World-link
LOGISTICS

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 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 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.

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Mr. Yeung Kwong Fat *(Chairman and CEO)*
Mr. Lee Kam Hung
Mr. Luk Yau Chi, Desmond

Independent Non-executive Directors

Mr. Poon Ka Lee, Barry (resigned on 31 December 2016)
Mr. How Sze Ming
Ms. Yam Ka Yue (resigned on 31 December 2016)
Mr. Mak Tung Sang (appointed on 1 January 2017)
Mr. Jung Chi Pan Peter (appointed on 1 January 2017)

Company Secretary

Ms. Leung Ho Yee, CPA, ACIS ACS

Compliance Officer

Mr. Luk Yau Chi, Desmond

Board Committees

Audit Committee

Mr. Poon Ka Lee, Barry *(Chairman)* (resigned on 31 December 2016)
Mr. How Sze Ming (re-designated as chairman on 13 January 2017)
Ms. Yam Ka Yue (resigned on 31 December 2016)
Mr. Mak Tung Sang (appointed as chairman on 1 January 2017 and re-designated as member on 13 January 2017)
Mr. Jung Chi Pan Peter (appointed on 1 January 2017)

Nomination Committee

Mr. Yeung Kwong Fat *(Chairman)*
Mr. Poon Ka Lee, Barry (resigned on 31 December 2016)
Ms. Yam Ka Yue (resigned on 31 December 2016)
Mr. Mak Tung Sang (appointed on 1 January 2017)
Mr. Jung Chi Pan Peter (appointed on 1 January 2017)

Remuneration Committee

Mr. How Sze Ming *(Chairman)* (ceased to be chairman on 13 January 2017)
Ms. Yam Ka Yue (resigned on 31 December 2016)
Mr. Luk Yau Chi, Desmond
Mr. Mak Tung Sang (appointed as chairman on 13 January 2017)
Mr. Jung Chi Pan Peter (appointed on 1 January 2017)

Authorised Representatives

Mr. Yeung Kwong Fat
Ms. Leung Ho Yee

Company's Website

http://www.world-linkasia.com

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
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88 Queensway
Hong Kong

Registered Office

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Cayman Islands

Compliance Adviser

Octal Capital Limited
801-805, 8th Floor
Nan Fung Tower
88 Connaught Road Central
Hong Kong

Legal Adviser

TC & Co.
Units 2201-2203, 22/F.,
Tai Tung Building,
8 Fleming Road,
Wanchai,
Hong Kong

Headquarters and Principal Place of Business In Hong Kong

3/F, Allied Cargo Centre
150-164 Texaco Road
Tsuen Wan
Hong Kong

CHAIRMAN'S STATEMENT

Mr. Yeung Kwong Fat
(Chairman and Chief Executive Officer)

Dear Shareholders,

With great pleasure, I hereby present the annual report for the year ended 31 December 2016 on behalf of the Board of Directors (the "Board").

In 2016, considerable economic challenges persisted in Hong Kong. As the number of tourists continued to decrease, the pressure on the local retail sector intensified. The economy downturn has few signs of recovery. Retail sales in Hong Kong is still undergoing negative growth.

The unemployment rate of Hong Kong remained relatively low at 3.4%. Yet, with the decline in retail sales and the rise in wages amongst other undesirable factors, the city's GDP shrank in the past year. The increase in the statutory minimum wage rate, which has been effective for over a year, imposes an on-going strain on the Company's costing.

Despite the unfavourable economic environment, our Group's performance was remarkably well in 2016. Our revenue, gross profit margin and net profit margin in 2016 surpassed those of 2015. The Company experienced a 12% organic growth, denoting a healthy increase of existing customers. Not only has our customer base expanded, the growth of new customers achieved an exceptionally high rate of 24%. Our new customers are listed and multinational key players in the industry.

Chairman's Statement

Business Review

Owing to the solid foundation we have built over the years, we were able to achieve prominent success in 2016. 2015 was a challenging year to the Company. We faced a 7.2% revenue drop in 2015, compared to that of 2014. The largest segment, namely the fast moving consumer goods ("FMCG"), generated 20.9% less revenue than that in 2014. Having overcome the difficulties in 2015, our team has grown stronger, gaining fortitude to advance in 2016.

Quality is our Group's unwavering objective, as evident in our various efforts and achievements throughout 2016. The sound basis we created in 2015, such as being granted quality certification ISO9001:2008, contributed to the progress ahead. In 2016, we maintained our status as a distribution centre which was granted by a global healthcare company. In addition to our status as an audited repacking centre, we were accredited as a total supply chain logistics service provider, encompassing storage and delivery, in 2016.

The Food & beverage ("F&B") segment became our new focus in 2015. In 2015 alone, the revenue of our new business in F&B increased by 185.5%. Overall, our endeavours brought about the promising growth in 2016 – noticeable in our revenue increase, growth of existing customers and new business, not to mention the expansion to the cold chain segment.

2017 Outlook

Notwithstanding previous and current challenges, we still believe, with our team and core competence, we would excel in the future. In fact, the encouraging results in 2016 have given us great confidence in bringing more business breakthroughs in the coming year.

The cold chain segment is our new business in 2016. As promised, we have strategically seized opportunities in the industry – in this case, cold chain business – to expand our service scope for existing customers. Given the expertise required, it is expected that managing cold chain business will take the Company's business to new heights in the near future.

The Company is equipped with professional temperature-controlled refrigerator vehicles, specialised for the transport of frozen meat and red wine. As a trusted partner of a large food manufacturing, distribution and retailing company, which currently operates a large number of chain stores, our cold chain business is ready to thrive with our consistently high quality services.

