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## **GRAND POWER LOGISTICS GROUP LIMITED**

### **裕程物流集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8489)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **CHARACTERISTICS OF GEM (“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 GEM are generally small and mid-sized companies, there is a risk that securities traded on 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 GEM.**

The board (the “**Board**”) of directors (the “**Directors**”) of Grand Power Logistics Group Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (“**FY2024**”).

## FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK\$1,058.2 million (FY2023: approximately HK\$825.7 million), representing an increase of 28.2% comparing to FY2023.
- Loss for the year amounted to approximately HK\$3.7 million (FY2023: approximately HK\$1.5 million), marking a significant reduction from the net loss of approximately HK\$11.1 million recorded for the six months ended 30 June 2024 despite the challenging economic environment in 2024.
- The Directors do not recommend the payment of any final dividend for FY2024.

The audited consolidated financial results of the Group for FY2024 together with the consolidated statement of financial position of the Group as at 31 December 2024, and the notes with comparative figures for the year ended 31 December 2023 (“**FY2023**”) are as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2024*

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	4	<b>1,058,172</b>	825,726
Cost of services		<u>(1,018,437)</u>	<u>(773,603)</u>
<b>Gross profit</b>		<b>39,735</b>	52,123
Other income	6	<b>1,408</b>	387
Administrative and other operating expenses		<b>(40,152)</b>	(49,045)
Impairment losses on trade receivables		<b>(1,538)</b>	(2,842)
Finance costs		<u><b>(3,529)</b></u>	<u>(2,476)</u>
<b>Loss before tax</b>		<b>(4,076)</b>	(1,853)
Income tax credit	7	<u><b>421</b></u>	<u>348</u>
<b>Loss for the year</b>		<u><b>(3,655)</b></u>	<u>(1,505)</u>
<b>Loss per share</b>		<b>HK cents</b>	<b>HK cents</b>
– Basic	10	<u><b>(1.22)</b></u>	<u>(0.50)</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Loss for the year</b>	<b>(3,655)</b>	<b>(1,505)</b>
<b>Other comprehensive expense:</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<u>(4,108)</u>	<u>(590)</u>
<b>Total comprehensive expense for the year</b>	<b><u>(7,763)</u></b>	<b><u>(2,095)</u></b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		29,417	30,852
Deferred tax assets		842	348
Other receivables		—	82
		<u>30,259</u>	<u>31,282</u>
<b>Current assets</b>			
Trade and other receivables	11	203,853	219,709
Tax recoverable		15	4,459
Pledged bank deposits		35,212	30,221
Cash and bank balances		31,263	25,911
		<u>270,343</u>	<u>280,300</u>
<b>Current liabilities</b>			
Trade and other payables	12	125,404	120,633
Interest-bearing borrowings		46,884	53,484
Lease liabilities		741	1,740
Deferred income		370	487
		<u>173,399</u>	<u>176,344</u>
Total current liabilities			
		<u>173,399</u>	<u>176,344</u>
<b>Net current assets</b>		<u>96,944</u>	<u>103,956</u>
<b>Total assets less current liabilities</b>		<u>127,203</u>	<u>135,238</u>
<b>Non-current liability</b>			
Lease liabilities		548	820
		<u>548</u>	<u>820</u>
Total non-current liability			
		<u>548</u>	<u>820</u>
<b>Net assets</b>		<u>126,655</u>	<u>134,418</u>
<b>Equity</b>			
Share capital		3,000	3,000
Reserves		123,655	131,418
		<u>126,655</u>	<u>134,418</u>
<b>Total equity</b>		<u>126,655</u>	<u>134,418</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 29 March 2018 under the Companies Act of the Cayman Islands. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2021. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business and the Group’s headquarter is situated at Unit 611, 6/F, Tower 1 Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong.

Each of Profit Virtue Worldwide Limited (“**Profit Virtue**”) and Peak Connect International Limited (“**Peak Connect**”) holds 37.5% equity interests in the Company. Profit Virtue, incorporated in the British Virgin Islands (“**BVI**”), is wholly owned by Mr. Chiu Ricky Tong, whereas Peak Connect, incorporated in the BVI, is owned as to 92.32% and 7.68% by Mr. Chiu Ricky Tong and his spouse, Ms. Wong Sheng Ning Candace.

The Company is an investment holding company.

The presentation and functional currency of the Company is Hong Kong dollars (“**HK\$**”).

