

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*

## **Yues International Holdings Group Limited**

**樂氏國際控股集團有限公司**

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

**(Stock Code: 1529)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **FINANCIAL HIGHLIGHTS**

For the Year, operating results of the Group were as follows:

- The Group recorded revenue of approximately RMB179.5 million (2021: approximately RMB211.8 million), representing a decrease of approximately RMB32.3 million or approximately 15.3% as compared with the Previous Year.
- Loss for the Year was approximately RMB0.2 million (Previous Year: approximately RMB17.1 million) which is mainly attributable to a one-off non-recurring expense of impairment of property, plant and equipment of approximately RMB16.5 million incurred in the Previous Year, while no such expense was incurred for the Year.
- The basic loss per share for the Year was approximately RMB0.02cents (Previous Year: approximately RMB2.12 cents).
- The Directors do not recommend the payment of a final dividend for the Year (Previous Year: nil).

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Yues International Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2022 (the “**Year**”), together with the comparative figures for the year ended 31 December 2021 (the “**Previous Year**”).

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

*For the year ended 31 December 2022*

|  | <i>Note</i> | <b>2022</b><br><b>RMB'000</b> | 2021<br><b>RMB'000</b> |
|--|-------------|-------------------------------|------------------------|
| <b>Revenue</b>   | 3           | <b>179,483</b>                | 211,779                |
| Other income and net gains   |             | <b>6,838</b>                  | 4,055                  |
| Employee benefits expenses   |             | <b>(70,648)</b>               | (71,682)               |
| Subcontracting expenses  |             | <b>(57,652)</b>               | (80,235)               |
| Lease payment relating to short-term leases                        |             | <b>(28,490)</b>               | (28,282)               |
| Impairment of property, plant and equipment                        |             | –                             | (16,479)               |
| Depreciation of property, plant and equipment                      |             | <b>(1,295)</b>                | (1,912)                |
| Depreciation of right-of-use assets                                |             | <b>(3,558)</b>                | (9,658)                |
| Other expenses   | 5           | <b>(25,301)</b>               | (26,705)               |
| <b>Operating Loss</b>  |             | <b>(623)</b>                  | (19,119)               |
| Finance costs  | 6           | <b>(427)</b>                  | (1,963)                |
| <b>Loss before income tax</b>                                      |             | <b>(1,050)</b>                | (21,082)               |
| Income tax credit  | 7           | <b>880</b>                    | 3,980                  |
| <b>Loss for the year attributable to the owners of the Company</b> |             | <b>(170)</b>                  | (17,102)               |
| <b>Loss per share</b>  |             |                               |                        |
| Basic and diluted (in RMB cents)                                   | 9           | <b>(0.02)</b>                 | (2.12)                 |

|  | <b>2022</b><br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|--|-------------------------------|------------------------|
| <b>Loss for the year</b>   | <b>(170)</b>                  | (17,102)               |
| <b>Other comprehensive income</b>  |                               |                        |
| <i>Item that may be reclassified subsequently to profit or loss:</i>                           |                               |                        |
| Exchange difference arising on translation of foreign operations, net of nil tax               | <u>1,075</u>                  | <u>(233)</u>           |
| Other comprehensive income/(expense) for the year  | <u>1,075</u>                  | <u>(233)</u>           |
| <b>Total comprehensive income/(expense) for the year attributable to owners of the Company</b> | <u><u>905</u></u>             | <u><u>(17,335)</u></u> |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

|   | <i>Note</i> | <b>2022</b><br><b>RMB'000</b> | 2021<br><b>RMB'000</b> |
|---|-------------|-------------------------------|------------------------|
| <b>ASSETS</b>   |             |                               |                        |
| <b>Non-current assets</b>                             |             |                               |                        |
| Property, plant and equipment                         |             | <b>3,996</b>                  | 2,294                  |
| Right-of-use assets                                   |             | <b>7,019</b>                  | 9,094                  |
| Rental deposits                                       | <i>10</i>   | <b>769</b>                    | 572                    |
| Loan receivables                                      | <i>10</i>   | <b>43,000</b>                 | –                      |
| Financial assets at fair value through profit or loss |             | <b>6,093</b>                  | 6,000                  |
| <b>Total non-current assets</b>                       |             | <b>60,877</b>                 | 17,960                 |
| <b>Current assets</b>                                 |             |                               |                        |
| Trade and other receivables                           | <i>10</i>   | <b>62,800</b>                 | 58,424                 |
| Bond measured at amortised cost                       |             | –                             | 40,000                 |
| Cash and cash equivalents                             |             | <b>55,530</b>                 | 68,162                 |
| <b>Total current assets</b>                           |             | <b>118,330</b>                | 166,586                |
| <b>Total assets</b>                                   |             | <b>179,207</b>                | 184,546                |
| <b>EQUITY</b>   |             |                               |                        |
| <b>Equity attributable to owners of the Company</b>   |             |                               |                        |
| Share capital   | <i>12</i>   | <b>8,139</b>                  | 7,450                  |
| Reserves  |             | <b>135,869</b>                | 123,179                |
| <b>Total equity</b>                                   |             | <b>144,008</b>                | 130,629                |