Our expanded service scope goes hand in hand with our marketing strategies and IT system. In the past year, we revamped our Company's website, and published new brochures and advertisements in magazines and company vehicles. Our Enterprise Resource Planning ("ERP") system has been set up and constantly improved to keep up with the ever-changing logistics industry. Looking forward to have an enhancement in higher public exposure and larger market share.

In 2017, we will shift our focus to FMCG, a segment that demonstrated encouraging performance last year. In 2016, the spending on consumer goods by the Hong Kong market showed a noticeable increase. We shift our focus to FMCG according to the change on consumer behaviour. The Company is well-prepared to outperform in 2017.

I would like to take this opportunity to express the management team's gratitude to all staff in the company for their professionalism and perseverance. We would also like to thank our customers' support and their trust in our services.

Yeung Kwong Fat
Chairman and Chief Executive Officer

Hong Kong, 24 February 2017

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 listed 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.

	2016 HK$'000	2015 HK$'000	Variance	Variance %
FMCG	**101,350**	84,790	16,560	20%
F&B	**24,692**	18,080	6,612	37%
Retailing	**18,143**	15,815	2,328	15%
EHBA	**3,297**	4,297	(1,000)	(23%)
Others	**2,242**	2,179	63	3%
Total	**149,724**	125,161		

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).

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 the Listing are as follows:

	Planned use of proceeds stated in the Prospectus since the Listing to 31 December 2017 HK$'million	Actual use of proceeds since the Listing HK$'million
Expanding the scope of services	19.0	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.

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Yeung Kwong Fat (楊廣發), aged 64, was appointed as the Chairman of the Board, an Executive Director and the Chief Executive Officer of our Group on 4 September 2015. Mr. Yeung is also the chairman of the Nomination Committee. He is one of the founders of our Group and has been a director of World-Link Roadway System Company Limited since January 1994 and a director of World-Link Packing House Company Limited since July 2009. Mr. Yeung completed his secondary education in Hong Kong in July 1970. Since the establishment of the business of our Group, Mr. Yeung has accumulated over 25 years of experience in the logistics industry from managing the warehouse of our Group, negotiating business deals with clients and pitching the business of our Group to prospective customers. On top of the aforesaid, Mr. Yeung is currently also responsible for the overall corporate strategic planning, business development and major decision-making of our Group.

Mr. Lee Kam Hung (李鑑雄), aged 63, was appointed as an Executive Director of our Group on 4 September 2015. He is one of the founders of our Group and has been a director of World-Link Roadway System Company Limited since October 1990 and a director of World-Link Packing House Company Limited since March 1996. Mr. Lee completed his secondary education in Hong Kong in August 1971. Since the establishment of the business of our Group, Mr. Lee has accumulated over 25 years of experience in the logistics industry from managing the vehicle fleet and the transportation service of our Group. Since 2000, Mr. Lee has been the operation director of our Group, who is currently, on top of aforesaid, responsible for monitoring the business operations of our Group.

Mr. Luk Yau Chi Desmond (陸有志), aged 52, was appointed as an Executive Director on 4 September 2015. Mr. Luk is also one of the members of the Remuneration Committee. Mr. Luk has been a director of World-Link Roadway System Company Limited and World-Link Packing House Company Limited since July 2009. Since 2009, Mr. Luk has been the commercial director of our Group, who is responsible for overseeing the overall business development of our Group and the support service division of our Group.

Mr. Luk obtained a Bachelor's Degree of Science in Business Studies from the University of Wales in the United Kingdom in July 1989, a Master's Degree in Business Administration from the University of Surrey in the United Kingdom in November 2001 and a Continuing Education Diploma in Professional Management for China Business from the City University of Hong Kong in May 2003.

Mr. Luk has over 15 years of experience in the food and beverage, catering and logistics industries. From September 1997 to May 2004, Mr. Luk worked as a sales manager at Unilever Bestfoods Hong Kong Limited (formerly known as CPC/AJI (Hong Kong) Limited), which is a supplier of food products, and he was responsible for developing sales strategies and was in charge of (i) the sales team in Hong Kong and Macau; and (ii) the export division of the company. From June 2004 to February 2007, Mr. Luk worked as a senior manager and subsequently the associate director in HAVI Food Services (Hong Kong) Limited (currently known as HAVI Logistics Services (Hong Kong) Limited), a company principally engaged in providing total supply chain solutions to customers (e.g. transporting food and non-food logistics good, providing storage and handling services, offering supply chain quality management and demand and supply planning services), where he was responsible for handling customer relationship and business development of the company and setting up operations process flows for new customers. From December 2013 to November 2014, Mr. Luk was the managing director of a company principally engaged in pest control and provision of hygiene services to businesses where he was responsible for the overall business of the company.

Independent Non-executive Directors

Mr. How Sze Ming (侯思明), aged 40, was appointed as an Independent Non-executive Director on 16 December 2015. He is the chairman of the Audit Committee.

Mr. How graduated from The Chinese University of Hong Kong with a Bachelor of Business Administration Degree (first class honour, majoring in professional accountancy) in December 1999. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants.

