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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)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2016**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE “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 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**”) is pleased to announce that the unaudited financial results of the Group for the three months ended 31 March 2016, together with the comparative figures for the three months ended 31 March 2015. The financial information is approved by the Board.

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

*For the three months ended 31 March 2016*

	<i>NOTES</i>	<b>Three months ended 31 March</b>	
		<b>2016</b>	<b>2015</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	3	<b>33,226</b>	28,851
Other income		<b>181</b>	5
Employee benefits expenses		<b>(9,976)</b>	(8,114)
Depreciation of property, plant and equipment		<b>(588)</b>	(489)
Operating lease rentals in respect of rented premises		<b>(9,355)</b>	(8,559)
Sub-contracting expenses		<b>(5,075)</b>	(5,461)
Operating lease rental in respect of plant, machinery and equipment		<b>(425)</b>	(462)
Interest on bank borrowings		<b>(92)</b>	–
Other expenses		<b>(3,082)</b>	(2,917)
		<hr/>	<hr/>
Profit before taxation		<b>4,814</b>	2,854
Income tax expense	4	<b>(856)</b>	(368)
		<hr/>	<hr/>
Total profit and other comprehensive income for the three months ended		<b><u>3,958</u></b>	<u>2,486</u>
		<hr/>	<hr/>
Earnings per share ( <i>HK cents</i> )	5	<b><u>0.01</u></b>	<u>0.01</u>

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the three months ended 31 March 2016*

	Attributable to owners of the Company				Total HK\$'000
	Share capital	Share premium	Merger reserve	Retained profits	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2015 (audited)	10	–	–	22,981	22,991
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,486</u>	<u>2,486</u>
At 31 March 2015 (unaudited)	<u>10</u>	<u>–</u>	<u>–</u>	<u>25,467</u>	<u>25,477</u>
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>3,958</u>	<u>3,958</u>
At 31 March 2016 (unaudited)	<u>4,800</u>	<u>49,350</u>	<u>10</u>	<u>12,089</u>	<u>66,249</u>

# NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 31 March 2016*

## 1. BASIS OF PREPARATION

The companies now comprising the Group underwent a series of reorganisation. Prior to the group reorganisation, the companies comprising the Group were ultimately controlled by three individuals, namely Mr. Yeung Kwong Fat (“**Mr. Yeung**”), Mr. Lee Kam Hung (“**Mr. Lee**”) and Mr. Luk Yau Chi Desmond (“**Mr. Luk**”) (collectively referred to as the “**Individual Shareholders**”). The companies now comprising the Group were beneficially and wholly owned by the Individual Shareholders collectively. On 15 July 2015, Real Runner Limited acquired the shares of World-Link Roadway System Company Limited and World-Link Packing House Company Limited from the Individual Shareholders. After the said transfers, World-Link Roadway System Company Limited and World-Link Packing House Company Limited became wholly-owned subsidiaries of Real Runner Limited. Pursuant to the reorganisation, which was completed by interspersing the Company between the Individual Shareholders and Real Runner Limited, the Company became the holding company of the companies now comprising the Group on 16 December 2015 (“**Group Reorganisation**”). The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements has been prepared as if the Company had always been the holding company of the Group.

The consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity for the three months ended 31 March 2015 and 2016 have been prepared to present the results of the companies now comprising the Group, as if the group structure upon the completion of the Reorganisation had been in existence throughout the three months ended 31 March 2015.

## 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 account for the year ended 31 December 2015. The Group has adopted new or revised standards, amendments to standards and interpretations of HKFRSs which are effective for accounting periods commencing on or after 1 January 2016. The adoption of such new or revised standards, amendments to standards and interpretations dose not have materials impact on the consolidated accounts and dose not result in substantial changes to the Group’s accounting policies.

