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WORLD-LINK LOGISTICS (ASIA) HOLDING LIMITED

環宇物流(亞洲)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8012)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of World-Link Logistics (Asia) Holding Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2017 (the “**Period**”), together with the comparative figures for the corresponding period in 2016 as follows:

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

For the six months ended 30 June 2017

	Notes	Three months ended		Six months ended	
		31 March		30 June	
		2017	2016	2017	2016
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	39,033	33,226	76,087	67,694
Other income		144	181	652	508
Employee benefits expenses		(10,794)	(9,976)	(21,806)	(19,222)
Depreciation of property, plant and equipment		(408)	(588)	(853)	(1,166)
Operating lease rentals in respect of rented premises		(9,449)	(9,355)	(18,911)	(18,783)
Sub-contracting expenses		(7,073)	(5,075)	(14,002)	(11,610)
Operating lease rental in respect of plant, machinery and equipment		(409)	(425)	(781)	(810)
Interest on bank borrowings		–	(92)	–	(185)
Other expenses		(3,844)	(3,082)	(7,421)	(5,616)
Profit before taxation		7,200	4,814	12,965	10,810
Income tax expense	5	(1,364)	(856)	(2,369)	(1,906)
Total profit and other comprehensive income for the period		<u>5,836</u>	<u>3,958</u>	<u>10,596</u>	<u>8,904</u>
Earnings per share (<i>HK cents</i>)	7	<u>1.22</u>	<u>0.82</u>	<u>2.20</u>	<u>1.86</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

		30 June	31 December
		2017	2016
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		2,811	3,389
Rental deposits		6,606	6,606
Deferred tax assets		793	769
		<u>10,210</u>	<u>10,764</u>
Current assets			
Inventories		312	–
Trade and other receivables	9	53,560	46,610
Short-term bank deposit with original maturity over three months		33,000	20,000
Bank balances and cash		12,107	19,059
		<u>98,979</u>	<u>85,669</u>
Current liabilities			
Trade and other payables and accrued expenses	10	7,244	7,474
Tax payable		4,582	2,188
		<u>11,826</u>	<u>9,662</u>
Net current assets		<u>87,153</u>	76,007
Total assets less current liabilities		<u>97,363</u>	<u>86,771</u>
Non-current liabilities			
Provisions		965	969
NET ASSETS		<u>96,398</u>	<u>85,802</u>
CAPITAL AND RESERVES			
Share capital	11	4,800	4,800
Reserves		91,598	81,002
TOTAL EQUITY		<u>96,398</u>	<u>85,802</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 June 2017*

	Attributable to the owners of the Company				
	Share capital	Share premium	Merger reserve	Retained profits	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January 2016 (audited)	4,800	49,350	10	8,131	62,291
Profit and other comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>8,904</u>	<u>8,904</u>
At 30 June 2016 (unaudited)	<u>4,800</u>	<u>49,350</u>	<u>10</u>	<u>17,035</u>	<u>71,195</u>
At 1 January 2017 (audited)	4,800	49,350	10	31,642	85,802
Profit and other comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>10,596</u>	<u>10,596</u>
At 30 June 2017 (unaudited)	<u>4,800</u>	<u>49,350</u>	<u>10</u>	<u>42,238</u>	<u>96,398</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	6,032	(6,358)
INVESTING ACTIVITIES		
Withdrawal of short term bank deposit with original maturity over three months	20,000	–
Placement of short term bank deposit with original maturity over three months	(33,000)	–
Purchase of property, plant and equipment	(403)	(1,663)
Interest received	159	3
Proceeds on disposal of property, plant and equipment	260	165
NET CASH USED IN INVESTING ACTIVITIES	(12,984)	(1,495)
FINANCING ACTIVITIES		
Repayment of bank loans	–	(14,000)
Interest paid	–	(185)
NET CASH USED IN FINANCING ACTIVITIES	–	(14,185)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,952)	(22,038)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	19,059	54,553
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash	12,107	32,515

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability on 27 July 2015 and its shares are listed on the GEM Board of the Stock Exchange. The addresses of the registered office and the principal place of business of the Company are disclosed in the section “Corporate Information” in the annual report 2016.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the integrated logistics services and packing services.