Mr. How has over 15 years of experience in investment banking and business assurance industries. From September 1999 to July 2002, Mr. How worked as a senior associate in the Assurance and Business Advisory Department of PricewaterhouseCoopers and was primarily responsible for performing assurance and business advisory work. From July 2002 to June 2003, he worked as the corporate finance executive of Tai Fook Securities Company Limited (now known as Haitong International Securities Company Limited), a company which was principally engaged in securities broking, securities dealing and leveraged foreign exchange trading, where he was responsible for corporate finance advisory. From July 2003 to December 2004, Mr. How worked as the assistant manager at Tai Fook Capital Limited (now known as Haitong International Capital Limited), a company principally engaged in corporate finance advisory, where he was responsible for corporate finance advisory. From December 2004 to May 2006, he worked as the assistant vice president of CCB International Capital Limited, a company principally engaged in securities advisory, securities dealing and corporate finance advisory, where he was responsible for corporate finance advisory. From June 2006 to March 2009, Mr. How worked as the assistant vice president in the Investment Banking Division of ICEA Capital Limited, a company principally engaged in dealing in securities and corporate finance advisory, where he was responsible for corporate finance advisory. From April 2009 to February 2010, he worked as the assistant vice president in the Investment Banking Division of ICBC International Holding Limited, a company principally engaged in investment banking, where he was responsible for corporate finance advisory. From February 2010 to June 2015, Mr. How was the managing director of the Investment Banking Department of CMB International Capital Corporation Limited, a company principally engaged in investment banking, securities brokerage and asset management, where he was responsible for corporate finance advisory. From July 2015 to January 2016, Mr. How was the managing director of Zhaobangji International Capital Limited, a company principally engaged in investment banking and advisory, where he is responsible for corporate finance advisory. Mr. How is currently the managing director/co-head of investment banking of Southwest Securities (HK) Capital Limited, a company principally engaged in investment banking and advisory, where he is responsible for corporate finance advisory.

Mr. How has served as the independent non-executive director of (i) QPL International Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 243), from September 2013 to September 2016; (ii) Odella Leather Holdings Limited, a company listed on GEM (Stock Code: 8093), since January 2015 and; (iii) Forgame Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 484) since January 2016.

Please refer to the paragraph headed "Further information about Directors, management and staff" in Appendix IV to the prospectus for information regarding particulars of our Directors' service agreements and emoluments and information regarding their respective interests (if any) in the Shares of our Company within the meaning of Part XV of the SFO.

Save as disclosed above, each of our Directors confirms that (i) each of them has not held any directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) each of them does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of our Company; (iii) each of them does not have any interests in the Shares within the meaning of Part XV of the SFO; (iv) there are no other matters concerning all our Directors' appointment that need to be brought to the attention of our Shareholders and the Stock Exchange; and (v) there are no other matters which shall be disclosed pursuant to Rule 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

Mr. Jung Chi Pan Peter (鍾智斌), aged 49, was appointed as an Independent Non-executive Director on 1 January 2017. He is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr. Jung obtained a Master of Business Administration degree (Executive MBA programme) from the Chinese University of Hong Kong in November 2015. In October 2016, he was elected a professional member of the Royal Institution of Chartered Surveyor.

Mr. Jung joined the Pico Group in 1988 and had substantial experience in the exhibition industry in Hong Kong, Asia and Europe. He was the General Manager (Event Promotion) from 1994 to 2002 and was responsible for projects for a group of clienteles which includes worldwide renowned brands. During the period from 2003 to 2005, he was appointed the General Manager of Bizart Asia Limited, (a subsidiary of Pico Group). He is the Co-founder and the Chief Executive Officer of Milton Exhibits Group Limited, which specialises in event management, exhibition service, digital solution and general contracting work with 10 offices in Asia since 2006.

Mr. Mak Tung Sang (麥東生), aged 56, was appointed as an Independent Non-executive Director on 1 January 2017. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee.

Mr. Mak is a solicitor and a partner of Messrs. Simon C. W. Yung & Co., Solicitors since 2004. He obtained a Bachelor of Laws degree from the University of Wolverhampton in 1998. In 2000, he obtained a Post-graduate Certificate in Laws from the University of Hong Kong.

Senior Management

Ms. Leung Ho Yee (梁可怡), aged 31, is the financial controller and the Company Secretary of our Company. Ms. Leung joined our Group in August 2015. She is mainly responsible for financial reporting, financial planning, treasury, financial control and company secretarial matters. Ms. Leung obtained a Bachelor's Degree of Arts in Accountancy with honours and a Master Degree of Corporate Governance from the Hong Kong Polytechnic University in 2007 and 2015 respectively. Ms. Leung has been a member of the Hong Kong Institute of Certified Public Accountants since 2011 and an associate member of the Hong Kong Institute of Chartered Secretaries since 2015. Ms. Leung has not held any directorship in any public listed company in the past three years.

Prior to joining our Group, Ms. Leung joined Deloitte Touche Tohmatsu ("Deloitte") as an associate in the audit department in September 2007 and was promoted to the position of senior auditor in the same department before she left the firm in March 2011. Ms. Leung has extensive experience in providing services to listed companies whose shares are listed on the Main Board of the Stock Exchange and multinational corporations, including financial management, risk management, internal control and services in relation to initial public offerings and major acquisitions. She worked at Bossini Enterprises Limited, a subsidiary of Bossini International Holdings Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 592)) after she left Deloitte.

Mr. Chan Fu Yuen (陳富元), aged 37, is the commercial director of our Group since January 2016, now leading a team which process daily deliveries and is responsible in ensuring customer satisfaction and quality service. He was the operations manager of our Group since July 2014. He joined our Group in November 2012 and has had over 10 years of experience in logistics and supply chains prior to joining our Group. Mr. Chan received a Bachelor's Degree of Science in Shipping Technology and Management and a Master's Degree in Industrial Logistics System, both from the Hong Kong Polytechnic University in 2001 and 2006 respectively.

Prior to joining our Group, Mr. Chan worked as the assistant supervisor at River Trade Terminal Co. Ltd. from August 2001 to February 2003. From May 2003 to March 2008, Mr. Chan worked as an assistant manager at T.S. Lines Limited. From July 2008 to January 2009, he worked as a supply chain analyst at Woolworths Group Asia Limited. From March 2009 to November 2012, he worked as a supply chain manager at Transnational Logistics Solutions (HK) Limited.

Mr. Wong Yiu Kwong (黃耀光), aged 62, is the customisation manager of our Group. Mr. Wong joined our Group in October 2011, and is mainly responsible for managing the overall operation of the customisation department of our Group.