|                                      | <i>Note</i> | <b>2022</b><br><b>RMB'000</b> | 2021<br><i>RMB'000</i> |
|--------------------------------------|-------------|-------------------------------|------------------------|
| <b>LIABILITIES</b>                   |             |                               |                        |
| <b>Non-current liabilities</b>       |             |                               |                        |
| Lease liabilities                    |             | <b>4,236</b>                  | 6,337                  |
| Deferred income tax liabilities      |             | <b>–</b>                      | 489                    |
| <b>Total non-current liabilities</b> |             | <b>4,236</b>                  | 6,826                  |
| <b>Current liabilities</b>           |             |                               |                        |
| Trade and other payables             | <i>11</i>   | <b>24,973</b>                 | 43,032                 |
| Lease liabilities                    |             | <b>3,356</b>                  | 3,286                  |
| Current income tax liabilities       |             | <b>246</b>                    | 773                    |
| Amount due to a director             |             | <b>2,388</b>                  | –                      |
| <b>Total current liabilities</b>     |             | <b>30,963</b>                 | 47,091                 |
| <b>Total liabilities</b>             |             | <b>35,199</b>                 | 53,917                 |
| <b>Total equity and liabilities</b>  |             | <b>179,207</b>                | 184,546                |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2022*

## 1 GENERAL INFORMATION

Yues International Holdings Group Limited (formerly known as Goal Rise Logistics (China) Holdings Limited) (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its issued shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered address of the Company is Windward 3, Regatta Office, Park PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The principal place of business of the Company in Hong Kong and in the People’s Republic of China (the “**PRC**”) is Unit B, 23/F., Central 88, No. 88–98 Des Voeux Road Central, Hong Kong and Units 1301 and 1302, 13/F, Citic Plaza, No. 233, Tianhe Road, Guangzhou, the PRC respectively.

The Company is an investment holding company and together with its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of transportation, warehousing, in-plant logistics and customisation services.

The consolidated financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated. The consolidated financial statements have been approved for issue by the board of directors of the Company on 30 March 2023.

## 2 BASIS OF PREPARATION

### (a) Compliance with HKFRSs, HKCO and Listing Rules

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622 of the laws of Hong Kong) (“**HKCO**”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

### (b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through profit or loss (“**FVPL**”), which are measured at fair values.

A fair value measurement of the FVPL takes into account a market participant’s ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

**(c) New and amended standards adopted by the Group**

The Group has applied the following new and amended standards and improvements for the first time for their annual reporting period commencing on 1 January 2022:

|                        |  |
|------------------------|--|
| Amendments to HKFRS 16 | Covid-19 Related Rent Concessions beyond 30 June 2021      |
| Amendments to HKFRS 3  | Reference to the Conceptual Framework                      |
| Amendments to HKAS 16  | Property, Plant and Equipment Proceeds before Intended Use |
| Amendments to HKAS 37  | Onerous Contracts — Cost of Fulfilling a Contract          |
| Amendments to HKFRSs   | Annual Improvements to HKFRSs 2018–2020 Cycle              |

The amendments above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(d) New standards, amendments and interpretations not yet adopted**

The following new standards, amendments and interpretations have been published that are relevant to the Group but not yet effective for the current reporting period commencing on 1 January 2022 and have not been early adopted by the Group:

|  |  | <b>Effective for<br/>annual periods<br/>beginning<br/>on or after</b> |
|--|--|---|
| Amendments to HKAS 1 and<br>HKFRS Practice Statement 2 | Disclosure of Accounting Policies  | 1 January 2023  |
| Amendments to HKAS 8                                   | Definition of Accounting Estimates   | 1 January 2023  |
| Amendments to HKAS 12                                  | Deferred Tax Related to Assets and<br>Liabilities arising from a Single<br>Transaction | 1 January 2023  |
| Amendments to HKAS 1                                   | Classification of Liabilities<br>as Current or Non-current                             | 1 January 2024  |

The Group has commenced an assessment of the impact of the new or revised standards that have been issued but either not yet effective for the financial period beginning on 1 January 2022 or not been early adopted by the Group which are relevant to the Group's operations. The Group believes that the application of amendments to HKFRSs, amendments to HKASs and the new interpretations is unlikely to have a material impact on the Group's statement of financial position and performance as well as disclosure in the future.