### 3. REVENUE

	Three months ended 31 March	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Transportation services income	7,655	7,359
Warehousing services income	15,168	13,010
Customisation services income	8,476	6,690
Value-added services income	1,927	1,792
	<u>33,226</u>	<u>28,851</u>

### 4. INCOME TAX EXPENSE

	Three months ended 31 March	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
The charge (credit) comprises:		
Hong Kong Profits Tax – current period	869	469
Deferred taxation	(13)	(101)
	<u>856</u>	<u>368</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

## 5. EARNINGS PER SHARE

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

	<b>Three months ended 31 March</b>	
	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Earnings:		
Profit for the period attributable to owners of the Company for the purposes of earnings per share	<b><u>3,958</u></b>	<u>2,486</u>
	<b>2016</b>	2015
Number of shares:		
Weighted average number of ordinary shares for the purpose of earnings per share	<b><u>480,000,000</u></b>	<u>359,999,990</u>

The number of ordinary shares for the purpose of basic earnings per share for both periods has taken into account the shares issued pursuant to the Group Reorganisation and the Capitalisation Issue.

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group's business is to meet the needs of our customers throughout their entire supply chain. We aim to deliver high quality and timely services to our customers by providing flexible and reliable logistics solutions.

The Group provides a comprehensive logistics solutions and customisation services to our customers, including but not limited to, tailor-made logistic solutions, freight management, warehousing and distribution services. Prior to the provision of logistics services, our operation team will discuss with our customers in relation to their delivery plan and logistics requirements. Our professional colleagues will design a unique supply chain operation model to add value to our customers' businesses.

Our business is built on a customer-oriented culture, and we focus on establishing long-term relationships with reputable customers by providing flexible, reliable and timely logistics services. With our proven track record in the logistics industry, we have established a broad customer base comprising of customers from various industries, including fast moving consumer goods ("FMCG"), food and beverage ("F&B"), retailing and other industries. Our business objective is to provide value-added services to our customers.

The Group provides a full supply chain services including vendor management, inbound support, warehousing, delivery, data management and all sort of customisation services. Our logistics services are able to shorten the delivery time and enhance service quality and in turn help our customers improving their profit margin.

Alongside with maintaining constant long-term business relationship with our largest customer, we have from time to time identified new customers. In addition, our Group is expanding our sales and marketing network. Our Directors believe that our strategies to grow are as follows:

- (i) Service quality is our key to success:

Being the exclusive logistics partner with a global FMCG customer in Hong Kong, the Group has already been identified as one of the high quality service providers in the industry. With the Group's best practice and professional colleagues, our Group creates value to customers and helps them to save cost.

(ii) Introduction of new customers:

Our Directors believe that our Group is able to expand our logistics services and warehousing services for new customers in different industries and markets. Our Directors are of the view that the industries and markets in which our services would be needed are fragmented and therefore, offer enormous opportunities to us to expand our business penetration.

## **Future Plans**

As disclosed in the Prospectus, the Group had drawn up strategies to achieve its business objectives which include, but not limited to, conducting feasibility studies on enhancement of the existing facilities for chilled and frozen products. These feasibility studies will be financed by a portion of the net proceeds from the placing of the Company's shares on 29 December 2015. The Group had also drawn up strategies to install air-conditioners in a designated area in our Group's existing warehouse so as to store wine, eggs, canned food and cosmetic products.

## **Financial Review**

### *Revenue*

The revenue of the Group increased by approximately 15.2% from approximately HK\$28.9 million for the three months ended 31 March 2015 to approximately HK\$33.2 million for the three months ended 31 March 2016. The Group managed to increase its revenue despite the economic downturn, decline in the number of visitors and slowdown in the local retail market.

Revenue generated from warehousing increased by approximately 16.6% from approximately HK\$13.0 million for the three months ended 31 March 2015 to HK\$15.2 million for the three months ended 31 March 2016.

Revenue generated from customisation increased by approximately 26.7% from approximately HK\$6.7 million for the three months ended 31 March 2015 to HK\$8.5 million for the three months ended 31 March 2016.

Revenue generated from transportation slightly increased by approximately 4.0% from approximately HK\$7.4 million for the three months ended 31 March 2015 to HK\$7.7 million for the three months ended 31 March 2016.



Revenue generated from value added services increased by approximately 7.5% from approximately HK\$1.8 million for the three months ended 31 March 2015 to approximately HK\$1.9 million for the three months ended 31 March 2016.

In 2016, the Group aims at expanding businesses to other key customers. We will also start to expand our scope of services to cover cold chain logistics services.

#### *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\$10.0 million (2015: HK\$8.1 million). Our Group had a total of 258 and 273 full-time employees as at 31 March 2015 and 31 March 2016 respectively.