## 2 APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

***Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)***

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

### **3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

## 4 REVENUE

An analysis of revenue is as follows:

### Disaggregation of revenue from contracts with customers

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Timing of revenue recognition:		
– Over time		
Air-freight forwarding services	1,045,017	813,684
Ocean-freight forwarding services	<u>13,155</u>	<u>12,042</u>
	<u>1,058,172</u>	<u>825,726</u>

### Performance obligations for contracts with customers

Information about the Group's performance obligations is summarised below:

#### *Provision of freight forwarding services*

The performance obligation is satisfied over time as services are rendered and payment is generally due up to 90 days from the invoice date.

As a practical expedient, the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are not disclosed in the notes to the financial statements because all the remaining performance obligations in relation to the provision of freight forwarding services are part of the contracts that have an original expected duration of one year or less.

## 5 OPERATING SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focused on the business units of the Group. The Group is organised into business units based on their services and has two reportable operating segments as follows:

- (1) Air-freight forwarding segment: provision of air-freight forwarding services; and
- (2) Ocean-freight forwarding segment: provision of ocean-freight forwarding services.

The CODM monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit/loss before tax except that other income, administration and other operating expenses, reversal of provision for impairment loss on trade receivables and finance costs are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	<b>Air-freight forwarding HK\$'000</b>	<b>Ocean- freight forwarding HK\$'000</b>	<b>Total HK\$'000</b>
<b>Year ended 31 December 2024</b>			
<b>Revenue</b>			
Export	1,044,939	12,676	1,057,615
Import	78	479	557
	<u>1,045,017</u>	<u>13,155</u>	<u>1,058,172</u>
<b>Segment revenue</b>	<u>1,045,017</u>	<u>13,155</u>	<u>1,058,172</u>
<b>Segment results</b>	<u>39,339</u>	<u>396</u>	<u>39,735</u>
Reconciliation:			
Other income			1,408
Administrative and other operating expenses			(40,152)
Impairment losses on trade receivables			(1,538)
Finance costs			(3,529)
Loss before tax			<u>(4,076)</u>



	Air-freight forwarding HK\$'000	Ocean- freight forwarding HK\$'000	Total HK\$'000
Year ended 31 December 2023			
<b>Revenue</b>			
Export	813,490	11,940	825,430
Import	194	102	296
<b>Segment revenue</b>	<u>813,684</u>	<u>12,042</u>	<u>825,726</u>
<b>Segment results</b>	<u>51,467</u>	<u>656</u>	<u>52,123</u>
Reconciliation:			
Other income			387
Administrative and other operating expenses			(49,045)
Impairment losses on trade receivables			(2,842)
Finance costs			<u>(2,476)</u>
Loss before tax			<u>(1,853)</u>

## Geographical information

The following table sets out information about the geographical location of (a) the Group's revenue from external customers and (b) the Group's property, plant and equipment (including right-of-use assets) (the "Specified Non-current Assets"). The geographical location of the revenue is presented based on the export shipments by destination and import shipments by origin. The geographical location of the Specified Non-current Assets is presented based on the physical location of the assets.

### (a) Location of revenue

#### Revenue generated from export shipments by destination

	2024 HK\$'000	2023 HK\$'000
Europe	398,780	259,571
Asia	53,381	34,414
North America	593,236	508,472
Others	<u>12,218</u>	<u>22,973</u>
	<u>1,057,615</u>	<u>825,430</u>

*Revenue generated from import shipments by destination*

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
Europe	<b>330</b>	—
Asia	<b>195</b>	261
North America	<b>18</b>	34
Others	<b>14</b>	1
	<b>557</b>	296

**(b) Location of the Specified Non-current Assets**

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
Hong Kong	<b>24,290</b>	25,729
Macau	<b>4,407</b>	4,667
The PRC	<b>720</b>	456
	<b>29,417</b>	30,852

**Information about major customers**

Revenue from customers derived from air-freight and ocean-freight forwarding segments individually contributing 10% or more of the total revenue of the Group is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
Customer A	<b>301,823</b>	N/A*
Customer B	<b>N/A*</b>	164,059
Customer C	<b>N/A*</b>	143,374
Customer D	<b>N/A*</b>	83,155

\* Less than 10% of the total revenue of the Group.

