



**裕程物流集團有限公司**

**Grand Power Logistics Group Limited**

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8489

**2025**

**INTERIM REPORT**



## 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.

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (collectively the “**Directors**” and individually a “**Director**”) of Grand Power Logistics Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 report 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 report misleading.*

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

# CONTENTS

Corporate Information	3
Interim Unaudited Results	5
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Statement of Cash Flows	10
Notes to the Condensed Consolidated Financial Statements	11
Management Discussion and Analysis	25
Other Information	35

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Chiu Ricky Tong (*Chairman and  
Chief Executive Officer*)  
Mr. Tse Chi Kwan Decky

### Non-executive Directors

Ms. Wong Sheng Ning Candace  
Mr. Heung Wai Keung

### Independent non-executive Directors

Mr. Tam Ka Hei Raymond  
Mr. Ng Hung Fai Myron  
Mr. Yeung Kwong Wai

## COMPANY SECRETARY

Mr. Li Chun Fung

## AUTHORISED REPRESENTATIVES

Mr. Chiu Ricky Tong  
Mr. Tse Chi Kwan Decky

## AUDIT COMMITTEE

Mr. Yeung Kwong Wai (*Chairman*)  
Mr. Tam Ka Hei Raymond  
Mr. Ng Hung Fai Myron

## REMUNERATION COMMITTEE

Mr. Tam Ka Hei Raymond (*Chairman*)  
Mr. Ng Hung Fai Myron  
Mr. Yeung Kwong Wai

## NOMINATION COMMITTEE

Mr. Ng Hung Fai Myron (*Chairman*)  
Mr. Tam Ka Hei Raymond  
Mr. Yeung Kwong Wai  
Ms. Wong Sheng Ning Candace

## FINANCIAL REPORTING COMMITTEE

Mr. Yeung Kwong Wai (*Chairman*)  
Mr. Heung Wai Keung  
Mr. Tam Ka Hei Raymond  
Mr. Ng Hung Fai Myron

**AUDITOR**

Baker Tilly Hong Kong Limited  
Certified Public Accountants  
Registered Public Interest Entity Auditor

**LEGAL ADVISER**

CFN Lawyers

**REGISTERED OFFICE**

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

**PRINCIPAL PLACE OF BUSINESS IN  
HONG KONG**

Unit 611, 6/F, Tower 1 Harbour Centre  
1 Hok Cheung Street  
Hung Hom  
Kowloon  
Hong Kong

**PRINCIPAL SHARE REGISTRAR AND  
TRANSFER OFFICE**

Conyers Trust Company (Cayman)  
Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

**HONG KONG BRANCH SHARE  
REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

**PRINCIPAL BANKERS**

Standard Chartered Bank (Hong Kong)  
Limited  
China CITIC Bank International Limited  
The Hongkong and Shanghai Banking  
Corporation Limited

**WEBSITE ADDRESS**

[www.grandpowerexpress.com](http://www.grandpowerexpress.com)

**STOCK CODE**

8489



## INTERIM UNAUDITED RESULTS

### HIGHLIGHTS (UNAUDITED)

- The revenue of the Group for the six months ended 30 June 2025 was approximately HK\$330.3 million (2024: approximately HK\$426.6 million), representing a decrease of approximately 22.6% as compared with that for the corresponding period in 2024.
- The Group recorded a loss attributable to ordinary equity holders of the Company of approximately HK\$35.7 million for the six months ended 30 June 2025 (2024: approximately HK\$11.1 million), representing an increase of approximately 223.3%.
- The basic and diluted losses per share of the Company were approximately HK11.91 cents for the six months ended 30 June 2025 (2024: approximately HK3.68 cents).