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants. In addition, the unaudited condensed consolidated financial statements include the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

The accounting policies and method of computation used in the preparation of these results are consistent with those used in the annual financial results for the year ended 31 December 2016. The Group has adopted amendments to HKFRSs which are effective for accounting periods commencing on or after 1 January 2017. The adoption of such new or revised standards, amendments to standards and interpretations does not have materials impact on the consolidated financial statements and does not result in substantial changes to the Group’s accounting policies.

In addition to the accounting policies used in the annual financial results for the year ended 31 December 2016, the Group has adopted the accounting policy of inventories to prepare the unaudited consolidated financial statements.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. REVENUE

	Three months ended		Six months ended	
	31 March		30 June	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Transportation services income	9,967	7,655	19,246	16,568
Warehousing services income	18,353	15,168	34,813	30,279
Customisation services income	8,515	8,476	17,920	16,776
Value-added services income	2,198	1,927	4,108	4,071
	<u>39,033</u>	<u>33,226</u>	<u>76,087</u>	<u>67,694</u>

4. SEGMENT INFORMATION

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group (the Executive Directors of the Company who are also directors of all operating subsidiaries) (the "CODM"), for the purpose of resource allocation and performance assessment. The Directors regularly review revenue and results analysis by (i) logistics solutions business and (ii) customisation services. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

Segment revenue and results

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

	Revenue from external customers			
	Three months ended		Six months ended	
	31 March		30 June	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Logistics solutions business	31,955	26,196	61,040	53,825
Customisation services	8,578	8,530	18,047	16,869
Segmental total	<u>40,533</u>	<u>34,726</u>	<u>79,087</u>	<u>70,694</u>
Eliminations	<u>(1,500)</u>	<u>(1,500)</u>	<u>(3,000)</u>	<u>(3,000)</u>
Total	<u>39,033</u>	<u>33,226</u>	<u>76,087</u>	<u>67,694</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent profit earned from each segment without allocation of corporate expenses. This is the measure reported to the CODM of the Group for the purpose of resource allocation and performance assessment.

Other segment information

	Addition to non-current assets	
	30 June 2017 HK\$'000 (Unaudited)	31 December 2016 HK\$'000 (Audited)
Logistics solutions business	382	3,120
Customisation services	<u>21</u>	<u>55</u>
Segment total	<u>403</u>	<u>3,175</u>

Non-current assets excluded deferred tax assets.

5. INCOME TAX EXPENSE

	Three months ended 31 March		Six months ended 30 June	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Hong Kong Profits Tax – current period	1,323	869	2,393	1,825
Deferred taxation	<u>41</u>	<u>(13)</u>	<u>(24)</u>	<u>81</u>
Total income tax expense for the period	<u>1,364</u>	<u>856</u>	<u>2,369</u>	<u>1,906</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2017 (for the six months ended 30 June 2016: 16.5%).

6. INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 June 2017 (for the six months ended 30 June 2016: Nil).

7. EARNINGS PER SHARE

	Three months ended		Six months ended	
	31 March		30 June	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Earnings				
Profit for the period attributable to owners of the Company for the purpose of earnings per share	<u>5,836</u>	<u>3,958</u>	<u>10,596</u>	<u>8,904</u>

	Three months ended		Six months ended	
	31 March		30 June	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Number of shares				
Weighted average number of ordinary shares for the purpose of earnings per share	<u>480,000,000</u>	<u>480,000,000</u>	<u>480,000,000</u>	<u>480,000,000</u>

Diluted earnings per share is not presented for the periods as there is no potential ordinary share outstanding at the end of reporting periods.

8. MOVEMENTS IN PROPERTY AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired approximately HK\$403,000 (six months ended 30 June 2016: HK\$1,663,000) of equipment.

9. TRADE RECEIVABLES

	30 June	31 December
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Trade receivables	<u>48,039</u>	<u>44,775</u>

The Group generally allows a credit period ranging from 0 days to 75 days to its customers.

The Group does not hold any collateral over these balances.

The following is an aging analysis of trade receivables, presented based on invoice dates at the end of each reporting period, which approximated the respective revenue recognition dates:

	30 June 2017 HK\$'000 (Unaudited)	31 December 2016 HK\$'000 (Audited)
0–30 days	11,453	14,123
31–60 days	12,536	13,741
61–90 days	11,974	11,394
Over 90 days	12,076	5,517
	<u>48,039</u>	<u>44,775</u>

As at 3 August 2017, approximately HK\$11.6 million or 96.1% of our trade receivables which aged over 90 days as at 30 June 2017 was subsequently settled. In aggregate, approximately HK\$30.0 million or 62.3% of our trade receivables as at 30 June 2017 was subsequently settled as at 3 August 2017.

10. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

	30 June 2017 HK\$'000 (Unaudited)	31 December 2016 HK\$'000 (Audited)
Trade payables	2,660	3,069
Accrued employees benefits	897	2,058
Provision for long service payments	169	169
Accrued expenses	876	1,853
Other payables	2,642	325
	<u>7,244</u>	<u>7,474</u>

11. SHARE CAPITAL

	Number of shares	HK\$'000
Issued and fully paid:		
At 31 December 2016 and 30 June 2017	480,000,000	<u>4,800</u>

12. OPERATING LEASES

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises, machinery and equipment which fall due as follows:

	30 June 2017 HK\$'000 (Unaudited)	31 December 2016 HK\$'000 (Audited)
Rented premises		
Within one year	37,574	35,566
In the second to fifth year inclusive	<u>36,253</u>	<u>48,687</u>
	<u>73,827</u>	<u>84,253</u>
Rented machinery and equipment		
Within one year	292	317
In the second to fifth year inclusive	<u>206</u>	<u>211</u>
	<u>498</u>	<u>528</u>
	<u>74,325</u>	<u>84,781</u>

13. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of key management (representing Executive Directors of the Company) during the period was as follows:

	Three months ended		Six months ended	
	31 March		30 June	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salaries and other allowances	781	710	1,745	1,420
Retirement benefit scheme contributions	<u>61</u>	<u>56</u>	<u>131</u>	<u>112</u>
	<u>842</u>	<u>766</u>	<u>1,876</u>	<u>1,532</u>

The remuneration package of the key management personnel has been reviewed by the Remuneration Committee and approved by the Board having regard to the performance of individuals and market trends.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Most of the Group's customers are leading listed multinational companies and thus we customise our services to meet their unique needs. Being one of the well-established logistics service providers in Hong Kong, we have to maintain high standard of services at all times. Notwithstanding demanding customisation, we have stringent quality control to ensure the best services for our customers. We never compromise quality and cost.

Our winning strategy is to build a strategic partnership with our customers by creating extra value in the entire supply chain. The Group's accomplishments are attributable to our customer-oriented culture. Our team members are willing to go the extra mile to fulfil our customers' needs.

Since our business is labour-intensive, the dedication of every staff is very important to our business. The Group has been working conscientiously to build a customer-oriented culture. Our staff strives to keep up with the Group's motto – "always can do". Every staff maintains professionalism and a customer-oriented mindset, while our team is flexible to cope with the fast changing market.

We are proud of the loyalty of our staff. Our employees, who are our most valuable assets, form a solid foundation for the Group. Despite the pressure of increased labour cost in 2017, we invested more resources in staff training to enhance our service quality. We always believe that our professional and stable team plays a pivotal role in the Group's success.

We always take one step ahead to understand the needs of our customers. The Group's core focus is our customers' needs and our service quality. We add value to our services by solving their daily operation difficulties. For instance, our Group provides delivery services on Sunday which is a newly-added services in response to the need of our existing customers. We are willing to go beyond the industry conventions to offer services on statutory holidays.

Outlook

We believe that with our team and core competence could excel our operation capacity in the future. In fact, the encouraging results in the first half year of 2017 have strengthened our confidence in bringing more business breakthroughs in the second half year of 2017.

We have strategically seized opportunities in the cold chain logistics services and expanded our service scope for existing customers. The Group have equipped with professional temperature-controlled refrigerator vehicles which are specialised for the transportation of frozen meat and wine. Given the expertise required, it is expected that the cold chain logistics services will attract more new customers and increase our revenue in the near future.

The Group will continue to maintain its current business development strategy and the business segments will mostly remain the same in the future. Extra efforts will be put on expanding the fast moving consumer goods (“**FMCG**”) sector to seize the opportunity in developing the cold chain logistics services and attracting new customers.

Financial Review

Revenue

The revenue of the Group increased by approximately 12.4% from approximately HK\$67.7 million for the six months ended 30 June 2016 to approximately HK\$76.1 million for the six months ended 30 June 2017. The increase in revenue was mainly attributable to the increase in revenue derived from the warehousing and transportation sectors during the six months ended 30 June 2017.