## 6 OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income	278	234
Recovery of bad debts previously written off	24	32
Sundry income	116	121
Gain on early termination of lease	990	—
	<u>1,408</u>	<u>387</u>

## 7 INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for both years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PRC Enterprise Income Tax	84	—
Deferred tax	(505)	(348)
	<u>(421)</u>	<u>(348)</u>

## 8 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/(crediting):

	2024 HK\$'000	2023 HK\$'000
<b>Employee benefit expense (including directors' emoluments)</b>		
Salaries, discretionary bonus, allowances and other benefits in kind	16,783	20,140
Pension scheme contributions (defined contribution schemes)*	828	963
	<u>17,611</u>	<u>21,103</u>
<b>Total staff costs</b>	<u>17,611</u>	<u>21,103</u>
<b>Other items</b>		
Auditor's remuneration	750	750
Depreciation	2,139	2,064
Foreign exchange differences, net	573	1,529
Reversal of impairment losses on deposits (note 11)	—	(800)
	<u>—</u>	<u>(800)</u>

\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 9 DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during both years, nor has any dividend been proposed since the end of each reporting period.

## 10 LOSS PER SHARE

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

	2024 HK\$'000	2023 HK\$'000
Loss attributable to owners of the Company	<u>(3,655)</u>	<u>(1,505)</u>
	'000	'000
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>300,000</u>	<u>300,000</u>

Diluted loss per share is not presented as the Company does not have any dilutive potential ordinary share for both years.

## 11 TRADE AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
<b>Trade receivables</b>	<b>205,054</b>	219,285
Less: Loss allowances	<u>(3,610)</u>	<u>(2,117)</u>
	<b>201,444</b>	217,168
<b>Other receivables, deposits and prepayments</b>		
Prepayments	130	107
Deposits and other receivables ( <i>Note</i> )	2,362	2,599
Less: Loss allowances ( <i>Note</i> )	<u>(83)</u>	<u>(83)</u>
	<b>2,409</b>	2,623
	<b>203,853</b>	219,791
Analysed as:		
Current	203,853	219,709
Non-current	<u>—</u>	<u>82</u>
	<b>203,853</b>	219,791

*Note:* Deposits and other receivables mainly represent rental deposits and deposits with suppliers. The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. Except for certain credit-impaired deposits of HK\$83,000 (2023: HK\$83,000), of which no impairment loss was reversed during the year (2023: an impairment loss of HK\$800,000 was reversed), the loss allowances were assessed to be minimal as at 31 December 2024 and 2023.

The Group's trading terms with its customers are mainly on credit. The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. The average credit period granted was up to 90 days. Each customer has a maximum credit limit.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowances, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	97,530	95,812
31 to 60 days	73,856	97,794
61 to 90 days	16,975	17,260
Over 90 days	13,083	6,302
	<u>201,444</u>	<u>217,168</u>

## 12 TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Trade payables</b>	110,684	114,731
<b>Other payables</b>		
Accruals and other payables	6,090	3,426
Salaries payables	1,530	2,476
Amount due to a director ( <i>Note</i> )	7,100	—
	<u>14,720</u>	<u>5,902</u>
	<u>125,404</u>	<u>120,633</u>

The trade payables are non-interest bearing and are normally settled on 60-day terms.

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	88,525	84,839
31 to 60 days	18,563	28,920
61 to 90 days	2,054	600
Over 90 days	1,542	372
	<u>110,684</u>	<u>114,731</u>

*Note:*

As at 31 December 2024, the amount is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS AND FINANCIAL REVIEW

The Group is a long-established freight forwarder headquartered in Hong Kong, with sales force in Hong Kong and five regional offices in the People's Republic of China (the “PRC”), including Shanghai, Shenzhen, Guangzhou, Xiamen and Suzhou, focusing on the market in Hong Kong, the PRC and Macau.

The Group is principally engaged in providing air and ocean export and import freight forwarding services, which involve arranging shipments upon receipt of booking instructions from its customers, obtaining cargo space from cargo space suppliers (including airlines, shipping liners and other freight forwarders) and preparing the relevant documentations (such as customs clearance from the origin of consignment). The Group also arranges ancillary logistics services to its air freight forwarding services, including cargo pick up, cargo handling at ports and local transportation and warehousing related services (such as repackaging, labelling, palletising, customs clearance and warehousing) to meet the requirements of its customers.

#### Revenue

The Group derives its revenue from two business segments, namely air freight forwarding services and ocean freight forwarding services, which include both import and export of goods. For FY2024, the Group's total revenue amounted to approximately HK\$1,058.2 million (FY2023: approximately HK\$825.7 million), representing an increase of approximately 28.2%.

