketing department has been set up and four sales specialists were employed.
		• Staff representatives of the Group visited customers' new factory plants overseas and a company has been set up in Egypt for expansion of the Group's logistics business overseas.

USE OF PROCEEDS

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

An analysis of the utilisation of the net proceeds from the Listing Date up to 31 December 2018 is set out below:

	Planned use of net proceeds (as stated in the Prospectus) up to 31 December 2018 *HK$'million*	**Actual use of net proceeds up to 31 December 2018** *HK$'million*
Upgrading one of the warehouses by installing automated storage facilities and systems	18.0	1.2
Expanding existing in-plant logistics business in the North China and the East China regions	3.1	0.4
Expanding vehicle fleet	2.4	1.2
Enhancing sales and marketing effort	2.0	1.1
Repaying the bank loans	4.0	4.0
General working capital	2.8	2.8
Total	32.3	10.7

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

As at 31 December 2018, approximately HK$10.7 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.

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 December 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 December 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 December 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 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. Zhu Zhijian (“**Mr. Zhu**”) *(Note 3)*	Interest in a controlled corporation	186,700,000 Ordinary Shares	23.34%
Portree Wealth Limited (“**Portree Wealth**”) *(Note 3)*	Beneficial owner	186,700,000 Ordinary Shares	23.34%

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. Portree Wealth is the registered owner holding approximately 23.34% 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 December 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 adopted a share option scheme (the "**Share Option Scheme**"). The principal terms of the Share Option Scheme are set out in the section headed "Statutory and General Information — D. Share Option Scheme" in Appendix IV to the Prospectus. No share options had been granted as at 31 December 2018.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme, during the year ended 31 December 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 December 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 year ended 31 December 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, the 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 year ended 31 December 2018 and up to the date of this announcement.

COMPETING INTERESTS

For the year ended 31 December 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

With effect from 2 February 2019, CLC International Limited ("**CLC**") has resigned as the compliance adviser of the Company and the compliance adviser agreement entered into between the Company and CLC on 28 September 2017 (the "**CLC Agreement**") has been terminated. The Company has appointed Titan Financial Services Limited ("**Titan**") as the new compliance adviser of the Company and signed a compliance adviser agreement with Titan (the "**Titan Agreement**") with effect from 2 February 2019.

As at 31 December 2018 and up to the date of this announcement, as notified by CLC and Titan respectively, save for the CLC Agreement and the Titan Agreement, respectively, neither CLC nor Titan, as the compliance adviser of the Company during the respective periods, nor any of their 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 year ended 31 December 2018 and up to the date of this announcement.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

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

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") on 26 September 2017 with written terms of reference (as revised on 30 January 2019) 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 Audit Committee comprises three independent non-executive Directors, namely, Dr. Wan Ho Yuen, Terence, Dr. Wu Ka Chee, Davy and Mr. Shao Wei. Dr. Wan Ho Yuen, Terence is the chairman of the Audit Committee. The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2018 and is of the view that such financial statements have been prepared in compliance with the applicable accounting standards, and that adequate disclosures have been made.

ANNUAL GENERAL MEETING

The annual general meeting ("**AGM**") of the Company will be held on Friday, 24 May 2019. A notice convening the AGM will be published in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 20 May 2019 to Friday, 24 May 2019, both days inclusive during which no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming AGM or any adjournment thereof, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 17 May 2019.

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

Hong Kong, 18 March 2019

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.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at http://www.goalrise-china.com.

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.