The board of Directors (the “**Board**”) is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 June 2025, together with the comparative unaudited figures for the corresponding period in 2024 as follows:

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

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>330,297</b>	426,604
Cost of services		<b>(341,977)</b>	(416,083)
Gross (loss)/profit		<b>(11,680)</b>	10,521
Other income	4	<b>150</b>	505
Administrative and other operating expenses		<b>(21,476)</b>	(20,040)
Provision for impairment loss on trade receivables		<b>(795)</b>	(211)
Finance costs	5	<b>(1,933)</b>	(1,829)
<b>Loss before income tax</b>	5	<b>(35,734)</b>	(11,054)
Income tax expenses	6	–	–
<b>Loss for the period</b>		<b>(35,734)</b>	(11,054)
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on consolidation		<b>1,540</b>	2,918
<b>Total comprehensive loss for the period</b>		<b>(34,194)</b>	(8,136)
		<b>HK cents</b>	<b>HK cents</b>
<b>Losses per share attributable to owners of the Company</b>			
Basic and diluted	7	<b>(11.91)</b>	(3.68)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	9	28,635	29,417
Deferred tax assets		853	842
		<b>29,488</b>	30,259
<b>Current assets</b>			
Trade and other receivables	10	106,649	203,853
Tax recoverable		15	15
Pledged bank deposits		30,244	35,212
Bank balances and cash		49,474	31,263
		<b>186,382</b>	270,343
<b>Current liabilities</b>			
Trade and other payables	11	69,425	125,404
Interest-bearing borrowings	12	52,604	46,884
Lease liabilities		788	741
Deferred income		370	370
		<b>123,187</b>	173,399
<b>Net current assets</b>		<b>63,195</b>	96,944
<b>Total assets less current liabilities</b>		<b>92,683</b>	127,203
<b>Non-current liability</b>			
Lease liabilities		222	548
<b>Total non-current liability</b>		<b>222</b>	548
<b>NET ASSETS</b>		<b>92,461</b>	126,655



		At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Notes			
<b>Capital and reserves</b>			
Share capital	13	3,000	3,000
Reserves		89,461	123,655
<b>TOTAL EQUITY</b>		<b>92,461</b>	<b>126,655</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Reserves						Total
	Share capital	Share premium (Note a)	Capital reserve (Note b)	Exchange fluctuation reserve	Statutory reserve	(Accumulated losses/ retained profits)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 January 2025 (audited)</b>	3,000	35,986	97,438	(6,285)	110	(3,594)	126,655
Loss for the period	—	—	—	—	—	(35,734)	(35,734)
<b>Other comprehensive income:</b> <i>Items that may be reclassified subsequently to profit or loss</i> Exchange differences on consolidation	—	—	—	1,540	—	—	1,540
<b>Total comprehensive loss for the period</b>	—	—	—	1,540	—	(35,734)	(34,194)
<b>At 30 June 2025 (unaudited)</b>	3,000	35,986	97,438	(4,745)	110	(39,328)	92,461
<b>At 1 January 2024 (audited)</b>	3,000	35,986	97,438	(2,177)	110	61	134,418
Loss for the period	—	—	—	—	—	(11,054)	(11,054)
<b>Other comprehensive income:</b> <i>Items that may be reclassified subsequently to profit or loss</i> Exchange differences on consolidation	—	—	—	2,918	—	—	2,918
<b>Total comprehensive income/(loss) for the period</b>	—	—	—	2,918	—	(11,054)	(8,136)
<b>At 30 June 2024 (unaudited)</b>	3,000	35,986	97,438	741	110	(10,993)	126,282

Note a: The share premium represents the excess of the net proceeds from issuance of the Company's share over their par value.

