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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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.*

ANNUAL RESULTS

The board of Directors (the "**Board**") is pleased to announce that the audited financial results of the Group for the year ended 31 December 2016, together with the comparative figures for the year ended 31 December 2015. The financial information is approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	NOTES	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*3*	**149,724**	125,161
Other income		**942**	428
Employee benefits expenses		**(40,861)**	(35,896)
Depreciation of property, plant and equipment		**(1,940)**	(2,138)
Operating lease rentals in respect of rented premises		**(37,711)**	(36,052)
Sub-contracting expenses		**(26,164)**	(21,911)
Operating lease rental in respect of plant, machinery and equipment		**(1,704)**	(1,753)
Interest on bank borrowings		**(279)**	(15)
Listing expenses		**–**	(12,665)
Other expenses		**(13,255)**	(12,453)
Profit before taxation		**28,752**	2,706
Income tax expense	*5*	**(5,241)**	(2,556)
Total profit and other comprehensive income for the year		**23,511**	150
Basic earnings per share *(HK cents)*	*6*	**4.90**	0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	NOTES	2016 HK$'000	2015 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**3,389**	3,001
Rental deposits		**6,606**	5,759
Deferred tax assets		**769**	736
		10,764	9,496
Current assets			
Trade and other receivables	*7*	**46,610**	29,494
Tax recoverable		**–**	1,600
Short-term bank deposit with original maturity over three months		**20,000**	–
Bank balances and cash		**19,059**	54,553
		85,669	85,647
Current liabilities			
Trade and other payables and accrued expenses	*8*	**7,474**	7,173
Unsecured bank borrowings		**–**	25,000
Tax payable		**2,188**	–
		9,662	32,173
Net current assets		**76,007**	53,474
Total assets less current liabilities		**86,771**	62,970
Non-current liabilities			
Provisions		**969**	679
NET ASSETS		**85,802**	62,291
CAPITAL AND RESERVES			
Share capital	*9*	**4,800**	4,800
Reserves		**81,002**	57,491
TOTAL EQUITY		**85,802**	62,291

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Attributable to owners of the Company				
	Share capital	**Share premium**	**Merger reserve**	**Retained profits**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2015	10	–	–	22,981	22,991
Total profit and other comprehensive income for the year	–	–	–	150	150
Effect of group reorganisation	(10)	–	10	–	–
Special dividend for the year ended 31 December 2015	–	–	–	(15,000)	(15,000)
Capitalisation issue	3,600	(3,600)	–	–	–
Issue of shares	1,200	58,800	–	–	60,000
Cost of issuing new shares	–	(5,850)	–	–	(5,850)
At 31 December 2015	4,800	49,350	10	8,131	62,291
Total profit and other comprehensive income for the year	–	–	–	23,511	23,511
At 31 December 2016	4,800	49,350	10	31,642	85,802

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. GENERAL 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.

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") during the current year.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related amendments[1]
HKFRS 16	Leases[4]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 7	Disclosure Initiative[2]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[2]

[1] Effective for annual periods beginning on or after 1 January 2018.

[2] Effective for annual periods beginning on or after 1 January 2017.

[3] Effective for annual periods beginning on or after a date to be determined.

[4] Effective for annual periods beginning on or after 1 January 2019.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede the current lease guidance including HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2016, the Group as lessee has non-cancellable operating lease commitments of HK$84,781,000. HKAS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements and the Directors are currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the Directors complete the review.

The Directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements of the Company.

3. REVENUE

	2016	2015
	HK$'000	*HK$'000*
Transportation services income	**36,332**	31,107
Warehousing services income	**67,273**	56,959
Customisation services income	**37,355**	29,637
Value-added services income	**8,764**	7,458
	149,724	125,161

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.

For the year ended 31 December 2016

	Logistics solutions business *HK$'000*	**Customisation services** *HK$'000*	**Segment total** *HK$'000*	**Eliminations** *HK$'000*	**Total** *HK$'000*
Revenue					
External sales	**118,090**	**37,634**	**155,724**	**(6,000)**	**149,724**
Results					
Segment results	**18,605**	**12,034**			**30,639**
Unallocated corporate income					**46**
Unallocated corporate expenses					**(1,933)**
Profit before taxation					**28,752**

For the year ended 31 December 2015

	Logistics solutions business *HK$'000*	Customisation services *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
Revenue					
External sales	102,385	29,976	132,361	(7,200)	125,161
Results					
Segment results	8,291	7,118			15,409
Listing expenses					(12,665)
Unallocated corporate expenses					(38)
Profit before taxation					2,706

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 expenses and certain corporate income and expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Other segment information

For the year ended 31 December 2016

	Logistics solutions business *HK$'000*	Customisation services *HK$'000*	Segment total *HK$'000*
Gain on disposal of property, plant and equipment	**165**	**–**	**165**
Additions to non-current assets	**3,120**	**55**	**3,175**
Depreciation of property, plant and equipment included in the measure of segment results	**1,763**	**177**	**1,940**

For the year ended 31 December 2015

	Logistics solutions business *HK$'000*	Customisation services *HK$'000*	Segment total *HK$'000*
Loss on disposal of property, plant and equipment	5	11	16
Additions to non-current assets	1,889	45	1,934
Depreciation of property, plant and equipment included in the measure of segment results	1,671	467	2,138

Information about major customers

Revenue from customers of corresponding years contributing over 10% of the Group's revenue are as follows:

	2016 *HK$'000*	2015 *HK$'000*
Customer A	**67,946**	78,187
Customer B	**21,915**	–
Customer C	**15,401**	N/A+

\+ The corresponding amount is less than 10% of the Group's total revenue for the year ended 31 December 2015.

5. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
The charge (credit) comprises:		
Hong Kong Profits Tax		
– current year	**5,081**	2,642
– prior year	**193**	–
Deferred taxation	**(33)**	(86)
	5,241	2,556

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

6. EARNINGS PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Earnings:		
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	**23,511**	150

	2016	2015
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**480,000,000**	360,986,296

The number of ordinary shares for the purpose of basic earnings per share for 2015 has taken into account the shares issued pursuant to the group reorganisation during listing process and the Capitalisation Issue (as defined in note 9).

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

7. TRADE AND OTHER RECEIVABLES

The following is an aging analysis of trade receivables presented based on the invoice dates at the end of the reporting period.

	2016	2015
	HK$'000	*HK$'000*
0-30 days	**14,123**	11,853
31-60 days	**13,741**	10,361
61-90 days	**11,394**	4,463
Over 90 days	**5,517**	792
	44,775	27,469

8. TRADE AND OTHER PAYABLES

The amount included approximately HK$3,069,000 (2015: HK$2,072,000) trade payables that aged within 30 days.

9. SHARE CAPITAL

	Number of shares	*HK$*
Issued and fully paid:		
At 27 July 2015 (date of incorporation)	10	–
Issue of shares upon group reorganisation	990	10
Capitalisation issue *(note a)*	359,999,000	3,599,990
Issue of new shares upon listing *(note b)*	120,000,000	1,200,000
At 31 December 2015 and 31 December 2016	480,000,000	4,800,000

	HK$'000
Shown in the consolidated statement of financial position	4,800

Notes:

(a) On 16 December 2015, the Company has approved the issuance of 359,999,000 shares standing to the credit of the share premium of the Company conditional on the share premium account of the Company being credited as a result of the placement of the shares of the Company ("**Capitalisation Issue**"). The Capitalisation Issue was completed on 29 December 2015.

(b) On 29 December 2015, the shares of the Company were listed on the Stock Exchange. 120,000,000 ordinary shares at a placing price of HK$0.5 each have been issued to investors through placement with net proceeds of approximately HK$54,150,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

Overall, the performance of 2016 has been heartening. We witnessed a trend of positive growth across all quarters in 2016 in terms of revenue and profit. Revenue increased by 11% on average per quarter from the previous quarter, whereas profit increased by more than 30% on average per quarter from the previous quarter. The Group also experienced a 12% organic growth, denoting a healthy increase of existing customers.

New customers are an important driver for the Group to grow. Our Group did particularly well in this aspect in 2016. Our revenue from new business has increased by 24% because our Group started doing business with two listed giant customers. In 2015, we commenced business relationship with a listed multinational food distributor, whereas, in 2016, we started to offer cold chain solutions for a Hong Kong listed large food manufacturing, distribution and retailing company.

The Group's accomplishments are attributable to our customer-oriented culture. Our winning strategy is to build a strategic partnership with our customers by creating extra value in the entire supply chain. Our team members are willing to go the extra mile to fulfil our customers' individual needs. With our strong team, we are able to win the heart of our customers. Providing high standard of services to our customers means that we are simultaneously winning the heart of our end users as well.

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

Our employees are the most valuable assets to the Group and our employees are a solid foundation to the Group. Despite the pressure of increased labour cost in 2016, 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 are proud of the loyalty of our staff. The staff retention rate in our warehouse operation team who have worked more than five years is up to 45%.

The Group's core focus lies in our customers and our service quality. We always take one step ahead to understand the needs of our customers. 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's conventions to offer services on statutory holiday.

We also bring value to the total supply chain. Not only do we drive costs down, but also improve operation and tackle their daily operation issues, which in turn create value. Being highly flexible and responsive around is our edge to survive and thrive.

Our Group also closely monitor the operating cost in order to increase our profitability. We carefully manage our operational process to make our supply chain truly flexible and efficient. We treasure our existing customers and maintain a long-standing relationship with our customers. It is, therefore, our aspiration is to make our business sustainable.

To keep our cost even lower, we will continue to invest in an IT system to simplify our operational model. We also employ process reengineering to improve productivity substantially.

2016 has been a productive year for the Group. With the great teamwork of all our staff, we added value to the services for our new and existing customers. We responsed quickly to fulfil the customers' requirements. In 2017, we will shift our focus to fast moving consumer goods ("**FMCG**") and explore its great potential in the local market. Building upon the achievements in the past year, the Group will continue to improve our service quality so as to expand the Group's business and customer base.