Revenue generated from warehousing services increased by approximately 15.0% from approximately HK\$30.2 million for the six months ended 30 June 2016 to HK\$34.8 million for the six months ended 30 June 2017.

Revenue generated from customisation services increased by approximately 6.8% from approximately HK\$16.8 million for the six months ended 30 June 2016 to HK\$17.9 million for the six months ended 30 June 2017.

Revenue generated from transportation services increased by approximately 16.2% from approximately HK\$16.6 million for the six months ended 30 June 2016 to HK\$19.2 million for the six months ended 30 June 2017.

Revenue generated from value added services remained relatively stable at approximately HK\$4.1 million for the six months ended 30 June 2016 and 30 June 2017.

Employee benefits expenses

Employee benefits expenses primarily consisted of wages and salaries, medical benefits, and other allowances and benefits. Our employee benefits expenses amounted to approximately HK\$21.8 million for the six months ended 30 June 2017 (for the six months ended 30 June 2016: HK\$19.2 million). Our Group had a total of 286 and 288 full-time employees as at 30 June 2016 and 30 June 2017 respectively.

Other expenses

Other expenses mainly included other operating cost for warehousing and value-added services, electricity, repair and maintenance, consumables, entertainment, rates, office and store supplies and the expenses in relation to the transfer of listing application. The Company has submitted a formal application to the Stock Exchange on 17 March 2017 for the proposed transfer of listing to the Main Board of the Stock Exchange and incurred expenses of approximately HK\$1.1 million for the six months ended 30 June 2017. For the six months ended 30 June 2016, other expenses amounted to approximately HK\$7.4 million (for the six months ended 30 June 2016: HK\$5.6 million).

Taxation

The taxation mainly represented the provision of Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profits during the six months ended 30 June 2016 and 2017.

Profit and total comprehensive income for the six months ended 30 June 2017

Our Group recorded a net profit after taxation of approximately HK\$10.6 million for the six months ended 30 June 2017, representing an increment of approximately 19.0% compared to the six months ended 30 June 2016. The net profit after taxation (excluding the expenses in relation to transfer of listing application) for the six months ended 30 June 2017 is approximately HK\$11.7 million, representing an increment of approximately 31.5% compared to that for the six months ended 30 June 2016. The improvement of net profit after taxation was driven by (i) the growth of revenue; and (ii) a stringent control in operating expenses through streamlining and reengineering the operation flow of the Group.

The net profit margin (excluding the expenses in relation to transfer of listing application) for the six months ended 30 June 2017 is approximately 15.4% while the net profit margin for the six months ended 30 June 2016 is approximately 13.1%, representing an improvement of approximately 2.3% in terms of net profit margin.

INTERIM DIVIDEND

The Directors do not recommend payment of an interim dividend for the six months ended 30 June 2017 (for the six months ended 30 June 2016: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operation and investments were financed principally by cash generated from its own business operations and bank borrowings. As at 30 June 2017, the Group had net current assets of approximately HK\$87.2 million (31 December 2016: approximately HK\$76.0 million) and had cash and cash equivalents of approximately HK\$12.1 million as at 30 June 2017 (31 December 2016: approximately HK\$19.1 million) and short-term bank deposit with original maturity over three months of HK\$33.0 million as at June 2017 (31 December 2016: HK\$20.0 million). The Directors have confirmed that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

GEARING RATIO

As at 30 June 2017, the gearing ratio (calculated on the basis of total bank borrowings divided by total assets at the end of the six months period) of the Group was nil (31 December 2016: Nil).

FOREIGN CURRENCY RISK

The Group's business activities are in Hong Kong and are denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the Directors will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENT

As at 30 June 2017, the Group did not have material capital commitments (31 December 2016: Nil).

CAPITAL STRUCTURE

The capital structure of the Group consists of equity attributable to the owners of the Company which comprise of 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 payment of dividends, issuance of new shares as well as issue of new debt and redemption of existing debt.

MATERIAL ACQUISITIONS AND DISPOSAL

During the six months ended 30 June 2017, the Group had no material acquisitions and disposals of subsidiaries.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2017, the Group employed 288 (30 June 2016: 286) full time employees. We determine the employee's remuneration based on factors such as qualification, duty, contributions and years of experience.

USE OF PROCEEDS

The net proceeds from the listing on the GEM of the Stock Exchange in December 2015 by way of Placing (the “**Listing**”) were approximately HK\$41.5 million, which was based on the final placing price of HK\$0.5 per Ordinary Share and the actual expenses on the Listing.