Note b: The capital reserve represents (i) the aggregate amount of the nominal value of the issued/registered capital of the entities now comprising the Group less consideration paid to acquire the relevant interests (if any), after adjusting the issued/registered capital held by those attributable to the non-controlling interests prior to the reorganisation undergone for the Listing and (ii) staff costs borne by Mr. Chiu Ricky Tong and Ms. Wong Sheng Ning Candace (together the "Ultimate Controlling Party") in prior years.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Net cash generated from operating activities</b>	<b>11,171</b>	<b>6,453</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	59	138
<b>Net cash generated from investing activities</b>	<b>59</b>	<b>138</b>
<b>FINANCING ACTIVITIES</b>		
Advance from interest-bearing borrowings	13,000	—
Repayment of interest-bearing borrowings	(7,280)	(6,172)
Repayment of lease liabilities	(279)	(1,262)
<b>Net cash generated from/(used in) financing activities</b>	<b>5,441</b>	<b>(7,434)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>16,671</b>	<b>(843)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>31,263</b>	<b>25,911</b>
Effect on exchange rate changes	1,540	2,918
<b>Cash and cash equivalents at the end of period, represented by bank balances and cash</b>	<b>49,474</b>	<b>27,986</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Grand Power Logistics Group Limited (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) 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 by way of placing and public offer on 13 January 2021 (the “**Listing**” or “**Listing Date**”). 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.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of air-freight and ocean-freight forwarding services as an integrated logistics services provider.

At the date of this report, in the opinion of the directors of the Company, the ultimate controlling parties are the Ultimate Controlling Party, who have been acting in concert over the course of the Group’s business history.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Group’s unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements for the six months ended 30 June 2025 are consistent with those adopted in preparing the 2024 Annual Report except for the new and revised HKFRSs issued by the HKICPA that are effective for the current accounting period of the Group. At the date of authorisation of the Condensed Consolidated Financial Statements, the Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective for the current period.

The Group has applied the following new and amended HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRSs has had no material impact on the Group’s financial performance and position for the current and prior periods and/or on the disclosures set out in the Condensed Consolidated Financial Statements.

The preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 required the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have not been audited by the Company’s auditors but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

3.

REVENUE

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers</b>		
<b>within HKFRS 15</b>		
Air-freight forwarding services	325,683	417,952
Ocean-freight forwarding services	4,614	8,652
	<b>330,297</b>	426,604

In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Timing of revenue recognition:		
— Over time		
Air-freight forwarding services	<b>325,683</b>	417,952
Ocean-freight forwarding services	<b>4,614</b>	8,652
	<b>330,297</b>	426,604

### Segment information

Information reported to the executive directors of the Company, being identified as the chief operating decision makers (the “CODM”), for the purposes of resources allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments are 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.

### Segment revenue and results

Segment revenue represents revenue derived from provision of (i) air-freight forwarding services and (ii) ocean-freight forwarding services.

Segment results represent the gross profit reported by each segment without allocation of other income, administration and other operating expenses, provision for impairment loss on trade receivables, finance costs, listing expenses and income tax expenses. This is the measure reported to the CODM of the Group for the purposes of resources allocation and performance assessment.



The segment information provided to the CODM of the Group for the reportable segments for the period is as follows:

	Air-freight forwarding HK\$'000 (Unaudited)	Ocean-freight forwarding HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Six months ended 30 June 2025</b>			
<b>Revenue</b>			
Export	325,682	4,548	330,230
Import	1	66	67
Segment revenue	325,683	4,614	330,297
Segment results	(12,147)	467	(11,680)
Unallocated income and expenses:			
Other income			150
Administrative and other operating expenses			(21,476)
Provision for impairment loss on trade receivables			(795)
Finance costs			(1,933)
Loss before income tax			(35,734)
Income tax expenses			–
Loss for the period			(35,734)

	Air-freight forwarding HK\$'000 (Unaudited)	Ocean-freight forwarding HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
--	--	--	----------------------------------

#### Six months ended 30 June 2024

##### Revenue

Export	417,900	8,337	426,237
Import	52	315	367

Segment revenue	417,952	8,652	426,604
-----------------	---------	-------	---------

Segment results	10,386	135	10,521
-----------------	--------	-----	--------

##### Unallocated income and expenses:

Other income			505
--------------	--	--	-----

Administrative and other operating expenses			(20,040)
---	--	--	----------

Provision for impairment loss on trade receivables			(211)
--	--	--	-------

Finance costs			(1,829)
---------------	--	--	---------

Loss before income tax			(11,054)
------------------------	--	--	----------

Income tax expense			—
--------------------	--	--	---

Loss for the period			(11,054)
---------------------	--	--	----------

#### Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of the revenue is presented based on the export shipments by destination and import shipments by origin.

