

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 REPORT 2016



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.

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This report, 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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 2016 (the "Period"), together with the comparative figures for the corresponding period in 2015 as follows:

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

For the six months ended 30 June 2016

	Notes	Three months ended 31 March		Six months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Audited)
Revenue	3	33,226	28,851	67,694	57,493
Other income		181	5	508	83
Employee benefits expenses		(9,976)	(8,114)	(19,222)	(16,109)
Depreciation of property, plant and equipment		(588)	(489)	(1,166)	(979)
Operating lease rentals in respect of rented premises		(9,355)	(8,559)	(18,783)	(17,039)
Sub-contracting expenses		(5,075)	(5,461)	(11,610)	(10,730)
Operating lease rental in respect of plant, machinery and equipment		(425)	(462)	(810)	(814)
Listing expenses		-	-	-	(3,391)
Interest on bank borrowings		(92)	-	(185)	-
Other expenses		(3,082)	(2,917)	(5,616)	(5,220)
Profit before taxation		4,814	2,854	10,810	3,294
Income tax expense	5	(856)	(368)	(1,906)	(1,104)
Total profit and other comprehensive income for the period		3,958	2,486	8,904	2,190
Earnings per share (HK cents)	7	0.01	0.01	0.02	0.01

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	30 June 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		3,497	3,001
Rental deposits		6,598	5,759
Deferred tax assets		655	736
		10,750	9,496
Current assets			
Trade and other receivables	9	44,402	29,494
Tax recoverable		–	1,600
Bank balances and cash		32,515	54,553
		76,917	85,647
Current liabilities			
Trade and other payables and accrued expenses	10	4,567	7,173
Unsecured bank borrowings		11,000	25,000
Tax payable		226	–
		15,793	32,173
Net current assets		61,124	53,474
Total assets less current liabilities		71,874	62,970
Non-current liability			
Provision for long service payments		679	679
NET ASSETS		71,195	62,291
CAPITAL AND RESERVES			
Share capital	12	4,800	4,800
Reserves		66,395	57,491
TOTAL EQUITY		71,195	62,291

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Attributable to the owners of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2015 (audited)	10	–	–	22,981	22,991
Issue of shares	8	–	–	–	8
Profit and other comprehensive income for the period	–	–	–	2,190	2,190
At 30 June 2015 (audited)	18	–	–	25,171	25,189
At 1 January 2016 (audited)	4,800	49,350	10	8,131	62,291
Profit and other comprehensive income for the period	–	–	–	8,904	8,904
At 30 June 2016 (unaudited)	4,800	49,350	10	17,035	71,195

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(6,358)	12,073
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,663)	(357)
Interest received	3	11
Proceeds on disposal of property, plant and equipment	165	–
NET CASH USED IN INVESTING ACTIVITIES	(1,495)	(346)
FINANCING ACTIVITIES		
Issue of shares	–	8
Repayment to Directors	–	(10,000)
Repayment of bank loans	(14,000)	–
Interest paid	(185)	–
NET CASH USED IN FINANCING ACTIVITIES	(14,185)	(9,992)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(22,038)	1,735
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	54,553	10,240
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash	32,515	11,975

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 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 six months ended 30 June 2015 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 six months ended 30 June 2015.

2. Significant Accounting Policies

The unaudited condensed 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.

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 does not have materials impact on the consolidated accounts and does not result in substantial changes to the Group's accounting policies.

Notes To The Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

3. Revenue

	Three months ended 31 March		Six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Audited)
Transportation services income	7,655	7,359	16,568	14,786
Warehousing services income	15,168	13,010	30,279	27,003
Customisation services income	8,476	6,690	16,776	12,134
Value-added services income	1,927	1,792	4,071	3,570
	33,226	28,851	67,694	57,493

4. Segment Information

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group (the 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 31 March		Six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Audited)
Logistics solutions business	26,196	24,470	53,825	49,363
Customisation services	8,530	6,781	16,869	12,330
Segmental total	34,726	31,251	70,694	61,693
Eliminations	(1,500)	(2,400)	(3,000)	(4,200)
Total	33,226	28,851	67,694	57,493

Notes To The Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

4. Segment Information *(Continued)*

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

Other segment information

	30 June 2016 HK\$'000 (Unaudited)	Addition to non-current assets 31 December 2015 HK\$'000 (Audited)
Logistics solutions business	1,663	1,889
Customisation services	–	45
Segment total	1,663	1,934

Non-current assets excluded deferred tax assets.

5. Income Tax Expense

	Three months ended 31 March		Six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Audited)
Hong Kong Profits Tax				
– current period	869	469	1,825	1,205
Deferred taxation	(13)	(101)	81	(101)
Total income tax expense for the period	856	368	1,906	1,104

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2016 (for the six months ended 30 June 2015: 16.5%).