### 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with external customers

|  | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|--|------------------------|------------------------|
| <b>Revenue from contracts with customers within the scope of HKFRS 15:</b> |                        |                        |
| Recognised over time   |                        |                        |
| — Transportation service   | 73,127                 | 95,565                 |
| — Warehousing service  | 34,465                 | 43,709                 |
| — In-plant logistics service   | 69,071                 | 70,942                 |
| Recognised at a point in time  |                        |                        |
| — Customisation service  | <u>2,820</u>           | <u>1,563</u>           |
|  | <u><b>179,483</b></u>  | <u><b>211,779</b></u>  |

The Group did not recognise any revenue-related contract assets and liabilities during the years ended 31 December 2022 and 2021.

All revenue is for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed.

### 4 SEGMENT INFORMATION

The Group's operating segments, which also represent the Group's reportable segments, are determined based on information reported to the chief operating decision-maker of the Group, who has been identified as the executive directors of the Company. Chief operating decision-maker reviews the Group's internal reports in order to assess performance, allocate resources and determine the operating segments.

The Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (i) Transportation service;
- (ii) Warehousing service;
- (iii) In-plant logistics service; and
- (iv) Customisation service.

Reportable segment results represent the profit or loss resulted by each segment and exclude interest income from bank deposits, third parties and bond measured at amortised cost, interest expenses on bank borrowing, impairment of property, plant and equipment, unrealised gain on fair value change of financial assets at FVPL, and unallocated corporate income and expenses.



The following is an analysis of the Group's revenue from contracts with customers and results by segment:

**Year ended 31 December 2022**

|   | Transportation<br>service<br><i>RMB'000</i> | Warehousing<br>service<br><i>RMB'000</i> | In-plant<br>logistics<br>service<br><i>RMB'000</i> | Customisation<br>service<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|---|---|--|--|--|-------------------------|
| <b>Segment revenue:</b>   |   |  |  |  |                         |
| Sales to external customers   | 73,127                                      | 34,465                                   | 69,071   | 2,820                                      | 179,483                 |
| <b>Segment results</b>  | <b>8,900</b>                                | <b>(1,281)</b>                           | <b>13,492</b>                                      | <b>383</b>                                 | <b>21,494</b>           |
| Interest income from bank deposits                                  |   |  |  |  | 801                     |
| Interest income from loan receivables                               |   |  |  |  | 1,344                   |
| Interest income from bond<br>measured at amortised cost             |   |  |  |  | 1,274                   |
| Unrealised gain on fair value change<br>of financial assets at FVPL |   |  |  |  | 93                      |
| Unallocated corporate income  |   |  |  |  | 3,152                   |
| Unallocated corporate expenses                                      |   |  |  |  | (29,208)                |
| Loss before income tax  |   |  |  |  | <u>(1,050)</u>          |

|  | Transportation<br>service<br><i>RMB'000</i> | Warehousing<br>service<br><i>RMB'000</i> | In-plant<br>logistics<br>service<br><i>RMB'000</i> | Customisation<br>service<br><i>RMB'000</i> | Unallocated<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|--|---|--|--|--|-------------------------------|-------------------------|
| <b>Other segment information:</b>                    |   |  |  |  |                               |                         |
| Depreciation of property,<br>plant and equipment     | 299   | 229                                      | -  | -  | 767                           | 1,295                   |
| Depreciation of right-of-use assets                  | -   | 2,746                                    | -  | -  | 812                           | 3,558                   |
| Loss on disposal of property,<br>plant and equipment | -   | -  | -  | -  | 6                             | 6                       |
| Capital expenditure                                  | -   | -  | -  | -  | 2,949                         | 2,949                   |

**Year ended 31 December 2021**

|   | Transportation<br>service<br><i>RMB'000</i> | Warehousing<br>service<br><i>RMB'000</i> | In-plant<br>logistics<br>service<br><i>RMB'000</i> | Customisation<br>service<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|---|---|--|--|--|-------------------------|
| <b>Segment revenue:</b>                                 |   |  |  |  |                         |
| Sales to external customers                             | 95,565                                      | 43,709                                   | 70,942   | 1,563                                      | 211,779                 |
| <b>Segment results</b>                                  | 9,110                                       | (4,890)                                  | 16,013   | 610  | 20,843                  |
| Interest income from bank deposits                      |   |  |  |  | 762                     |
| Interest income from bond<br>measured at amortised cost |   |  |  |  | 664                     |
| Interest expenses on bank borrowing                     |   |  |  |  | (574)                   |
| Impairment of property,<br>plant and equipment          |   |  |  |  | (16,479)                |
| Unallocated corporate income                            |   |  |  |  | 590                     |
| Unallocated corporate expenses                          |   |  |  |  | (26,888)                |
| Loss before income tax                                  |   |  |  |  | (21,082)                |

|  | Transportation<br>service<br><i>RMB'000</i> | Warehousing<br>service<br><i>RMB'000</i> | In-plant<br>logistics<br>service<br><i>RMB'000</i> | Customisation<br>service<br><i>RMB'000</i> | Unallocated<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|--|---|--|--|--|-------------------------------|-------------------------|
| <b>Other segment information:</b>                    |   |  |  |  |                               |                         |
| Depreciation of property,<br>plant and equipment     | 342   | 404                                      | -  | -  | 1,166                         | 1,912                   |
| Depreciation of right-of-use assets                  | -   | 8,707                                    | -  | -  | 951                           | 9,658                   |
| Loss on disposal of property,<br>plant and equipment | -   | -  | -  | -  | 47                            | 47                      |
| Impairment of property,<br>plant and equipment       | -   | -  | -  | -  | 16,479                        | 16,479                  |
| Capital expenditure                                  | -   | -  | -  | -  | 301                           | 301                     |