## Location of revenue

### Revenue generated from export shipments by destination

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Europe	137,209	160,861
Asia	41,565	22,210
North America	141,898	234,936
Others	9,558	8,230
	<b>330,230</b>	<b>426,237</b>

### Revenue generated from import shipments by origin

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Europe	32	256
Asia	35	92
North America	—	18
Others	—	1
	<b>67</b>	<b>367</b>

### Information about major customers

Revenue from customers individually contributing 10% or more of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A from air freight forwarding segment	47,220	44,982
Customer B from air freight forwarding segment	—*	97,639

\* This customer contributed less than 10% of the total revenue of the Group for the period.

### 4. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income	59	138
Recovery of bad debts previously written-off	—	15
Sundry income	91	352
	150	505

## 5. LOSS BEFORE INCOME TAX

This is stated after charging (crediting):

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Finance costs</b>		
Interest on interest-bearing borrowings	1,893	1,799
Interest on lease liabilities	40	30
	<b>1,933</b>	1,829
<b>Staff costs (including directors' emoluments)</b>		
Salaries, discretionary bonus, allowance and other benefits in kind	7,710	7,432
Contributions to defined contribution plans	352	426
	<b>8,062</b>	7,858
<b>Other items</b>		
Depreciation	901	874
Exchange loss, net	1,259	524
Recovery of bad debts previously written-off	–	15

## 6. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Current tax</b>		
Hong Kong profits tax		
Current year	—	—

Hong Kong profits tax was calculated at a flat rate of 16.5% of the estimated assessable profits for the six months ended 30 June 2025 and 2024.

The Group's entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax of those jurisdictions.

The Group's entities established in the PRC are subject to enterprise income tax of the PRC at a statutory rate of 25% during the six months ended 30 June 2025 and 2024.

## 7. LOSSES PER SHARE

The calculation of the basic and diluted losses per share is based on the following data:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Losses for the period attributable to owners of the Company used in basic and diluted losses per share calculation	(35,734)	(11,054)
	'000	'000
	(Unaudited)	(Unaudited)
<i>Number of shares:</i>		
Weighted average number of ordinary shares for basic and diluted losses per share calculation	300,000	300,000



Diluted losses per share are same as the basic losses per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

## 8. DIVIDEND

No dividend was paid or declared by the Company during the six months ended 30 June 2025 and 2024.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group had acquired no property, plant and equipment (2024: nil). No property, plant and equipment (2024: nil) were written off or disposed of during the six months ended 30 June 2025.

## 10. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
<b>Trade receivables</b>	<b>108,717</b>	205,054
Less: Loss allowances	<b>(4,368)</b>	(3,610)
	<b>104,349</b>	201,444
<b>Other receivables and prepayments</b>		
Prepayments	<b>17</b>	130
Deposits and other receivables	<b>2,366</b>	2,362
Less: loss allowances	<b>(83)</b>	(83)
	<b>2,300</b>	2,409
	<b>106,649</b>	203,853

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. At the end of the reporting period, the ageing analysis of trade receivables (net of loss allowances) based on invoice date is as follows:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Within 30 days	52,277	97,530
31 to 60 days	36,929	73,856
61 to 90 days	14,549	16,975
Over 90 days	594	13,083
	<b>104,349</b>	<b>201,444</b>

At the end of the reporting period, the ageing analysis of trade receivables (net of loss allowances) by due date is as follows:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Not yet due	89,415	171,361
Past due:		
Within 30 days	14,428	16,999
31 to 90 days	141	10,373
Over 90 days	365	2,711
	<b>14,934</b>	<b>30,083</b>
	<b>104,349</b>	<b>201,444</b>

The Group has not impaired certain of its trade receivables which are past due at the end of the reporting periods as there has not been a significant change in credit quality.