Prior to joining our Group, Mr. Wong worked as a unit manager in the consumer sales and channel department at Pacific Century Cyber Works Limited (currently known as PCCW Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 8)) from October 1973 to 5 December 2001. From August 2004 to October 2011, he worked as the team leader in the teleservices unit of HKT Services Limited, a subsidiary of HKT Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 6823)).

Ms. Ng Fung Sze Frances (吳鳳斯), aged 47, is the commercial manager of our Group. She joined our Group in September 1991, and was appointed as our commercial manager in July 2011. She leads the operations team in daily distributions and prepares analytical reports of operations for our Group. Ms. Ng obtained a Bachelor's Degree of Business in Transport Management at the Royal Melbourne Institute of Technology in August 2002.

Save as disclosed above, during the three years preceding the date of this report, none of our senior management held any directorships in any public companies whose securities are listed on any securities market in Hong Kong or overseas. None of our senior management has any relationship with other Directors, senior management and Controlling Shareholders of our Company.

Company Secretary

Ms. Leung Ho Yee is the Company Secretary of our Company. Details of her qualifications and experience are set out in the paragraph headed "Senior management" in this section above.

CORPORATE GOVERNANCE REPORT

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 period from the date of Listing and up to the date of this annual report, the Company has complied with all the code provision (except for the deviation from code provision A.2.1) 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 officer should be separate and should not be performed by the same individual. Mr. Yeung Kwong Fat ("Mr. Yeung") 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.

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.

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.

A deed of non-competition (the "Deed of Non-competition") dated 16 December 2015 was executed in favour of the Company (for itself and as trustee for each of its subsidiaries) by Mr. Yeung, Mr. Lee Kam Hung ("Mr. Lee"), Mr. Luk Yau Chi, Desmond ("Mr. Luk"), Orange Blossom International Limited, Best Matrix Global Limited and Leader Speed Limited (collectively the "Controlling Shareholders") regarding certain non-competition undertakings. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed "Relationship with our Controlling Shareholders".

During the reporting period, the Independent Non-executive Directors have reviewed on behalf of the Company the compliance with the Deed of Non-competition and are satisfied that the Controlling Shareholders and their associates have complied with the provisions of the Deed of Non-Competition.

The Board of Directors

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Yeung Kwong Fat *(Chairman and CEO)*
Mr. Lee Kam Hung
Mr. Luk Yau Chi Desmond

Independent Non-executive Directors

Mr. Poon Ka Lee Barry (resigned on 31 December 2016)
Mr. How Sze Ming
Ms. Yam Ka Yue (resigned on 31 December 2016)
Mr. Mak Tung Sang (appointed on 1 January 2017)
Mr. Jung Chi Pan Peter (appointed on 1 January 2017)

Details of the Chairman and the other Directors of the Company are set out in the section "Directors and Senior Management" of this report.

In compliance with rule 5.05A, 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed three Independent Non-executive Directors representing more than one-third of the board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. The Company has received from each Independent Non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with the various guidelines set out in rule 5.09 of the GEM Listing Rules.

With the various experience of both the Executive Directors and the Independent Non-executive Directors and the nature of the Group's business, the Board considered that the Directors have a balance of skills and experience for the business of the Group.

Functions of the Board

The principal functions of the Board include:

– reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;

– approving major acquisitions or disposals, corporate or financial restructuring, issuance of the Company's shares ("Shares") and other equity or debt instruments, payment of dividends and other distribution to the Group's shareholders;

– assessing the risks facing the Group and reviewing and implementing appropriate measures to manage such risks;

– selecting and evaluating the performance and compensation of key management executives;

– approving nominations to the Board;

– reviewing and endorsing the recommended framework of remuneration of the Board and key management executives by the Remuneration Committee; and

– assuming overall responsibility for corporate governance.

According to the code provision C.1.2 of the CG Code, the management shall provide all members of the Board with monthly updates. During the year ended 31 December 2016, the Executive Directors have provided, and will continue to provide, to all Independent Non-executive Directors updates on any material changes to the position and prospects of the Group, which are considered to be sufficient to provide general updates of the Group's performance, position and prospects to the Board and allow them to give a balanced and understandable assessment of the same to serve the purpose required by the code provision C.1.2.

Terms of Appointment and Re-Election of Directors

Each of the Executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from 16 December 2015 subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles.

Under the code provision A.4.1 of the CG Code, the Independent Non-executive Directors should be appointed for a specific term subject to re-election. Each of the Independent Non-executive Directors has entered into an appointment letter with the Company for an initial term of one year subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles.

None of the Directors (including those proposed for re-election at the Annual General Meeting) has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The Article 108 of the Articles provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

Continuous Professional Development

According to the code provision A.6.5 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

During the year ended 31 December 2016, all the Directors have participated in continuous professional development and the relevant details are set out below:

Name of Directors	Attending seminar(s)/ Reading relevant materials in relation to the business or directors' duties Yes/No
Executive Directors	
Mr. Yeung Kwong Fat *(Chairman and CEO)*	Yes
Mr. Lee Kam Hung	Yes
Mr. Luk Yau Chi Desmond	Yes
Independent Non-executive Directors	
Mr. Poon Ka Lee Barry (resigned on 31 December 2016)	Yes
Mr. How Sze Ming	Yes
Ms. Yam Ka Yue (resigned on 31 December 2016)	Yes
Mr. Mak Tung Sang (appointed on 1 January 2017)	Yes
Mr. Jung Chi Pan Peter (appointed on 1 January 2017)	Yes

Independent Non-executive Directors

The Company has three Independent Non-executive Directors to comply with Rule 5.05 of the GEM Listing Rules. Furthermore, among the three Independent Non-executive Directors, Mr. How Sze Ming has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 5.05(2) of the GEM Listing Rules. In accordance to Rule 5.09 of the GEM Listing Rules, the Company has received from each of its Independent Non-executive Directors the written confirmation of his independence. The Company, based on such confirmations, considers its Independent Non-Executive Directors to be independent.