**Segment assets and liabilities**

No segment assets and segment liabilities and other segment information are presented as such amounts are not reviewed by the Group's chief operating decision-makers for the purpose of resource allocation and performance assessment or otherwise regularly provided to the Group's chief operating decision-makers.

**Geographical information**

The Group principally operates in the PRC.

During the year ended 31 December 2022, 97% (2021: 97%) of the Group's revenue from external customers, based on the operation location of respective customers, is derived from the PRC.

The Group's non-current assets other than financial instruments by geographical locations, which are determined by the geographical locations in which the asset is located in the case of property, plant and equipment and right-of-use assets are as follows:

|                    | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|--------------------|------------------------|------------------------|
| Non-current assets |                        |                        |
| The PRC            | 9,195                  | 11,388                 |
| Hong Kong          | 1,820                  | –                      |
|                    | <u>11,015</u>          | <u>11,388</u>          |

#### Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of the Group's revenues, is set out below:

|            | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|------------|------------------------|------------------------|
| Customer A | 56,891                 | 85,686                 |
| Customer B | 18,563                 | 56,176                 |
| Customer C | N/A*                   | 25,061                 |
|            | <u>N/A*</u>            | <u>25,061</u>          |

\* The corresponding revenue did not contribute 10% or more of the Group's revenue.

## 5 OTHER EXPENSES

|   | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|---|------------------------|------------------------|
| Auditor's remuneration                            | 1,287                  | 1,000                  |
| Entertainment expenses                            | 1,132                  | 1,017                  |
| Fleet operating expenses                          | 4,604                  | 4,962                  |
| Insurance expenses                                | 861                    | 785                    |
| Legal and professional fees                       | 3,381                  | 1,779                  |
| Loss on disposal of property, plant and equipment | 6                      | 47                     |
| Other taxes and surcharges                        | 535                    | 451                    |
| Outsourced labour costs                           | 8,575                  | 7,366                  |
| Repair and maintenance expenses                   | 142                    | 982                    |
| Telephone and communication fees                  | 393                    | 392                    |
| Travelling expenses                               | 158                    | 393                    |
| Utilities expenses                                | 1,079                  | 1,605                  |
| Other operating expenses                          | 3,148                  | 5,926                  |
|   | <u>25,301</u>          | <u>26,705</u>          |

## 6 FINANCE COSTS

|  | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|--|------------------------|------------------------|
| Interest expenses on lease liabilities | 427                    | 1,389                  |
| Interest expenses on bank borrowing    | —                      | 574                    |
|  | <u>427</u>             | <u>1,963</u>           |

## 7 INCOME TAX

### (i) PRC Enterprise Income Tax

The PRC Enterprise Income Tax (“EIT”) is calculated at 25% (2021: 25%) of the estimated assessable profits for the current year. One of the subsidiaries of the Company is entitled to preferential tax concession rate at 15% as it has obtained the High and New Tech Enterprises licence. No provision for EIT has been made as the subsidiary established in the PRC had incurred tax losses for both current and prior years.

### (ii) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% (2021: 16.5%) on the estimated assessable profit. No provision for Hong Kong Profits Tax has been made for the subsidiaries incorporated in Hong Kong as there are no assessable profits for both current and prior years.

### (iii) Income tax from other tax jurisdictions

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Taxation recognised in the consolidated statement of profit or loss represents:

|   | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|---|------------------------|------------------------|
| <b>The PRC Enterprise Income Tax</b>              |                        |                        |
| Over-provision in respect of prior years          | <u>(745)</u>           | <u>(4,176)</u>         |
| <b>Overseas income tax</b>                        |                        |                        |
| Current year                                      | <u>354</u>             | <u>163</u>             |
| <b>Deferred income tax</b>                        |                        |                        |
| Origination and reversal of temporary differences | <u>(489)</u>           | <u>33</u>              |
| Income tax credit                                 | <u>(880)</u>           | <u>(3,980)</u>         |

## 8 DIVIDENDS

The directors of the Company did not recommend the payment of any dividend for the years ended 31 December 2022 and 2021.