## 11. TRADE AND OTHER PAYABLES

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
<b>Trade payables</b>	<b>65,568</b>	110,684
<b>Other payables</b>		
Accruals and other payables	<b>2,280</b>	6,090
Salaries payables	<b>1,577</b>	1,530
Amount due to a director	–	7,100
	<b>3,857</b>	14,720
	<b>69,425</b>	125,404

The trade payables are non-interest bearing and the Group is normally being granted with credit terms up to 60 days.

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

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Within 30 days	<b>53,192</b>	88,525
31 to 60 days	<b>9,931</b>	18,563
61 to 90 days	<b>2,094</b>	2,054
Over 90 days	<b>351</b>	1,542
	<b>65,568</b>	110,684

## 12. INTEREST-BEARING BORROWINGS

At the end of the reporting period, details of the interest-bearing borrowings of the Group are as follows:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Interest-bearing borrowings — secured	52,604	46,884

The interest-bearing borrowings represent amounts due to various banks which are due within 1 year, 5 years or 15 years since its inception at 30 June 2025 and 31 December 2024 and normally be renewed with banks upon expiry/maturity.

The weighted average effective interest rates of the interest-bearing borrowings at 30 June 2025 and 31 December 2024 are approximately 3.43% and 5.99%, respectively.

The interest-bearing borrowings are secured by:

- i) certain leasehold properties with an aggregate net carrying amount at the end of the reporting period of approximately HK\$26,711,000 (31 December 2024: HK\$27,339,000); and
- ii) pledged bank deposits with carrying amount at the end of the reporting period of HK\$30,244,000 (31 December 2024: HK\$35,212,000).

The Group regularly monitors its compliance with these covenants and does not consider it probable that the banks will exercise their discretion to demand repayment so long as the Group continues to make payments according to the schedule of the loans. At 30 June 2025 and 31 December 2024, none of the covenants relating to drawn down facilities had been breached.

13. SHARE CAPITAL

	At 30 June 2025 (Unaudited)		At 31 December 2024 (Audited)	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	2,000,000,000	20,000	2,000,000,000	20,000
Issued and fully paid:				
At the beginning and the end of the reporting period	300,000,000	3,000	300,000,000	3,000

# 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 markets 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 shipment 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 the six months ended 30 June 2025, the Group recorded a revenue of approximately HK\$330.3 million (2024: approximately HK\$426.6 million), representing a decrease of approximately 22.6% as compared with that of the corresponding period in 2024. Such decrease was due to (i) the impact of newly imposed U.S. tariffs, which have led to a significant decline in demand for the Group's freight forwarding services; and (ii) an intensifying industry competition which exerted significant pressure on pricing and compressed the markup levels acceptable to customers, further exacerbated by the Group's existing airline contracts with fixed pricing terms that forced the Group to sell at a loss to avoid penalties and maintain its business.



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

	Six months ended 30 June			
	2025		2024	
	(Unaudited)		(Unaudited)	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Air freight forwarding	<b>325,683</b>	<b>98.6</b>	417,952	98.0
Ocean freight forwarding	<b>4,614</b>	<b>1.4</b>	8,652	2.0
	<b>330,297</b>	<b>100</b>	426,604	100.0

### 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 decreased by approximately 22.1% to approximately HK\$325.7 million for the six months ended 30 June 2025 (2024: approximately HK\$418.0 million).

## **Ocean freight forwarding**

The Group's revenue from the ocean freight forwarding segment decreased by approximately 46.7% to approximately HK\$4.6 million for the six months ended 30 June 2025 (2024: approximately HK\$8.7 million).