The table below sets forth the breakdown of the Group's revenue by business segment for the years indicated:

	FY2024		FY2023	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Air freight forwarding	1,045,017	98.8	813,684	98.5
Ocean freight forwarding	13,155	1.2	12,042	1.5
	<u>1,058,172</u>	<u>100</u>	<u>825,726</u>	<u>100.0</u>

## **Air freight forwarding**

The Group's business focus is the provision of air freight export services from the PRC, Hong Kong and Macau to over 120 countries in Europe, Asia, North America and other regions (including South America, Oceania and Africa).

The Group's revenue from the air freight forwarding segment increased by approximately 28.4% to approximately HK\$1,045.0 million for FY2024 (FY2023: approximately HK\$813.7 million), driven by strong demand from a new major customer and an increase in chartered air freight forwarding services.

## **Ocean freight forwarding**

The Group's revenue from the ocean freight forwarding segment increased by approximately 9.2% to approximately HK\$13.2 million for FY2024 (FY2023: approximately HK\$12.0 million), primarily because of the slight increase in demand for the ocean freight forwarding services of the Group.

## **Cost of services**

The Group's cost of services mainly include the cost of cargo spaces, security charge, terminal charge and fuel surcharge.

Despite a revenue increase of approximately 28.2% for the Group, the cost of services surged even more, rising by approximately 31.6% to approximately HK\$1,018.4 million for FY2024 (FY2023: approximately HK\$773.6 million). This significant rise in costs is primarily driven by the higher expenses associated with chartered air freight forwarding services, the ongoing high costs imposed by airlines alongside the overall revenue growth of the Group.

## **Gross profit and gross profit margin**

The Group's gross profit decreased by approximately 23.8% to approximately HK\$39.7 million for FY2024 (FY2023: approximately HK\$52.1 million). This decline highlights that revenue growth was insufficient to offset the substantial increase in cost of services, due to the Group's inability to transfer the ongoing high cost of services to its customers in the current challenging economic environment. Accordingly, the Group's gross profit margin decreased to approximately 3.8% for FY2024 (FY2023: approximately 6.3%) as the markup levels customers are willing to accept have significantly diminished amidst a challenging market environment.

## **Other income**

The Group's other income mainly represents interest income from bank deposits, recovery of bad debts previously written-off, government grant and sundry income.

The Group's other income amounted to approximately HK\$1.4 million for FY2024 (FY2023: approximately HK\$0.4 million).



## **Administrative and other operating expenses**

The Group's administrative and other operating expenses primarily comprise staff costs, entertainment and travelling expenses, depreciation, office expenses, rent and rates, legal and professional fees, bank charges, internet and computer expenses and others such as storage charges.

The Group's administrative and other operating expenses decreased by approximately 18.1% to approximately HK\$40.2 million for FY2024 (FY2023: approximately HK\$49.0 million), primarily driven by the implementation of stringent cost-control measures across various areas, and a decrease in expenses for business development with suppliers and customers.

## **Finance costs**

The Group's finance costs comprise mainly interest charges on interest-bearing bank borrowings and lease liabilities.

The Group's finance expenses increased by approximately 42.5% to approximately HK\$3.5 million for FY2024 (FY2023: approximately HK\$2.5 million), which was mainly driven by the increased operational and capital requirements resulting from revenue growth.

## **Taxation**

The Group recorded income tax credit of approximately HK\$0.4 million for FY2024 (FY2023: approximately HK\$0.3 million), resulting from the reversal of the deferred tax asset recognised in FY2023 related to the impairment of financial assets.

## **Loss for the year**

The Group successfully narrowed the full-year net loss to approximately HK\$3.7 million (FY2023: approximately HK\$1.5 million), marking a significant reduction from the net loss of approximately HK\$11.1 million recorded for the six months ended 30 June 2024, despite the challenging economic environment in 2024.

## **Final dividend**

The Board does not recommend the payment of any final dividend for FY2024 (FY2023: Nil).

## **Liquidity and financial resources**

The Group financed its operations primarily through a combination of cash flows generated from its operations and interest-bearing bank borrowings. The Group's use of cash primarily relates to purchases of cargo spaces and various operating expenses.

