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GRAND POWER LOGISTICS GROUP LIMITED

裕程物流集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8489)

PROFIT WARNING

This announcement is made by Grand Power Logistics Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of The Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the unaudited consolidated management accounts prepared for the three months ended 31 March 2022 (“**Q12022**”) and assessment of the latest information currently available to the Board, the Group is expected to record (i) a revenue of approximately HK\$180.6 million for Q12022, as compared to a revenue of approximately HK\$137.1 million for the three months ended 31 March 2021 (the “**Q12021**”), representing an increase of approximately 31.7%; and (ii) a net profit of approximately HK\$1.6 million for Q12022, as compared to a net profit of approximately HK\$8.3 million for Q12021, representing a decrease of approximately 80.7%.

The expected increase in revenue and decrease in net profit was mainly attributable to (i) the increase in revenue of both air freight forwarding services and ocean freight forwarding services, in particular, the substantial increase in demand for the Group’s ocean freight forwarding services but the profit margin for this segment is generally lower; and (ii) the steep increase in the cost of freight services along the industry chain in Q12022 as compared to Q12021 caused by the worsening of the outbreak of the highly transmissible Omicron variant in Hong Kong and the Mainland China, the tight lockdown and custom blockade in the Mainland China imposed by the government, the surging logistics costs and the escalating geopolitical situation in Europe happened in Q12022 as well as the increase in the administrative and other operating expenses of the Group.

The information contained in this announcement is solely based on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group and the latest information currently available to the Board which have not been reviewed by the Company's auditor or audit committee. The financial results of the Group for Q12022 will only be ascertained after all the relevant results and accounting treatments have been finalized. Shareholders and potential investors of the Company are advised to refer to the details of the Company's first quarterly results announcement for Q12022 which will be published on or around 12 May 2022.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 5 May 2022

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.grandpowerexpress.com.