## **Cost of services**

The Group's cost of services mainly include the costs of cargo spaces, security charges, terminal charges and fuel surcharges.

The Group's cost of services decreased by approximately 17.8% to approximately HK\$342.0 million for the six months ended 30 June 2025 (2024: approximately HK\$416.1 million), which corresponded with the decrease in revenue of the Group.

## **Gross loss and gross margin loss**

The Group's recorded a gross loss of approximately HK\$11.7 million for the six months ended 30 June 2025 (2024: gross profit of approximately HK\$10.5 million), with a gross margin loss of approximately 3.5% for the six months ended 30 June 2025 (2024: gross profit margin of approximately 2.5%) as a result of the substantial decrease in revenue and the high fixed airline cost which could not be transferred to customers.

## **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 increased by approximately 7.2% to approximately HK\$21.5 million for the six months ended 30 June 2025 (2024: approximately HK\$20.0 million) due to the increase in staff costs and expenses for business development with suppliers and customers.

## **Taxation**

The Group did not record any tax expenses for the six months ended 30 June 2025 (2024: Nil).

## **Loss for the period**

Due to the above factors, the Group recorded a substantial increase in net loss of approximately HK\$35.7 million for the six months ended 30 June 2025 (2024: approximately HK\$11.1 million).

## 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 58.0% as at 30 June 2025 (31 December 2024: approximately 38.0%). As at 30 June 2025, the Group's total debts were approximately HK\$53.6 million (31 December 2024: approximately HK\$48.2 million) and the total equity was approximately HK\$92.5 million (31 December 2024: approximately HK\$126.7 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 1.5 as at 30 June 2025 (31 December 2024: approximately 1.6).

As at 30 June 2025, the Group had cash and bank balances of approximately HK\$49.5 million (31 December 2024: approximately HK\$31.3 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\$49.5 million as at 30 June 2025 (31 December 2024: approximately HK\$31.3 million). The pledged bank deposits of the Group are denominated in HK\$ and amounted to approximately HK\$30.2 million as at 30 June 2025 (31 December 2024: approximately HK\$35.2 million). The Group's financial position remains solid and the Group has sufficient bank balances to meet its liabilities when they become due.

For the six months ended 30 June 2025, the Group's net cash generated from operating activities was approximately HK\$11.2 million (2024: approximately HK\$6.5 million), net cash generated from investing activities was approximately HK\$0.06 million (2024: approximately HK\$0.1 million) and net cash generated from financing activities was approximately HK\$5.4 million (2024: net cash used in financing activities of approximately HK\$7.4 million).

As at 30 June 2025, the interest-bearing borrowings were made in HK\$ (31 December 2024: HK\$) and amounted to approximately HK\$52.6 million (31 December 2024: approximately HK\$46.9 million). Particulars of the interest-bearing borrowings of the Group are set out in note 12 to the condensed consolidated financial statements in this report.

### **Significant investments, material acquisitions and disposal of subsidiaries**

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

### **Future plans for material investments and capital assets**

As at 30 June 2025, the Group did not have any other plans for material investments and capital assets.

## Capital structure

As at 30 June 2025, the capital structure of the Group was mainly based on the equity attributable to the shareholders of the Company (the “**Shareholders**”) (including share capital and reserves). The total number of issued ordinary shares of the Company (the “**Shares**”) was 300,000,000 with a par value of HK\$0.01 each (31 December 2024: 300,000,000 Shares).

## Pledge of/charge on assets

As at 30 June 2025, 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 and details of which are set out in note 12 to the condensed consolidated financial statements in this report.

## Contingent liabilities

The Group did not have any significant contingent liability as at 30 June 2025 (31 December 2024: Nil).

## Capital commitments

The Group did not have any capital commitment as at 30 June 2025 (31 December 2024: Nil).



## Financial management and treasury policy

The Group's principal financial instruments comprise trade and other receivables, pledged bank deposits, cash and bank balances, trade and other payables, interest-bearing borrowings and lease liabilities.