Board Committees

During the year ended 31 December 2016, to assist the board in its work, the Board is assisted by three board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, which are sufficiently resourced to fulfil their roles and their terms of reference have been approved by the Board and are available for review on the Company's website http://www.world-linkasia.com and the GEM's website (www.hkgem.com).

Audit Committee

Our Company has established an Audit Committee on 16 December 2015 in compliance with Rule 5.28 of the GEM Listing Rules. As at 31 December 2016, the Audit Committee comprised 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. On 31 December 2016, Mr. Poon Ka Lee Barry resigned as the chairman of the Audit Committee and Ms. Yam Ka Yue resigned as a member of the Audit Committee. On 1 January 2017, Mr. Mak Tung Sang, an Independent Non-Executive Director, was appointed as the chairman of the Audit Committee. On the same day, Mr. Jung Chi Pan Peter, an Independent Non-Executive Director, was appointed as a member of the Audit Committee. On 13 January 2017, Mr. Mak Tung Sang was re-designated as member of the Audit Committee and Mr. How Sze Ming was appointed as the chairman of the Audit Committee.

Written terms of reference in compliance with paragraph C.3.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules have been adopted. 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 primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control and risk management systems of our Group. The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2016.

Remuneration Committee

Our Company established a Remuneration Committee on 16 December 2015. As at 31 December 2016, the Remuneration Committee comprised Mr. How Sze Ming, Mr. Luk and Ms. Yam Ka Yue, with Mr. How Sze Ming being the chairman. On 31 December 2016, Ms. Yam Ka Yue resigned as a member of the Remuneration Committee. On 13 January 2017, Mr. How Sze Ming ceased to be the chairman of the Remuneration Committee and Mr. Mak Tung Sang was appointed as the chairman of the Remuneration Committee. Written terms of reference in compliance with paragraph B.1.3 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules have been adopted. The primary duties of the Remuneration Committee are, among other things, to determine the specific remuneration packages of all Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of Independent Non-executive Directors.

Board Committee *(Continued)*

Remuneration policy

The remuneration policy of the Group to reward its employees and executives is based on their performance, qualifications, competence displayed and market comparable. Remuneration package typically comprises salaries, contribution to pension schemes and discretionary bonuses. The Remuneration Committee will review annually the remuneration of all Directors to ensure that it is attractive enough to attract and retain a competent team of executive members.

The Directors receive remuneration in the form of salaries, allowances, discretionary bonuses and contribution to pension scheme. The Director's fee for each of the Directors is subject to the Board's review from time to time in its discretion after taking into account the recommendation of the Remuneration Committee. The remuneration package of each of the Directors is determined by reference to market terms, seniority, experiences, duties and responsibilities of that Director within the Group.

Nomination Committee

Our Company has established a Nomination Committee on 16 December 2015 with written terms of reference. As at 31 December 2016, the Nomination Committee comprised Mr. Yeung, Mr. Poon Ka Lee Barry and Ms. Yam Ka Yue, with Mr. Yeung being the chairman. On 31 December 2016, Mr. Poon Ka Lee Barry and Ms. Yam Ka Yue resigned as members of the Nomination Committee. On 1 January 2017, Mr. Mak Tung Sang and Mr. Jung Chi Pan Peter, Independent Non-Executive Directors, were appointed as members of the Nomination Committee. Written terms of reference in compliance with paragraph A.5.2 of the Corporate Governance Code as set out in Appendix 15 to GEM Listing Rules have been adopted. The Nomination Committee is mainly responsible for making recommendations to the Board on appointment of Directors and succession planning for our Directors.

Attendance Records of Meetings

The attendance of each Director at Board meetings, Audit Committee meetings, Nomination Committee meeting, Remuneration Committee meeting and general meeting held during the year is set out in the following table:

Name of Directors	Board meeting	Audit Committee meeting	Nomination Committee meeting	Remuneration Committee meeting	General meeting
Number of meetings held during the Year	13	5	2	2	1
	Number of meetings attended/Number of meetings entitled to attend				
Executive Directors					
Mr. Yeung Kwong Fat	12/13	–	2/2	–	1/1
Mr. Lee Kam Hung	11/13	–	–	–	1/1
Mr. Luk Yau Chi Desmond	7/13	–	–	2/2	1/1
Independent Non-executive Directors					
Mr. Poon Ka Lee Barry	12/13	5/5	1/2	–	1/1
Mr. How Sze Ming	12/13	5/5	–	2/2	1/1
Ms. Yam Ka Yue	10/13	5/5	1/2	0/2	1/1

Accountability and Audit

Directors' and auditor's responsibilities for the consolidated financial statements

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the year ended 31 December 2016, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements of the Group on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The statement of auditor about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Auditor's remuneration

During the year ended 31 December 2016, the remuneration paid or payable to the Company's auditor, Messrs. Deloitte Touche Tohmatsu, in respect of their audit and non-audit services was as follows:

	HK$
Audit services	1,025,000
Non-audit services	260,000
Total	1,285,000

Internal Control and Risk Management

The Board acknowledges its responsibility for the effectiveness of the Group's internal control and risk management systems. The Board has reviewed the effectiveness of the systems of internal control and risk management of the Group, covering all material controls, including financial and operation for the year ended 31 December 2016. As disclosed in the Company's prospectus dated 22 December 2015, the Company has established a Corporate Governance Department to conduct periodic internal control reviews and legal compliance reviews on the Group's operations and to present its reports, including any remedial plans, if deemed necessary or appropriate, to the Audit Committee for consideration. Under this system, the Audit Committee, after due consideration, will present its recommendations on such remedial plans to the Board, which would make the final decision on the implementation of such remedial plans.