## 9 LOSS PER SHARE

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

|   | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|---|------------------------|------------------------|
| Loss for the year attributable to the owners of the Company           | <u>(170)</u>           | <u>(17,102)</u>        |
| Weighted average number of ordinary shares in issue<br>(in thousands) | <u>921,879</u>         | <u>804,918</u>         |

### (b) Diluted

Diluted loss per share is the same amount as the basic loss per share for the years ended 31 December 2022 and 2021 because the exercise of the outstanding share options would be anti-dilutive.

## 10 TRADE AND OTHER RECEIVABLES

|   | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|---|------------------------|------------------------|
| Trade receivables arising from contracts with customers ( <i>Note (a)</i> ) | 26,508                 | 45,760                 |
| Prepayments   | 3,374                  | 935                    |
| Other receivables   | 1,417                  | 2,136                  |
| Rental deposits   | 9,785                  | 10,165                 |
| Loan and interest receivables   | 58,587                 | –                      |
| Deposit in relation to investment in financial asset at FVPL                | <u>6,898</u>           | <u>–</u>               |
| Less: Non-current portion   | 106,569                | 58,996                 |
| — Loan receivables  | (43,000)               | –                      |
| — Rental deposits   | <u>(769)</u>           | <u>(572)</u>           |
| Current portion   | <u>62,800</u>          | <u>58,424</u>          |

(a) **Trade receivables**

The Group normally grants credit terms to its customers ranging from 0 to 150 days. The ageing analysis of the trade receivables based on invoice date is as follows:

|               | <b>2022</b><br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|---------------|-------------------------------|------------------------|
| 1 to 30 days  | <b>15,080</b>                 | 31,737                 |
| 31 to 60 days | <b>5,291</b>                  | 7,145                  |
| 61 to 90 days | <b>4,971</b>                  | 5,972                  |
| Over 90 days  | <b>1,166</b>                  | 906                    |
|               | <b>26,508</b>                 | 45,760                 |

**11 TRADE AND OTHER PAYABLES**

|   | <b>2022</b><br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|---|-------------------------------|------------------------|
| Trade payables                                | <b>8,112</b>                  | 31,375                 |
| Accrued employee benefit expenses             | <b>5,617</b>                  | 5,065                  |
| Other accrued expenses and other tax payables | <b>3,808</b>                  | 1,803                  |
| Other payables                                | <b>7,436</b>                  | 4,789                  |
|   | <b>24,973</b>                 | 43,032                 |

The credit period granted by the Group's suppliers mainly ranges from 30 to 90 days.

The ageing analysis of the trade payables based on invoice date were as follows:

|               | <b>2022</b><br><i>RMB'000</i> | 2021<br><i>RMB'000</i> |
|---------------|-------------------------------|------------------------|
| 1 to 30 days  | <b>6,188</b>                  | 21,487                 |
| 31 to 60 days | <b>806</b>                    | 4,297                  |
| 61 to 90 days | <b>328</b>                    | 4,314                  |
| Over 90 days  | <b>790</b>                    | 1,277                  |
|               | <b>8,112</b>                  | 31,375                 |

## 12 SHARE CAPITAL

|   | Number of shares (thousand) |                   | Share capital  |                |
|---|-----------------------------|-------------------|----------------|----------------|
|   | 2022                        | 2021              | 2022           | 2021           |
|   |                             |                   | HKD'000        | HKD'000        |
| <b>Authorised:</b>  |                             |                   |                |                |
| At 1 January and 31 December  | <u>10,000,000</u>           | <u>10,000,000</u> | <u>100,000</u> | <u>100,000</u> |
| <b>Issued and fully paid:</b>   |                             |                   |                |                |
| At 1 January  | 884,400                     | 800,000           | 8,844          | 8,000          |
| Issue of shares through share placing ( <i>Note i</i> )                 | 80,000                      | –                 | 800            | –              |
| Issue of shares through share subscription ( <i>Note ii</i> )           | –                           | 80,000            | –              | 800            |
| Issue of shares upon exercise of share options                          | –                           | 4,400             | –              | 44             |
| At 31 December  | <u>964,400</u>              | <u>884,400</u>    | <u>9,644</u>   | <u>8,844</u>   |
|   |                             |                   | 2022           | 2021           |
|   |                             |                   | RMB'000        | RMB'000        |
| Share capital presented in consolidated statement of financial position |                             |                   | <u>8,139</u>   | <u>7,450</u>   |

All shares issued during the years ended 31 December 2022 and 2021 rank pari passu in all respects with the existing shares of the Company.

*Note:*

- i. On 14 July 2022, the Company issued an aggregate of 80,000,000 shares with a price of HK\$0.185 each. The gross proceed from the share placing was approximately HK\$14,800,000 (equivalent to approximately RMB12,474,000).
- ii. On 10 December 2021, the Company issued an aggregate of 80,000,000 shares with a price of HK\$0.2 each. The gross proceed from the share subscription was approximately HK\$16,000,000 (equivalent to approximately RMB13,050,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is an established logistics service provider in the PRC which provides a wide range of logistics services to meet the needs of the customers' supply chains including (i) transportation; (ii) warehousing; (iii) in-plant logistics; and (iv) customisation services (consisting mainly of labelling services and bundling services).