The Group's gearing ratio, which is calculated based on the total debts divided by total equity as at the respective dates, was approximately 38.0% as at 31 December 2024 (31 December 2023: approximately 41.7%). As at 31 December 2024, the Group's total debts were approximately HK\$48.2 million (31 December 2023: approximately HK\$56.0 million) and the total equity was approximately HK\$126.7 million (31 December 2023: approximately HK\$134.4 million).

The Group's current ratio, which is calculated based on the total current assets divided by the total current liabilities at the respective dates, was approximately 1.6 as at 31 December 2024 (31 December 2023: approximately 1.6).

As at 31 December 2024, the Group had cash and bank balances of approximately HK\$31.3 million (31 December 2023: approximately HK\$25.9 million). The cash and cash equivalents of the Group are denominated in HK\$, United States dollar ("US\$") and Renminbi ("RMB") and in aggregate amounted to approximately HK\$31.3 million as at 31 December 2024 (31 December 2023: approximately HK\$25.9 million). The pledged bank deposits of the Group are denominated in HK\$ and amounted to approximately HK\$35.2 million as at 31 December 2024 (31 December 2023: approximately HK\$30.2 million). The Group's financial position remains solid and the Group has sufficient bank balances to meet its liabilities when they become due.

For FY2024, the Group's net cash from operating activities was approximately HK\$13.7 million (FY2023: net cash used in operating activities was approximately HK\$29.3 million), net cash used in investing activities was approximately HK\$4.7 million (FY2023: approximately HK\$1.0 million) and net cash used in financing activities was approximately HK\$0.5 million (FY2023: net cash from financing activities was approximately HK\$27.0 million). The substantial increase in cash used for financing activities was primarily due to higher borrowings and associated interest expenses and repayments, driven by operational and capital requirements linked to revenue growth, which aligns with the factors contributing to the rise in finance expenses.

### **Working capital**

The Group's trade receivables represented receivables of freight forwarding services income from its customers. The Group's trade receivables (less loss allowances) decreased by approximately 7.2% to approximately HK\$201.4 million as at 31 December 2024 (31 December 2023: approximately HK\$217.2 million) and the Group's average turnover days of trade receivables decreased to approximately 72.2 days for FY2024 (FY2023: approximately 78.7 days), as the Group spent more effort on the collection of trade receivables and achieved satisfying results.

The Group's trade payables are derived primarily from payables relating to the costs of purchasing air and ocean cargo spaces. The Group's trade payables decreased by approximately 3.5% to approximately HK\$110.7 million as at 31 December 2024 (31 December 2023: approximately HK\$114.7 million) and the Group's average trade payable turnover days decreased to approximately 40.4 days for FY2024 (FY2023: approximately 43.1 days), which was corresponding with the increase in revenue from the air freight segment, as the airline suppliers typically provided shorter credit periods compared to shipping liners and freight forwarders.

## Interest-bearing borrowings

As at 31 December 2024, the interest-bearing borrowings were made in HK\$ (31 December 2023: HK\$) and amounted to approximately HK\$46.9 million (31 December 2023: approximately HK\$53.5 million).

The maturity profile of the Group's interest-bearing borrowings is summarised below:

<b>On demand or less than 1 year <i>HK\$'000</i></b>	<b>1 to 2 years <i>HK\$'000</i></b>	<b>3 to 5 years <i>HK\$'000</i></b>	<b>Over 5 years <i>HK\$'000</i></b>
<b>43,222</b>	<b>542</b>	<b>1,628</b>	<b>2,396</b>

The borrowings are at floating interest rates with the weighted average effective interest rate as at 31 December 2024 at approximately 6.28% (31 December 2023: approximately 5.99%).

## Significant investments, material acquisitions and disposal of subsidiaries

The Group did not have any significant investments, material acquisitions and disposal of subsidiaries, associates and joint ventures during FY2024.

## Future plans for material investments and capital assets

As at 31 December 2024, the Group did not have any plans for material investments and capital assets.

## Pledge of/charge on assets

As at 31 December 2024, the bank and other borrowings of the Group were secured by certain leasehold land and buildings, property insurance on the pledged leasehold land and buildings, pledged bank deposits, guarantees provided by the Government of the Hong Kong Special Administrative Region.

## Contingent liabilities

The Group did not have any significant contingent liability as at 31 December 2024 (31 December 2023: Nil).

## Capital commitments

The Group did not have any capital commitment as at 31 December 2024 (31 December 2023: Nil).