Investors and shareholders relations

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders. These include (i) the publication of quarterly, interim and annual reports; (ii) the annual general meeting or extraordinary general meeting providing a forum for shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group available on the websites of GEM and the Company; (iv) the Company's website offering communication channel between the Company and its shareholders and investors; and (v) the Company's share registrars in Hong Kong serving the shareholders in respect of all share registration matters.

The Company aims to provide its shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to provide clear, detailed, timely manner and on a regular basis information of the Group to shareholders through the publication of quarterly, interim and annual reports and/or dispatching circulars, notices, and other announcements.

Accountability and Audit *(Continued)*

Investors and shareholders relations *(Continued)*

The Company strives to take into consideration its shareholders' views and inputs, and address shareholders' concerns. Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice shall be given. The chairman of the Board as well as chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, or in their absence, the Directors are available to answer shareholders' questions on the Group's businesses at the meeting. To comply with code provision E.1.2 of the CG Code, the management will ensure the external auditor to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

All shareholders have statutory rights to call for extraordinary general meetings and put forward agenda items for consideration by shareholders. According to Article 64 of the Articles, one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings can call for an extraordinary general meeting. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

If a shareholder wishes to propose a person (the "Candidate") for election as a Director of the Company at a general meeting, he/she shall deposit a written notice (the "Written Notice") to the Company's principal place of business in Hong Kong at 3/F, Allied Cargo Centre, 150-164 Texaco Road, Tsuen Wan, N.T.

The Written Notice (i) must include the personal information of the Candidate as required by Rule 17.50(2) of the GEM Listing Rules; and (ii) must be signed by the shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of the publication of his/her personal information.

The period for lodgment of the Written Notice shall commence on the day after the dispatch of the notice of general meeting and end no later than 7 days prior to the date of such general meeting.

In order to ensure the Company's shareholders have sufficient time to receive and consider the proposal of election of the Candidate as a Director of the Company without adjourning the general meeting, shareholders are urged to submit and lodge the Written Notice as early as practicable preferably at least 15 business days prior to the date of the general meeting appointed for such election.

In order to promote effective communication, the Company also maintains website (www.world-linkasia.com) which includes the latest information relating to the Group and its businesses.

Company secretary

Ms. Leung Ho Yee has been appointed as the Company Secretary of the Company with effect from 10 August 2015 and the Authorised Representative with effect from 4 September 2015. She is a certified public accountant as defined in the Professional Accountants Ordinance. Ms. Leung Ho Yee has confirmed that she has taken no less than 15 hours of relevant professional training during the year ended 31 December 2016.

Compliance officer

Mr. Luk was appointed as the Compliance Officer of the Company on 4 September 2015. Please refer to the paragraph headed "Executive Directors" in the section of "Directors and senior management" for his profile.

Significant Changes in Constitutional Documents

There were no significant changes in the constitutional documents of the Company for the year ended 31 December 2016.

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016.

Corporate Reorganisation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 27 July 2015 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office and the principal place of business is disclosed in the section "Corporate Information" in the annual report.

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 become a wholly-owned subsidiary 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.

Principal Activities

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 27 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 42.

No final dividend for the year ended 31 December 2016 is proposed by the Board.

Annual General Meeting

The forthcoming annual general meeting (the "Annual General Meeting") of the Company is scheduled to be held on 21 June 2017. A notice convening the Annual General Meeting will be issued and dispatched to shareholders of the Company (the "Shareholders") on 19 May 2017.

The register of members of the Company will be closed from 19 June 2017 to 21 June 2017 (both dates inclusive) during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 16 June 2017.

Reserves

Details of movements in the reserves of the Group during the year ended 31 December 2016 are set out in the consolidated statement of changes in equity in this annual report.

Financial Summary

A summary of the results, assets and liabilities of the Group for the last three financial years is set out on page 74.

Major Customers and Suppliers

The Group's largest customer contributed 45.7% of the total revenue for the year while the Group's five largest customers accounted for 87.0% of the total revenue for the year.

Since the Group has a very wide supplier base, the aggregate purchase attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases for the year.

None of the Directors, their respective close associates (as defined in the GEM Listing Rules) or any shareholders (which to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any beneficial interest in any of the Group's five largest customers or suppliers referred to above.

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.

Sufficiency of Public Float

Throughout the year ended 31 December 2016 until the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital is held by the public.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-Laws, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Share Capital

Details of the Company's share capital are set out in note 21 to the consolidated financial statements.

Distributable Reserves of the Company

Share premium, capital reserve and retained profit of the Company are available for distribution to ordinary shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid. Accordingly, the Company's reserves available for distribution to shareholders at 31 December, 2016 amounted to approximately HK$76,823,000.

Report of the Directors

Directors

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Yeung Kwong Fat *(Chairman and CEO)*
Mr. Lee Kam Hung
Mr. Luk Yau Chi Desmond

Independent Non-executive Directors

Mr. Poon Ka Lee Barry (resigned on 31 December 2016)
Mr. How Sze Ming
Ms. Yam Ka Yue (resigned on 31 December 2016)
Mr. Mak Tung Sang (appointed on 1 January 2017)
Mr. Jung Chi Pan Peter (appointed on 1 January 2017)

Appointment and re-election of Directors

The current Articles provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

Under the code provision A.4.1 of the CG Code, the Non-executive Directors should be appointed for a specific term. Each of the executive Directors has entered into an appointment letter with the Company for an initial term of three years and each of the Independent Non-executive Director has entered into an appointment letter with the Company for an initial term of one year subject to early removal from office in accordance with the Articles, and subject to the retirement and re-election provisions in the Articles.