The Group offers transportation services which primarily involve the delivery of the customers' production materials, components and finished goods to their downstream clients, manufacturing plants and/or designated locations. The Group has two warehouses located in the Guangdong Province with a total gross floor area of approximately 66,000 square metres which offer warehousing services to customers. The Group's 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 the customers' manufacturing plants; and (ii) finished goods out to their factory gate. The Group's range of services gives it a competitive advantage over other logistics service providers in the PRC which offer only a limited range of services.

Since the outbreak of COVID-19 in 2020, the entire logistics industry has been severely disrupted, especially the efficiency of logistics. The outbreak of the epidemic has caused a slowdown in the global economy, and the prospects for global economic recovery remain uncertain. In 2022, global logistics and supply chains faced various unpredictable disruptions, such as high inflation, extreme weather, and geopolitical issues. However, with the continuous optimization and adjustment of China's new epidemic policy, China's economy has gradually returned to normal operation. According to data from the China Federation of Logistics and Purchasing, in the first three quarters of 2022, the total goods value of nation-wide social logistics was approximately RMB247 trillion, a year-on-year increase of approximately 3.5%. Such growth was approximately 0.4% higher than that of the first half of the year, and was approximately 0.5% higher than the GDP growth rate in the same period. In the first three quarters of 2022, the total revenue of the logistics industry was approximately RMB9.3 trillion, a year-on-year increase of approximately 5.9%, which was higher than the growth rate of the total goods value of nation-wide logistics in the same period.

In 2022, the overall demand for the Group's operation in the provision of both domestic transportation and international freight forwarding agency service, have yet to resume to the normal level as in the period before the pandemic. Considering the market uncertainty, the Group has been managing operating expenses and reducing marketing and promotion budgets cautiously. At the meantime, the spiraling outsourced labour and shipping costs have impacted the Group. However, through strict control of outsourcing costs, the Group reduced the proportion of outsourcing to total revenue from approximately 37.9% in 2021 to approximately 32.1% in 2022. In addition, the Group has not recognise any impairment loss on its property, plant and equipment during the Year (2021: approximately RMB16.5 million). Due to the aforementioned reasons, the Group's loss for the Year decreased significantly by approximately 99% to approximately RMB0.2 million (2021: approximately RMB17.1 million).



## OUTLOOK

Looking forward to 2023, although the development of the logistics industry still faces challenges such as sluggish global economic recovery, increased pressure on transportation costs, and decrease in labour force, with the continuous optimisation and adjustment of China's new crown epidemic policy, China's economy has gradually returned to normal operation. The expected scale of the logistics industry will continue to increase steadily. The Group will continue to provide high quality warehousing services and expects to actively diversify the logistics services to a broader spectrum of industries, in anticipation of any potential change in the customers' operation demand for logistics services.

The Group will continue to strive to find opportunities in the face of challenges, including but not limited to participating in Chinese Medicine-related businesses such as the storage and distribution of Chinese Medicine products (the “**Chinese Medicine Business**”), so as to achieve return to shareholders and a sustainable business growth. The Group intends to commence Chinese Medicine Business in the PRC with a main focus on the agency, dealership and/or distributorship business in relation to Chinese Medicine pharmaceutical products and big health industry-related products, which may involve setting up self-run point of sales and/or sales office or other mode of cooperation with other parties.

The Group is now actively identifying potential strategic partners in different areas, including but not limited to plantation, research, manufacturing, sales of the Chinese Medicine Business, in order to develop new economic partnerships. The Group will also seek appropriate business development opportunities for future acquisitions and/or setting up the joint-venture business, cooperation and/or investment opportunities in the Chinese Medicine industry such as Chinese medicine culture dissemination, retail of Chinese medicine, Chinese medicine health care and health tourism, when appropriate, through integrating internal resources and the business network of the chairman of the Company who has extensive experience in the Chinese Medicine Business.

## FINANCIAL REVIEW

### Revenue

The Group is principally engaged in provision of transportation, warehousing, in-plant logistics and customisation service. The overall revenue of the Group decreased by approximately RMB32.3 million or approximately 15.3% from approximately RMB211.8 million for the Previous Year to approximately RMB179.5 million for the Year.

### *Transportation service*

Transportation service primarily involved (i) the delivery of the customers' production materials or components from their suppliers to their manufacturing plants; (ii) the arrangement for transportation of the customers' finished goods to their designated locations or downstream customers; (iii) sea transportation services; and (iv) international freight forwarding agency services. The transportation service of the Group primarily covered across the PRC and has expanded to Egypt since late 2018.