## OUTLOOK AND PROSPECTS

As we look ahead to 2025, the ongoing trade war between the United States and the PRC has created significant disruptions in global trade, with far-reaching implications for the freight forwarding sector. Freight forwarders now face the potential imposition of trade tariffs, and the resulting higher shipping costs and poor global economic environment, which may continue to lead to a decreased demand for imported goods and trading volume. The greater volatility in demand has made it harder for freight forwarders to strategically plan and optimize their operations for the long-term. Despite the challenging environment, maintaining steady performance compared to the previous year is a positive outcome, especially as cost increases cannot be easily transferred to customers.

In response to the changing geopolitical landscape, the Group may need to actively explore alternative supply chain routes and markets while also expanding our customer base. By adapting to new emerging networks, the Group aims to gain a competitive edge. As exporters and importers reconsider their business models in light of changing international policies, the Group must remain vigilant for new and developing opportunities.

Looking forward, the focus on adaptability will be crucial for not only weathering the changing geopolitical landscape but also for capitalizing on emerging opportunities in the freight forwarding landscape.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any member of the Group had purchased, sold or redeemed any of the shares of the Company during FY2024.

## CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability of the Company. The Directors also recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to The Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange as its own code of corporate governance.

During FY2024, the Company has applied the principles and complied with all applicable code provisions of the CG Code, save and except the deviation as follows:

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the CEO should be separate and should not be performed by the same individual. Both the roles of the Chairman and the CEO are currently performed by Mr. Chiu Ricky Tong. The Board believes that having Mr. Chiu acting as both the Chairman and the CEO will provide a strong and consistent leadership to the Group and allow for more effective strategic planning and management of the Group. Further, in view of Mr. Chiu's experience in the industry, personal profile and role in the Group and the historical development of the Group, the Board believes that it is to the benefit of the Group in the business prospects that Mr. Chiu continues to act as both the Chairman and the CEO. The Board considers that the balance of power and authority of the present arrangement will not be impaired as the Board comprises six other experienced and high-caliber individuals including one other executive Director, two non-executive Directors and three independent non-executive Directors, who would be able to offer advice from various perspectives. In addition, for major decisions of the Group, the Company will consult appropriate Board committees (the "**Board Committees**") and senior management. Considering the present size and the scope of business of the Group, the Board considers that it is not in the best interest of the Company and Shareholders as a whole to separate the roles of the Chairman and the CEO, because such separation would render the decision-making process of the Company less efficient than the current structure. Therefore, the Directors consider that the present arrangement is beneficial to and in the best interest of the Company and the Shareholders as a whole and the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances.

In order to maintain good corporate governance and to fully comply with code provision C.2.1 of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of the Chairman and the CEO separately.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the code of conduct for securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "**Model Code**"). Pursuant to Rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealings by the Model Code as if he/she was a Director.

The Company had made specific enquiries to all Directors and all Directors confirmed that they had complied with the required standards of dealings set out in the Model Code during FY2024. In addition, the Company was not aware of any non-compliance of the Model Code by the senior management of the Group during FY2024.

## **AUDIT COMMITTEE**

This announcement including the Group’s consolidated financial statements for FY2024 has been reviewed by the audit committee of the Company (the “**Audit Committee**”). The Audit Committee is of the opinion that the consolidated financial statements of the Group for FY2024 have been prepared in compliance with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures have been made.

## **SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for FY2024 as set out in this announcement have been agreed by the Group’s auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly Hong Kong Limited on this announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

The Company will hold its upcoming annual general meeting at 3:00 p.m. on Thursday, 29 May 2025. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Friday, 23 May 2025 to Thursday, 29 May 2025, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for attending and voting at the annual general meeting, unregistered holders of the shares of the Company should ensure that all share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 22 May 2025.

## PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.grandpowerexpress.com](http://www.grandpowerexpress.com)). The annual report for FY2024 will be published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Grand Power Logistics Group Limited**  
**Chiu Ricky Tong**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 24 March 2025

*As at the date of this announcement, the executive Directors are Mr. Chiu Ricky Tong and Mr. Tse Chi Kwan Decky; the non-executive Directors are Ms. Wong Sheng Ning Candace and Mr. Heung Wai Keung; and the independent non-executive Directors are Mr. Tam Ka Hei Raymond, Mr. Ng Hung Fai Myron and Mr. Yeung Kwong Wai.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. 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.*

*This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for a minimum period of 7 days from the date of its publication and on the Company’s website at [www.grandpowerexpress.com](http://www.grandpowerexpress.com).*