The Group is exposed to risks associated with financial instruments. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The Group adopts prudent funding and treasury management policies while maintaining an overall healthy financial position.

In terms of mitigating credit risks, the Group selects the counterparties with reference to their past credit history and/or market reputation. The Group only trades with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The management of the Group limits the Group's exposure to credit risks by taking timely actions once there is any indication of recoverability problem of each individual debtor. The management of the Group also reviews the recoverable amount of each individual debtor at the end of each reporting period to ensure adequate allowance is made for irrecoverable amounts.

In terms of mitigating liquidity risks, the Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both of its financial liabilities and financial assets (e.g. trade and other receivables) and projected cash flows from operations. The Group's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and cash equivalents as well as adequate banking facilities to meet its operation needs at any time.

In terms of mitigating interest rate risks, the Group currently does not have a policy to hedge against the interest rate risk as the management of the Group does not expect any significant interest rate risk at the end of each reporting period.

## Foreign exchange exposure

The Group's operating subsidiaries incorporated in Hong Kong operate with most transactions being settled in HK\$, except for certain transactions which are denominated in US\$ or other currencies. The Group's operating subsidiaries incorporated in the PRC operate in the PRC and their functional currency is RMB. The Group's transactions are mainly denominated in HK\$, US\$ and RMB. As at 30 June 2025, foreign currency risk arose mainly because certain financial assets and financial liabilities of the Group are denominated in currencies other than the functional currency of the respective group entities.

## Employees and pension scheme

As at 30 June 2025, the Group had 34 (31 December 2024: 37) full-time employees. Total staff costs for the six months ended 30 June 2025 and the six months ended 30 June 2024 were approximately HK\$8.1 million and HK\$7.9 million, respectively.

The Group's standard remuneration package to its employees may include salary, discretionary bonuses, benefits in kind and incentives. The Group determines the employee's remuneration based on factors such as their performance, qualifications, position, duties, contributions, years of experience and local market conditions. The remuneration package of the Group's employees is periodically reviewed. The Group has also adopted a share option scheme (the "**Share Option Scheme**") to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider that the Share Option Scheme will enable the Group to reward its employees, the Directors and other selected participants for their contribution to the Group. Details of the Share Option Scheme are set out in the section headed "Share Option Scheme" of this report.

The Group's management considers its employees as key assets which play a pivotal role in its continuous growth. It is the Group's policy to maximize the potential of its employees through training and development. The Group's employee training and development aim at equipping its employees with the knowledge and skills necessary to perform their job functions and enhance their capability.

## **OUTLOOK AND PROSPECTS**

The freight forwarding industry is adapting to a dynamic global environment marked by economic uncertainty, shifting trade and tariff policies, and rising regulatory demands. Ocean freight is being reshaped by geopolitical disruptions and stricter environmental standards, leading to higher costs and operational adjustments; while air freight remains volatile, with elevated costs and uneven demand. As global supply chains evolve through tariff changes and diversified sourcing strategies, the Group will need to prioritize flexibility, digital innovation, and resilient logistics planning to stay competitive. Looking forward, with the aim of further developing its business and continuing its growth, the Group will continue to implement the following strategies:

- strengthen the Group's market position in Hong Kong and the PRC by purchasing more cargo spaces in order to cater to its customers' demand;
- expand the Group's reach to potential customers in the PRC; and
- continue to improve the Group's ability to obtain cargo spaces through closer collaboration with airlines.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any member of the Group had purchased, sold or redeemed any of the Shares during the six months ended 30 June 2025.