Financial Review

Stringent customer demands amid economic downturn have in fact made us stronger. The Group's core business segments such as FMCG, food and beverage and retailing, among other segments have performed well, in spite of the external challenges. In 2016, the revenue of the retailing sector recorded an increase of 15% compared to that of last year. The increment is mainly due to new customers. We attained a 20% increase in revenue in the FMCG sector and a 37% increase in revenue in the F&B sector, both of which are resulted from organic growth and new customers.

Other income

Other income comprised of bank interest income and other miscellaneous income. Other income was HK$428,000 and HK$942,000 for the year ended 31 December 2015 and the year ended 31 December 2016 respectively. The significant increment was due to the increase in the gate-in registration fee charged to drivers since May 2015 and the gain on disposal of property, plant and equipment.

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$40.9 million for the year ended 31 December 2016 (2015: HK$35.9 million). Our Group had a total of 266 and 292 full-time employees as at 31 December 2015 and 31 December 2016 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 expenses. For the years ended 31 December 2015 and 2016, other expenses amounted to approximately HK$12.5 million and HK$13.3 million, respectively.

Taxation

The taxation represented the provision of Hong Kong profits tax calculated at 16.5% of the estimated assessable profits during the year ended 31 December 2016.

Profit and total comprehensive income for the year ended 31 December 2016

Our group recorded a net profit after taxation of approximately HK$23.5 million for the year ended 31 December 2016, representing a substantial increase by approximately 83.5% compared to the net profit after listing expenses and taxation of approximately HK$12.8 million for the year ended 31 December 2015. The substantial increase of the net profit, is mainly due to (i) an increase in revenue; (ii) a stringent control in operating expenses through streamlining and reengineering the operation flow of the Group; and (iii) improving the space utilization in the warehouses.

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 31 December 2016, the Group had net current assets of approximately HK$76.0 million (2015: approximately HK$53.4 million), cash and cash equivalents of approximately HK$19.1 million as at 31 December 2016 (2015: approximately HK$54.6 million) and short-term bank deposit with original maturity over three months of HK$20.0 million (2015: Nil). The Directors confirm that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

GEARING RATIO

As at 31 December 2016, the gearing ratio (calculated on the basis of total bank borrowings divided by total assets at the end of the year) of the Group was nil (2015: 0.26). The decrease of gearing ratio was attributable to the repayment of borrowings of HK$25.0 million during the year ended 31 December 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 31 December 2016, the Group did not have material capital commitments (2015: Nil).

OTHER INFORMATION

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in this annual results announcement have been agreed by Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this annual results announcement.

DIVIDEND

The Directors do not recommend a dividend for the year ended 31 December 2016 (2015: HK$15,000,000).

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 balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt and redemption of existing debt.

CHARGE ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2016, the Group has no bank borrowings (2015: HK$25.0 million). The Group has banking facility of HK$15.0 million which were guaranteed by the Company (2015: HK$25.0 million). The Group has no material contingent liabilities as at 31 December 2016.

MATERIAL ACQUISITIONS AND DISPOSAL

During the year ended 31 December 2016, the Group had no material acquisitions and disposals of subsidiaries.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, the Group employed 292 (31 December 2015: 266) 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 actual use of proceeds since listing are as follows:

	Planned use of proceeds stated in the Prospectus since listing to 31 December 2017	**Actual use of proceeds since listing**
	HK$'million	*HK$'million*
Expanding the scope of services	19.0	1.9
Strengthening information technology and systems	2.1	0.3
Enhancing sales and marketing effort	3.2	0.3
Attracting and retaining talented and experienced personnel	2.1	1.0
Repaying the bank loans	12.0	12.0
General working capital	3.1	2.0
	41.5	17.5

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 31 December 2016, approximately HK$17.5 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.

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

At no time during the year, did 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 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 year ended 31 December 2016.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 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

		Number of shares held			Percentage of Company's
Name of Director	**Capacity**	**Personal interests**	**Other interests**	**Total interests**	**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:

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. 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 31 December 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 December 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.

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 December 2016.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 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 December 2016 or at any time during the year ended 31 December 2016.

COMPETING INTEREST

For the year ended 31 December 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 PRACTICES

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interest of the shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 of the GEM Listing Rules to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner. In accordance with the requirements of the GEM Listing Rules, the Company has established an Audit Committee, a Nomination Committee and a Remuneration Committee with specific written terms of reference. During the year ended 31 December 2016 and up to the date of this announcement, the Company has complied with the CG Code as set out in Appendix 15 of the GEM Listing Rules.

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 year ended 31 December 2016 are set out in the 2016 annual report.

CG Code provision A.2.1 stipulates that the role of chairman and chief executive should be separate 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 3 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 the responsibility for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group's management to the Audit Committee. 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 audited annual results of the Group for the year ended 31 December 2016.

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

Hong Kong, 24 February 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.