Directors' Service Contracts

Each of the Executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from 16 December 2015 subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles. Each of the Independent Non-executive Directors has entered into an appointment letter with the Company for an initial term of one year subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles.

None of the Directors (including those proposed for re-election at the Annual General Meeting) has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Independent Non-Executive Directors' Confirmation of Independence

The Company received, from each of the Independent Non-executive Directors, Mr. How Sze Ming, Mr. Mak Tung Sang and Mr. Jung Chi Pan Peter, an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee assessed the independence of the Independent Non-executive Directors and affirmed that all Independent Non-executive Directors remained independent.

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

Name of Director	Capacity	Number of shares held Personal interests	 Other interests	 Total interests	Percentage of 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:

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.

Directors' and Chief Executives' Interests in Shares *(Continued)*

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%

Substantial Shareholders' Interests in Shares *(Continued)*

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 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 the year or at any time during the year.

Emolument Policy

The Remuneration Committee reviews the Group's emolument policy and structure for remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market statistics.

Permitted Indemnity Provisions

At no time during the year ended 31 December 2016 and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Directors of the Company (whether made by the Company or otherwise), or an associated company (if made by the Company).

An associated company is defined in Section 2(1) of the Hong Kong Companies Ordinance.

Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the remuneration of the Directors and the five highest paid individuals for the year are set out in note 8 to the consolidated financial statements respectively.

Corporate Governance

The Company has complied with all code provisions (except for the deviation from CG code provision A.2.1) as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules throughout the year.

Further information on the Company's corporate governance practices is set out in the "Corporate Governance Report" from pages 14 to 20.

Environmental, Society and Corporate Responsibility

The Group is committed to support environmental protection to ensure business development and sustainability. We implement green office practices to reduce the consumption of energy and natural resources. These practices include the use of energy-saving lightings and recycled paper, reduce energy consumption by switching off idle lightings, computers and electrical appliances and the use of environmentally friendly products whenever possible.

The Company has complied with all relevant laws and regulations which include the Companies Law of the Cayman Islands and the GEM Listing Rules and maintained good relationship with its customers, employees and investors.

Auditor

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Yeung Kwong Fat
Chairman and Chief Executive Officer

Hong Kong, 24 February 2017

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2016

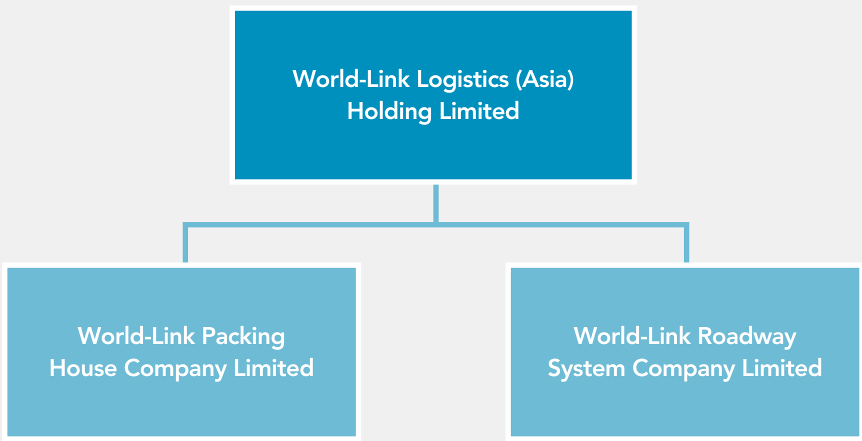
ABOUT THE GROUP

The Group has developed as one of the leading logistics service providers in Hong Kong after almost 30 years' efforts. The Group provides comprehensive logistics solutions for its customers, covering from total supply chain services, warehousing, transportation, data management and all sorts of customisation services, including repacking and labeling services, and value-added services.

The Group has established a diversified customer base, including FMCG, F&B, retailing and other sectors, by providing flexible, reliable and timely logistics services. The Group endeavors to uphold a philosophy of "Service-driven, Customer-oriented and Quality-first", which gained wide recognitions from various customers for the past years. The world's largest consumer goods company has engaged the Group to provide third-party logistics services for over 20 consecutive years.

In addition to maintaining a long-term and consistent business relationship with our customers, the Group also has been proactively expanding its sales and marketing network and acquiring new business. In order to respond to the ever changing market, the Group maintains close communication with its customers, and proposes the most appropriate and exclusive solution to different customers, therefore to attain its objective of "Endeavoring to address every need of each customer".

The Group's structure[1]



[1] The Group's structure does not comprise all subsidiaries. This chart only includes those subsidiaries with principal business.

ABOUT THIS REPORT

This report is the first Environmental, Social and Governance (the "ESG") Report published by the Group, which discloses our practices and performances on sustainable development in a transparent and open manner, in order to increase our stakeholders' confidence and understanding in the Group.

Reporting Year

All information contained herein reflects the performance of the Group on environmental management and social responsibility from 1 January 2016 to 31 December 2016. Subsequently, the Group will publish an ESG Report on a regular basis each year, which can be accessed by various sectors at any time, to continuously enhance the transparency of information disclosure.

Scope of Report

The report focuses on the operation[1] of the Group at its principal places of business, being two warehouses in Hong Kong, including a total area of over 400,000 square feet located in Allied Cargo Centre and Leader Industrial Centre. The scope of disclosure will be expanded to an extent that cover all of our operations after the Group's data collection system becomes more mature and our ESG practices further develop. This report does not include the disclosure of environmental key performance indicators. The Group will conduct a carbon assessment next year to further optimise and standardize the reporting metrics.