Notes To The Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

6. Interim Dividend

The Board does not recommend any interim dividend for the six months ended 30 June 2016 (for the six months ended 30 June 2015: Nil).

7. Earnings Per Share

	Three months ended 31 March		Six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Audited)
Earnings				
Earnings for the purpose of earnings per share	3,958	2,486	8,904	2,190

	Three months ended 31 March		Six months ended 30 June	
	2016	2015	2016	2015
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	480,000,000	359,999,990	480,000,000	359,999,990

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.

8. Movements In Property And Equipment

During the six months ended 30 June 2016, the Group acquired approximately HK\$1,663,000 (six months ended 30 June 2015: HK\$357,000) of equipment.

Notes To The Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

9. Trade Receivables

	30 June 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
Trade receivables	41,614	27,469

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 ageing 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 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
0–30 days	11,537	11,853
31–60 days	11,591	10,361
61–90 days	8,834	4,463
Over 90 days	9,652	792
	41,614	27,469

Notes To The Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

10. Trade, Other Payables and Accrued Expenses

	30 June 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
Trade payables	1,795	2,072
Accrued employees benefits	864	3,592
Provision for long service payments	203	203
Other payables and accrued expenses	1,705	1,306
	4,567	7,173

11. Unsecured Bank Borrowings

The amounts represent floating interest rate bank loans with a repayable on demand clause. Monthly repayment is made to the bank with last instalment to be paid in June 2017.

The bank loans carry interests at the Hong Kong Interbank Offered Rate plus a fixed margin. The effective borrowing rate of the Group is 2.45% per annum.

The bank loans were guaranteed by corporate guarantee of the Company.

12. Share Capital

	Number of shares	HK\$'000
Issued and fully paid:		
At 31 December 2015 and 30 June 2016	480,000,000	4,800

Notes To The Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

13. 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 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
Rented premises		
Within one year	37,498	22,623
In the second to fifth year inclusive	65,828	3,979
	103,326	26,602
Rented machinery and equipment		
Within one year	858	481
In the second to fifth year inclusive	431	245
	1,289	726
	104,615	27,328

14. 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 31 March		Six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Audited)
Salaries and other allowances	710	348	1,420	695
Retirement benefit scheme and contributions	56	43	112	86
	766	391	1,532	781

The remuneration of the key management personnel is determined by the Board having regards to the performance of individuals and market trends.

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.

Management Discussion and Analysis

(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 for us to expand our business penetration.

Future Plans

As disclosed in the prospectus, the Company will develop a new business of cold chain delivery services. The Company has entered into a contract of chilled and frozen food delivery services in April 2016 with a large food manufacturing, distribution and retailing company which currently operates a large number of chain stores. The Group delivers the goods to approximately 60 destinations for the customer every day. The Group is planning to install air-conditioners in a designated area in our Group's existing warehouses so as to store wine, eggs, canned food and cosmetic products.

Financial Review

Revenue

The revenue of the Group increased by approximately 17.7% from approximately HK\$57.5 million for the six months ended 30 June 2015 to approximately HK\$67.7 million for the six months ended 30 June 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 12.1% from approximately HK\$27.0 million for the six months ended 30 June 2015 to HK\$30.0 million for the six months ended 30 June 2016.

Revenue generated from customisation increased by approximately 38.3% from approximately HK\$12.1 million for the six months ended 30 June 2015 to HK\$16.8 million for the six months ended 30 June 2016.

Revenue generated from transportation increased by approximately 12.1% from approximately HK\$14.8 million for the six months ended 31 March 2015 to HK\$16.6 million for the six months ended 30 June 2016.

Revenue generated from value added services increased by approximately 14.0% from approximately HK\$3.6 million for the six months ended 30 June 2015 to approximately HK\$4.1 million for the six months ended 30 June 2016.

Management Discussion and Analysis

In 2016, the Group aims at expanding businesses to other key customers. We will further expand our scope of 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\$19.2 million for the six months ended 30 June 2016 (for the six months ended 30 June 2015: HK\$16.1 million). Our Group had a total of 248 and 286 full-time employees as at 30 June 2015 and 30 June 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 six months ended 30 June 2016, other expenses amounted to approximately HK\$5.6 million (for the six months ended 30 June 2015: HK\$5.2 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 2015 and 2016.

Profit and total comprehensive income for the six months ended 30 June 2016

Our Group recorded a net profit after listing expenses and taxation of approximately HK\$8.9 million for the six months ended 30 June 2016, representing an increment of approximately 59.5% compared to the six months ended 30 June 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.

OTHER INFORMATION

Interim Dividend

The Directors do not recommend an interim dividend for the six months ended 30 June 2016.