Revenue from the transportation service recorded a decrease of approximately 23.5% from approximately RMB95.6 million for the Previous Year to approximately RMB73.1 million for the Year mainly attributable to a decrease in orders from customers for local transportation services in the PRC and international freight forwarding agency services caused by the lockdown policy imposed by the PRC government and the set-up of production facilities in local countries by overseas customers respectively.

### *Warehousing service*

The warehousing service of the Group included provision of inventory storage and management services. As at 31 December 2022, the Group had two warehouses in the PRC with total gross floor area of approximately 66,000 square metres.

Revenue from the warehousing service decreased by approximately 21.1% from approximately RMB43.7 million for the Previous Year to approximately RMB34.5 million for the Year mainly due to cessation of the use of one of the Group's warehouses in Guangdong Province of the PRC in July 2021 pursuant to the local government's land resumption plan.

### *In-plant logistics service*

The in-plant logistics service primarily included management of the movement of (i) production materials and components and work-in-progress to the production lines within the customers' manufacturing plants; and (ii) finished goods out to factory gate of the customers.

Revenue generated from the in-plant logistics service slightly decreased by approximately 2.5% from approximately RMB70.9 million for the Previous Year to approximately RMB69.1 million for the Year.

### *Customisation service*

The customisation service mainly comprised of labelling services and bundling services which is subject to the demand from its customers on an as-needed basis.

Revenue generated from the customisation service amounted to approximately RMB1.6 million and approximately RMB2.8 million for the Previous Year and the Year, respectively.

### **Other income and gains, net**

Other income and gains, net mainly consisted of net exchange gains, interest income from loans receivable and bond measured at amortised cost, bank interest income and government grants. A net gain increased from approximately RMB4.1 million for the Previous Year to approximately RMB6.8 million for the Year mainly due to (i) net exchange gains arising from the translation of foreign currency denominated monetary items of approximately RMB2.6 million for the Year, compared to net foreign exchange losses of approximately RMB0.3 million for the Previous Year; and (ii) increase in interest income from loans receivable and bond measured at amortised cost by approximately RMB2.0 million; offset by (iii) decrease in gain on lease modification by approximately RMB2.3 million principally attributed by the derecognition of right-of-use assets and corresponding lease liabilities for four of the Group's warehouses since July 2021 as a result of the local government's land resumption plan.

### **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.

The employee benefits expenses remained relatively stable at approximately RMB71.7 million and approximately RMB70.6 million for the Previous Year and the Year, respectively.

### **Sub-contracting expenses**

Sub-contracting expenses primarily represented the amount paid to subcontractors for the provision of certain transportation services. Sub-contracting expenses were incurred for the orders for domestic transportation service and international freight forwarding agency services by our customers, whereby the Group, through outsourcing to independent subcontractors, assisted the customers to obtain cargo space from shipping companies or shipping agents that meet their requirements. The sub-contracting expenses decreased by approximately RMB22.5 million from approximately RMB80.2 million for the Previous Year to approximately RMB57.7 million for the Year mainly contributed by a corresponding decrease in revenue for the Year.

### **Lease payment relating to short-term leases**

Short-term lease payment mainly comprised lease payments for rental expense for office premises, warehouses, staff quarters and forklifts, which do not meet the definition of lease liability as lessee under HKFRS 16. Short-term lease payment has kept at the same level of approximately RMB28.5 million for the Year and approximately RMB28.3 million for the Previous Year.

### **Depreciation of right-of-use assets**

The Group has certain leases pursuant to HKFRS 16 in respect of (i) premises comprising warehouses, office premises and staff quarters; and (ii) plant and machinery such as forklifts. The depreciation of right-of-use assets decreased from approximately RMB9.7 million for the Previous Year to approximately RMB3.6 million for the Year mainly due to maturity of certain existing lease contracts, and the derecognition of right-of-use assets of one of the Group's warehouses in Guangdong Province of the PRC in July 2021 as a result of the local government's land resumption plan.

### **Finance costs**

Finance costs mainly represented interest expenses on lease liabilities. Finance costs has decreased significantly from approximately RMB2.0 million for the Previous Year to approximately RMB0.4 million for the Year mainly attributable by the derecognition of lease liabilities relating to the warehouse in Guangdong Province of the PRC for the Previous Year as a result of the local government's land resumption plan.

### **Other expenses**

Other expenses mainly include (i) fleet vehicles operating expenses which mainly included fuel costs and maintenance expenses of our fleet vehicles; (ii) utilities expenses which mainly included water and electricity expenses; (iii) office and telephone expenses which mainly included 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 included maintenance expenses for the warehouses, professional fees and other miscellaneous expenses.

Other expenses decreased slightly by approximately RMB1.4 million from approximately RMB26.7 million for the Previous Year to approximately RMB25.3 million for the Year, respectively.

### **Loss for the year**

As a result of the aforesaid, the Group recorded a loss of approximately RMB0.2 million for the Year (Previous Year: loss of approximately RMB17.1 million).