#### *Other expenses*

Other expenses mainly included other operating cost for warehousing and value-added services, electricity, repair and maintenance, consumables, entertainment and rates. For the three months ended 31 March 2015 and 2016, other expenses amounted to approximately HK\$2.9 million and HK\$3.1 million respectively.

#### *Taxation*

The taxation represented the provision of Hong Kong profits tax calculated at 16.5% of the estimated assessable profits during the three months ended 31 March 2015 and 2016.

#### *Profit and total comprehensive income for the three months ended 31 March 2016*

Our Group recorded a net profit after taxation of approximately HK\$3,958,000 for the three months ended 31 March 2016, representing an increment of approximately 59.2% compared to the three months ended 31 March 2015. The improvement of net profit after taxation was driven by the growth of revenue. In the opinion of our Directors, the increment in the revenue was partially offset by the increase in operating lease rental and employee benefits expenses.

### **INTERIM DIVIDEND**

The Directors do not recommend an interim dividend for the three months ended 31 March 2016.

## **CAPITAL COMMITMENT**

As at 31 March 2016, the Group did not have material capital commitments (2015: Nil).

## **CHARGE ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES**

As at 31 March 2016, the Group has total bank borrowings of HK\$15.3 million in which HK\$15.0 million were guaranteed by the Company. The Group has no material contingent liabilities as at 31 March 2016.

## **MATERIAL ACQUISITIONS AND DISPOSAL**

Pursuant to the Reorganisation, the Company became the holding company of the Group formed after completion of the Reorganisation. Details of the Reorganisation are set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" of the Prospectus.

Save as aforesaid, during the three months ended 31 March 2016, the Group had no material acquisitions and disposals of subsidiaries.

## **PURCHASE, SALE OR REDEMPTION**

During the three months ended 31 March 2016, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares.

## **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 Rules 5.48 to 5.67 of the GEM Listing Rules. 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 three months ended 31 March 2016.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 March 2016, 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 (Note 1,2)	Interest in a controlled corporation; interests held jointly with another person	–	349,200,000	349,200,000	72.75
Mr. Lee Kam Hung (Note 1,3)	Interest in a controlled corporation; interests held jointly with another person	–	349,200,000	349,200,000	72.75
Mr. Luk Yau Chi, Desmond (Note 1,4)	Interest in a controlled corporation; interests held jointly with another person	–	349,200,000	349,200,000	72.75

#### 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 72.75% of the issued share capital of our Company.
- 349,200,000 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; and (ii) 213,840,000 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. 349,200,000 Shares in which Mr. Lee is interested consist of (i) 144,000,000 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) 205,200,000 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. 349,200,000 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) 279,360,000 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**

<b>Name of director</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares</b>	<b>Percentage of shareholding</b>
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 31 March 2016, 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 31 March 2016, 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	349,200,000	72.75%
Leader Speed Limited (Note 1)	Beneficial owner; interests held jointly with another person	349,200,000	72.75%
Orange Blossom International Limited (Note 1)	Beneficial owner; interests held jointly with another person	349,200,000	72.75%
Ms. Law Wai Yee (Note 2)	Interest of spouse	349,200,000	72.75%
Ms. Chan Pik Shan (Note 3)	Interest of spouse	349,200,000	72.75%
Ms. Wong Soo Fung (Note 4)	Interest of spouse	349,200,000	72.75%

### 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 72.75% 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 31 March 2016.

#### **ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

At no time during the three months ended 31 March 2016 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 31 March 2016 or at any time during the three months ended 31 March 2016.

#### **COMPETING INTEREST**

For the three months ended 31 March 2016, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, the management 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.

## 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 and risk management 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 the responsibility for the initial establishment and the maintenance of a framework of internal controls and risk management and ethical standards for the Group’s management to the Audit Committee. The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. Poon Ka Lee, Barry, Ms. Yam Ka Yue and Mr. How Sze Ming. Mr. Poon Ka Lee, Barry is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited consolidated financial statement of the Group for the three months ended 31 March 2016.

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

Hong Kong, 13 May 2016

*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. Poon Ka Lee, Barry, Ms. Yam Ka Yue and Mr. How Sze Ming.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page from the date of this announcement and the Company’s website at <http://www.world-linkasia.com>.*