The actual use of proceeds since the Listing are as follows:

	Planned use of proceeds stated in the Prospectus since the Listing to 31 December 2017 HK\$'million	Actual use of proceeds since the Listing HK\$'million
Expanding the scope of services	19.0	4.3
Strengthening information technology and systems	2.1	0.8
Enhancing sales and marketing effort	3.2	0.3
Attracting and retaining talented and experienced personnel	2.1	2.1
Repaying the bank loans	12.0	12.0
General working capital	3.1	3.1
	<u>41.5</u>	<u>22.6</u>

The business objectives as stated in the Prospectus dated 22 December 2015 (the “**Prospectus**”) were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds was applied in accordance with the actual development of the market.

As at 30 June 2017, approximately HK\$22.6 million out of the net proceeds from the Listing had been used. Among of the unused net proceeds, approximately HK\$11.4 million will be utilized during the second half year of 2017 and the remaining net proceeds of approximately HK\$7.5 million will be utilized during the year ending 31 December 2018. The unused net proceeds were deposited in licensed banks in Hong Kong.

The Company intends to apply the net proceeds in the manner as stated in the Prospectus. However, the Directors will constantly evaluate the Group's business objectives and may change or modify the plans of using the net proceeds against the changing market condition to attain sustainable business growth of the Group.

CHARGE ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2017, the Group has no bank borrowings (31 December 2016: Nil). The Group has banking facility of HK\$15.0 million which were guaranteed by the Company (31 December 2016: HK\$15.0 million). The Group has no material contingent liabilities as at 30 June 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in GEM Listing Rules 5.48 to 5.67. The Company, having made specific enquiry of all the Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the six months ended 30 June 2017.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30 June 2017, the Directors and their associates had the following interests or short positions in shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies:

Interests in the Company

Name of Director	Capacity	Number of shares held			Percentage of Company's issued share capital
		Personal interests	Other interests	Total interests	
Mr. Yeung Kwong Fat (Mr. Yeung) (Note 1, 2)	Interest in a controlled corporation; interests held jointly with another person	–	349,264,000	349,264,000	72.76%
Mr. Lee Kam Hung (Mr. Lee) (Note 1, 3)	Interest in a controlled corporation; interests held jointly with another person	–	349,264,000	349,264,000	72.76%
Mr. Luk Yau Chi, Desmond (Mr. Luk) (Note 1, 4)	Interest in a controlled corporation; interests held jointly with another person	–	349,264,000	349,264,000	72.76%

Notes:

- On 24 August 2015, Mr. Yeung, Mr. Lee, and Mr. Luk entered into a confirmatory deed to acknowledge and confirm, among other things, that they are parties acting in concert with each of the members of our Group. As such, pursuant to the parties acting in concert arrangement, each of the controlling shareholders of our Group, i.e. Best Matrix Global Limited (being wholly owned by Mr. Lee), Mr. Lee, Orange Blossom International Limited (being wholly owned by Mr. Yeung), Mr. Yeung, Leader Speed Limited (being wholly owned by Mr. Luk) and Mr. Luk, is deemed to be interested in 72.76% of the issued share capital of our Company.
- 349,264,000 Shares in which Mr. Yeung is interested consist of (i) 135,360,000 Shares held by Orange Blossom International Limited, a company wholly owned by Mr. Yeung, in which Mr. Yeung is deemed to be interested under the SFO; (ii) 4,320,000 Shares is directly held by Mr. Yeung; and (iii) 209,584,000 Shares in which Mr. Yeung is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee and Mr. Luk.

3. 349,264,000 Shares in which Mr. Lee is interested consist of (i) 139,744,000 Shares held by Best Matrix Global Limited, a company wholly owned by Mr. Lee, in which Mr. Lee is deemed to be interested under the SFO; and (ii) 209,520,000 Shares in which Mr. Lee is deemed to be interested as a result of being a party acting-in-concert with Mr. Yeung and Mr. Luk.
4. 349,264,000 Shares in which Mr. Luk is interested consist of (i) 69,840,000 Shares held by Leader Speed Limited, a company wholly owned by Mr. Luk, in which Mr. Luk is deemed to be interested under the SFO; and (ii) 279,424,000 Shares in which Mr. Luk is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee and Mr. Yeung.