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group's operation and investments were financed principally by cash generated from its own business operations. As at 31 December 2022, the Group had net current assets of approximately RMB87.4 million (2021: approximately RMB119.5 million) and cash and cash equivalents of approximately RMB55.5 million (2021: approximately RMB68.2 million). The Directors confirm that the Group will have sufficient financial resources to meet its obligations as and when they fall due in the foreseeable future.

## **GEARING RATIO**

The Group monitors its capital on the basis of the gearing ratio, which is expressed as a percentage of net debt divided by total capital. Net debt is calculated as the sum of lease liabilities and amount due to a director less cash and cash equivalents. Total capital represents total equity as shown on the consolidated statement of financial position of the Group.

Since the amount of cash and cash equivalents exceeded that of lease liabilities and amount due to a director, the Group is at net cash position as at 31 December 2022 and 2021. Thus, the gearing ratio was not applicable as at 31 December 2022 and 2021.

## **CAPITAL STRUCTURE**

The capital structure of the Group comprises issued share capital and reserves. 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 and share buy-backs as well as the issue of new debt or the redemption of existing debt.

## **FOREIGN CURRENCY EXPOSURE**

The Group's business activities are principally in the PRC and are primarily denominated in RMB. Certain subsidiaries of the Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group did not resort to any currency hedging facility during the Year. 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 2022 (2021: nil).

## **CONTINGENT LIABILITIES**

The Group did not have any significant contingent liabilities as at 31 December 2022 (2021: nil).

## **CAPITAL COMMITMENTS**

As at 31 December 2022, the Group did not have any material capital commitment (2021: nil).

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR ADDITIONS OF CAPITAL ASSETS**

Save as disclosed in this announcement, the Group did not have any significant investments, material acquisitions, and disposals of subsidiaries and affiliated companies during the Year, nor there were any future plans for material investments or additions of capital assets as at 31 December 2022.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2022, the Group employed 678 (2021: 687) full time employees. The Group determines the employee's remuneration based on factors such as qualification, duty, contributions, work experience, the prevailing market conditions and the Group'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.

## **EVENTS AFTER THE REPORTING PERIOD**

The Board are not aware of any significant event which had material effect on the Group subsequent to 31 December 2022 and up to the date of this announcement.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Except for share option scheme, during the year ended 31 December 2022, 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.

## **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 2022.

## **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 Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules.

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 2022 and up to the date of this announcement.

## **COMPETING INTERESTS**

For the year ended 31 December 2022, 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 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.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors’ transactions in the securities of the Company. Specific enquiry has been made of all the Directors and all Directors confirmed that they had fully complied with the required standard of dealings and the code of conduct adopted by the Company and there was no event of non-compliance throughout the year ended 31 December 2022 and up to the date of this announcement.

## **FINAL DIVIDEND**

The Board does not recommend payment of final dividend for the year ended 31 December 2022 (2021: nil).

## **SHARE OPTION SCHEME**

Prior to the listing of the shares on GEM of the Stock Exchange (which subsequently transferred to the main board of the Stock Exchange), the Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 26 September 2017 which became effective and unconditional upon the listing. The Share Option Scheme remains valid and effective following the transfer of listing and in full compliance with the relevant requirements under the Listing Rules.

For the year ended 31 December 2022, no share options were granted, exercised, cancelled or lapsed under the Share Option Scheme. As at 1 January 2022 and 31 December 2022, 69,000,000 share options were outstanding under the Share Option Scheme.

## **SCOPE OF WORK OF INDEPENDENT AUDITOR**

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Group’s auditor, Baker Tilly Hong Kong Limited (“**Baker Tilly**”), to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2022. The work performed by Baker Tilly 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 Baker Tilly on this announcement.

## **AUDIT COMMITTEE**

The primary duties of the audit committee of the Company (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 the three independent non-executive Directors, namely, Mr. Lau Wai Piu Patrick, Mr. Yu Chun Man and Mr. Chan Koon Yung. Mr. Lau Wai Piu Patrick 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 2022 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 forthcoming annual general meeting (“AGM”) of the Company will be held on Friday, 16 June 2023. A notice convening the AGM will be issued and sent to the shareholders of the Company in due course.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 12 June 2023.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and that of the Company ([www.goalrise-china.com](http://www.goalrise-china.com)). The annual report of the Group for the year ended 31 December 2022 containing all the information required by the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Yues International Holdings Group Limited**  
**Le Kang**  
*Chairman*

Hong Kong, 30 March 2023

*As at the date of this announcement, the Board consists of four executive Directors, Mr. Le Kang, Mr. Li Jiahao, Mr. Li Jiali and Mr. Song Ruipeng, one non-executive Director, Mr. Du Yingyou, and four independent non-executive Directors, Mr. Yu Chun Man, Mr. Lau Wai Piu Patrick, Dr. Wang Yi and Mr. Chan Koon Yung.*