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 2016, the Group had net current assets of approximately HK\$61.1 million (31 December 2015: approximately HK\$53.5 million) and had cash and cash equivalents of approximately HK\$32.5 million as at 30 June 2016 (31 December 2015: approximately HK\$54.6 million). The current liabilities of the Group included bank borrowings of HK\$11.0 million which included a repayment on demand clause. The Directors are satisfied 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 2016, 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 approximately 12.5% (31 December 2015: 26.3%). The decrease of gearing ratio was attributable to the repayment of borrowings of HK\$4,000,000 obtained during the six months ended 30 June 2016.

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

Other Information

Subsequent Events

On 8 July 2016, Mr. Yeung Kwong Fat (“Mr. Yeung”), the Chairman, the Chief Executive Officer and an Executive Director of the Company, purchased 4,320,000 shares of the Company (the “Shares”), representing 0.9% of the total issued Shares, from Best Matrix Global Limited (“Best Matrix”), a company which is wholly owned by Mr. Lee Kam Hung (“Mr. Lee”), an Executive Director of the Company (the “Transaction”).

Immediately prior to the completion of the Transaction, (i) Mr. Yeung, through his wholly-owned company Orange Blossom International Limited (“Orange Blossom”), was interested in 135,360,000 Shares, representing approximately 28.20% of the total issued Shares as at 8 July 2016; and (ii) Best Matrix was interested in 144,064,000 Shares, representing approximately 30.01% of the total issued Shares as at 8 July 2016.

Immediately after the completion of the Transaction, (i) Mr. Yeung, through Orange Blossom and in his own personal capacity, was interested in an aggregate of 139,680,000 Shares, representing approximately 29.10% of the total issued Shares as at 8 July 2016; and (ii) Best Matrix was interested in 139,744,000 Shares, representing approximately 29.11% of the total issued Shares as at 8 July 2016.

By virtue of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), (i) Mr. Yeung and Mr. Lee are interested in or deemed to be interested in the Shares held by Orange Blossom and Best Matrix respectively; and (ii) Mr. Yeung, Best Matrix and parties acting in concert with any of them are deemed to be interested in an aggregate of 349,264,000 Shares, representing approximately 72.76% of the total issued Shares as at 8 July 2016.

Capital Structure

The Company’s shares were successfully listed on the GEM on 29 December 2015. There has been no change in the Company’s capital structure since 29 December 2015. The capital structure of the Group consists of bank borrowings and 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 adjust its overall capital structure through the payment of dividends, issuance of new shares as well as the repayment of borrowings.

Other Information

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 six months ended 30 June 2016, the Group had no material acquisitions and disposals of subsidiaries.

Employees and Remuneration Policies

As at 30 June 2016, the Group employed 286 (30 June 2015: 248) 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 Placing 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 Group intends to apply such net proceeds as follows:

	Planned use of proceeds stated in the Prospectus HK\$'million	Actual use of proceeds during the Period from January to June 2016 HK\$'million
Expanding the scope of services	7.0	0.6
Strengthening information technology and systems	0.3	0.2
Enhancing sales and marketing effort	0.5	0.2
Attracting and retaining talented and experienced personnel	1.0	0.7
Repaying the bank loans	10.0	10.0
General working capital	2.0	1.0
	20.8	12.7

Other Information

The business objectives as stated in 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 2016, approximately HK\$12.7 million out of the net proceeds from the Listing had been used. 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 plans 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 2016, the Group has total bank borrowings of HK\$11.0 million which were guaranteed by the Company. The Group has no material contingent liabilities as at 30 June 2016.

Purchase, Sale or Redemption of the Shares of the Company

During the six months ended 30 June 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 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 2016.

Directors' and Chief Executives' Interests in Shares

As at 30 June 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:

Other Information

Interests in the Company

Name of Director	Capacity	Number of shares held			Percentage of
		Personal interests	Other interests	Total interests	Company's issued share capital
Mr. Yeung Kwong Fat (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 (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 (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; and (ii) 213,904,000 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.
- 349,264,000 Shares in which Mr. Lee is interested consist of (i) 144,064,000 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.
- 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.

Other Information

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 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.

Other Information

Substantial Shareholders' Interests in Shares

As at 30 June 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	349,264,000	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:

1. 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.
2. 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.
3. 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.
4. 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.

Other Information

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 2016.

Arrangements to Purchase Shares or Debentures

At no time during the six months ended 30 June 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 30 June 2016 or at any time during the six months ended 30 June 2016.

Competing Interest

For the six months ended 30 June 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.

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 2016 are set out in the 2015 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, our 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.

Other Information

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 condensed consolidated financial statements of the Group for the six months ended 30 June 2016.

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

Hong Kong, 11 August 2016

As at the date of this report, 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.