Interests in associated corporation(s) of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number of shares	Percentage of shareholding
Mr. Yeung	Orange Blossom International Limited	Beneficial interests	1	100%
Mr. Lee	Best Matrix Global Limited	Beneficial interests	1	100%
Mr. Luk	Leader Speed Limited	Beneficial interests	1	100%

Save as disclosed above, as at 30 June 2017, none of the Directors and chief executive of the Company had any interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) which were otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2017, the following persons (other than Directors or Chief Executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Capacity	Number of Shares/ underlying Shares held	Percentage of Company's issued share capital
Best Matrix Global Limited (Note 1)	Beneficial owner; interests held jointly with another person	349,264,000	72.76%
Leader Speed Limited (Note 1)	Beneficial owner; interests held jointly with another person	349,264,000	72.76%
Orange Blossom International Limited (Note 1)	Beneficial owner; interests held jointly with another person	349,264,000	72.76%
Ms. Law Wai Yee (Note 2)	Interest of spouse	349,264,000	72.76%
Ms. Chan Pik Shan (Note 3)	Interest of spouse	349,264,000	72.76%
Ms. Wong Soo Fung (Note 4)	Interest of spouse	349,264,000	72.76%

Notes:

- On 24 August 2015, Mr. Yeung, Mr. Lee, and Mr. Luk entered into a confirmatory deed to acknowledge and confirm, among other things, that they are parties acting in concert with each of the members of our Group. As such, pursuant to the parties acting in concert arrangement, each of the controlling shareholders of our Group, i.e. Best Matrix Global Limited (being wholly owned by Mr. Lee), Mr. Lee, Orange Blossom International Limited (being wholly owned by Mr. Yeung), Mr. Yeung, Leader Speed Limited (being wholly owned by Mr. Luk) and Mr. Luk, is deemed to be interested in 72.76% of the issued share capital of our Company.
- Ms. Law Wai Yee is the spouse of Mr. Yeung and is deemed, or taken to be, interested in Shares in which Mr. Yeung has interest under the SFO.
- Ms. Chan Pik Shan is the spouse of Mr. Lee and is deemed, or taken to be, interested in Shares in which Mr. Lee has interest under the SFO.
- Ms. Wong Soo Fung is the spouse of Mr. Luk and is deemed, or taken to be, interested in Shares in which Mr. Luk has interest under the SFO.

All the interests disclosed above represent long positions in the shares and underlying shares of the Company.

Save as disclosed herein, the Company has not been notified of any other person (other than a Director or a chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30 June 2017.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2017 was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of 30 June 2017 or at any time during the six months ended 30 June 2017.

COMPETING INTEREST

For the six months ended 30 June 2017, the Directors were not aware of any business or interest of the Directors, the controlling shareholders and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

CORPORATE GOVERNANCE

Except for the deviation from CG Code provision A.2.1, the Company's corporate governance practices have complied with the CG Code. Details of the continuing evolution of our corporate governance practices for the six months ended 30 June 2017 are set out in the 2016 annual report. CG Code provision A.2.1 stipulates that the role of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Yeung Kwong Fat is the Chairman and the Chief Executive Officer of our Company. In view of Mr. Yeung being one of the co-founders of our Group and has been operating and managing World-Link Roadway System Company Limited and World-Link Packing House Company Limited since 1994 and 2009 respectively, the Board believes that it is in the best interest of our Group to have Mr. Yeung taking up both roles for effective management and business development. Therefore our Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance.

The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high-caliber individuals, with three of them being Independent Non-executive Directors.

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) on 16 December 2015, which operates under terms of reference approved by the Board. It is the Board’s responsibility to ensure that an effective internal control and risk management framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated to the Audit Committee the responsibility for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group’s management. The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. How Sze Ming, Mr. Mak Tung Sang and Mr. Jung Chi Pan Peter. Mr. How Sze Ming is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2017.

By Order of the Board
World-Link Logistics (Asia) Holding Limited
Yeung Kwong Fat
Chairman and Chief Executive Officer

Hong Kong, 7 August 2017

As at the date of this announcement, the Executive Directors are Mr. Yeung Kwong Fat, Mr. Lee Kam Hung and Mr. Luk Yau Chi, Desmond; and the Independent Non-executive Directors are Mr. How Sze Ming, Mr. Jung Chi Pan Peter, and Mr. Mak Tung Sang.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at <http://www.world-linkasia.com>.

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