## **DIVIDEND**

The Directors did not recommend the payment of any dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the Directors and chief executives 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 (Chapter. 571 of the Laws of Hong Kong) (the “SFO”)), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in rules 5.46 to 5.67 of the GEM Listing Rules (the “**Model Code**”) were as follows:

Name of Director	Capacity/ Nature of Interest	Total Number of Shares held (L) (Note 1)	Approximate Percentage of Shareholding
Mr. Chiu Ricky Tong (“ <b>Mr. Chiu</b> ”)	Interest in controlled corporations (Note 2)	225,000,000	75%
Ms. Wong Sheng Ning Candace (“ <b>Ms. Wong</b> ”)	Interest of spouse (Note 3)	225,000,000	75%

Notes:

1. The letter “L” denotes the entity/person’s long position in the Shares.

2. These 225,000,000 Shares are held as to 50% by Peak Connect International Limited (“**Peak Connect**”) and 50% by Profit Virtue Worldwide Limited (“**Profit Virtue**”). Peak Connect is owned as to 92.32% and 7.68% by Mr. Chiu and Ms. Wong, respectively. Profit Virtue is wholly owned by Mr. Chiu. Therefore, Mr. Chiu is deemed to be interested in all the Shares held by Peak Connect and Profit Virtue for the purpose of the SFO.
3. Ms. Wong is the spouse of Mr. Chiu, and is therefore deemed to be interested in all the Shares in which Mr. Chiu has an interest for the purpose of the SFO.

Save as disclosed above, as at 30 June 2025, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in the Model Code.

#### **SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 30 June 2025, so far as the Directors are aware, the following persons/entities (other than the Directors or the chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO, or otherwise notified to the Company were as follows:

<b>Name of Shareholder</b>	<b>Capacity/ Nature of Interest</b>	<b>Total Number of Shares held (L) (Note 1)</b>	<b>Approximate Percentage of Shareholding</b>
Profit Virtue (Note 2)	Beneficial owner	112,500,000	37.5%
Peak Connect (Note 2)	Beneficial owner	112,500,000	37.5%

Notes:

1. The letter “L” denotes the entity/person’s long position in the Shares.
2. For details, please refer to Note 2 in the section headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporations” above.

Save as disclosed above, as at 30 June 2025, no person, other than the Directors and chief executive of the Company whose interests are set out in the section headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporations” above, had notified the Company of an interest or short position in the Shares, underlying Shares or debentures of the Company that was required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.



## SHARE OPTION SCHEME

The Share Option Scheme was conditionally adopted by the Company on 11 December 2020, with an effective life of 10 years from the Listing Date. There were no outstanding options as at 30 June 2025. No options had been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption. As at 30 June 2025, the maximum number of Shares underlying all grants to be made pursuant to the Share Option Scheme shall not exceed 30,000,000 Shares, representing 10% of the total number of issued Shares as at 30 June 2025 (1 January 2025: 30,000,000).

## COMPETING INTERESTS

The Directors were not aware of any business or interest of Directors nor the controlling Shareholders nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any conflicts of interests which any such person has or may have with the Group during the six months ended 30 June 2025.

## CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2025, the Company had applied the principles and complied with all applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules (applicable to this reporting period), save and except the deviation below:



## Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Both the roles of the chairman and chief executive officer of the Company are currently performed by Mr. Chiu. The Board believes that having Mr. Chiu acting as both the chairman and chief executive officer 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 and its business prospects that Mr. Chiu continues to act as both the chairman and chief executive officer. 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 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 chief executive officer, 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 chairman and chief executive officer separately.

## CODE OF CONDUCT 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 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 with written guidelines in relation to the Model Code to all Directors and all Directors confirmed that they had complied with the required standards of dealings set out in the Model Code during the six months ended 30 June 2025. In addition, the Company was not aware of any non-compliance of the Model Code by the senior management of the Group during the six months ended 30 June 2025.

## AUDIT COMMITTEE

This report including the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2025 has been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been prepared in compliance with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures have been made.

By order of the Board

**Grand Power Logistics Group Limited**

**CHIU Ricky Tong**

*Chairman, Chief Executive Officer and  
Executive Director*

Hong Kong, 26 August 2025