Reporting Standards

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") issued by the Stock Exchange. It summarizes the performance of the Group on ESG aspects in a simplified manner. The information contained herein is sourced from official documents and statistics of the Group, as well as the combined control, management and operations information provided in accordance with the Group's relevant policies. A complete content index is appended in the last chapter hereof for quick reference. This report is prepared in both Chinese and English and is available on the Group's website www.world-linkasia.com. In the event of inconsistency, the Chinese version shall prevail.

Feedbacks

The Group's continuous improvements rely on your valuable opinions on our performance and reporting method. If you are in doubt or have any recommendations in regards to this report, you are welcome to email us at info@world-ink.com.hk for the Group to constantly enhance its ESG works.

[1] World-Link Roadway System Company Limited, the wholly-owned subsidiary of the Group, is responsible for the operation of the Group's two warehouses.

COMMUNICATION WITH THE STAKEHOLDERS

The Stock Exchange proposed four reporting principles in the Guide, including Materiality, Quantitative, Balance and Consistency, as the preparation basis of the ESG report. As stated by the Stock Exchange, stakeholder engagement is a widely employed method for assessing materiality. By communicating with the stakeholders, corporations are able to understand wide ranging opinions, and identify crucial environmental and social issues.

For the Group, stakeholders represent groups and individuals who have significant impact on the Group's business, or those who are affected by the Group's business. The Group's stakeholders include not only internal staff, management, directors, but also external customers, business partners, investors, regulators and various community groups. In preparation of this report, the Group engaged a professional consultant to conduct a substantive analysis by interviewing management, and incorporated the advices of the professional consultant to clarify important reporting issues and to determine the direction of the Group's sustainable development.

Methods of communications with the stakeholders during the reporting period

Internal stakeholders	External stakeholders
• The directors of the Company	• Shareholders
• Management	• Customers
• Executive officers	• Suppliers
• General staff	• Families of staff
	• Contractors

Methods of communications:
Meetings and interviews

The business of the Group has impacts on various stakeholders, while stakeholders also have different expectations over the Group. Looking ahead, for a more refined substantive analysis, the Group will continuously strengthen communication with its stakeholders, and extensively collect their opinions in numerous ways. In the meantime, the Group will also enhance the reporting principles in terms of quantitative, balance and consistency, to define the contents in the report and the presentation of information in a way which is more likely to meet the stakeholders' expectations.

MESSAGE FROM THE CHAIRMAN

"In face of increasingly competitive operation environment, we need to undertake more social responsibilities."

Since the commencement of its business in 1990, the Group has developed from a company only providing warehousing and transportation services into a well-established logistics services supplier. We focus on the development of our business and meeting the needs of our customers, and also actively provide our staff with the best employment environment and seek for a sustainable development business model.

The Group always believes that customer satisfaction is the cornerstone of the Group's sustainable development. Regardless of the customer's business scale, the location or the complication of its business nature, we make every effort to fulfill the commitment for each customer to provide high quality services. Not only do we control the quality of our services through standardised work procedure, we also customise comprehensive logistics solutions and provide exclusive supporting services for our customers. Our team is flexible and proactive to provide reliable logistics services and continuously creates additional values to meet the customers' needs.

The stable development of the Group is attributed to nearly 300 frontline and backup staff of the Group. The sustainable development of the Group can only be achieved by the constant growth of the staff. We take the health and safety of our staff as our first priority. Since the early 1990s, we have already used electric forklifts in our warehouses to avoid the impact of the exhausting gas on the staff's health in the working environment. In the daily operation, we have formulated a clear working guideline and provided appropriate personal protective equipment for the staff. It is proved that our regular working safety training is effective. Over the past years, rare work-related injuries has ever occurred.

Creating equal opportunities and an anti-discrimination working environment for the staff is also one of the Group's corporate cultures. We have established a fair and transparent recruitment channel, treat and recruit talents equally regardless of their gender, age, nationality or ethnicity. We provide customised induction trainings for new employees, especially the frontline staff, to help them adapt to our working environment as soon as possible. We value the personal development of our staff, encourage and support them to pursue further education, assist staff in broadening their horizons and career planning. We are committed to creating an environment where our staff can achieve a work-life balance in a way that we can effectively maintain our employee turnover rate at a relative low level.

To face the increasingly competitive operation environment, we need to undertake more social responsibilities and incorporate our commitment to environmental protection into warehousing, customisation, transportation and other operation aspects, constantly enhance the operation efficiency, create more values for our customers and lead the Group to the next 30 years with the philosophy of sustainable development.

WORLD-LINK LOGISTICS (ASIA) HOLDING LIMITED
Yeung Kwong Fat
Chairman and Chief Executive Officer

UNDERTAKE THE SOCIAL RESPONSIBILITIES

EMPLOYMENT AND LABOR PRACTICES

Employment

The Group considers its staff as one of the most important assets. The Group believes each employee deserves respect and fair treatment. The Group has established a distinct employment mechanism and issued an "Employee Manual" to enable the employees to understand their rights and responsibilities as well as the Group's requirements on staff conducts and disciplines.

The Group has established a comprehensive performance management system to assess the performance and potential of its staff at least once a year. The system also aims at exploring methods to improve quality of work and to enhance work procedures. As for promotion of staff, the Group has a policy to promote top-performing staff rather than recruiting outside candidates. As for employee benefits, in addition to offering annual leaves, paid sick leaves, maternity leaves, paternity leaves and purchasing the requisite insurances for the employees in accordance with the Employment Ordinance, the Group also offers paid compassionate leaves and group life insurance. To recognize the contribution of the employees, the Group offers attendance award and special allowance. The Group also adjusts employee remuneration depending on the market situations and establishes attendance award and special allowance to recognise the contributions of the employees.

Summary of Warehouse Employment Performance Indicators (Data in this report includes warehouse employees only)

		Under aged 30	Aged 30-50	Over aged 50	Total Employees	Proportion of Male and Female Employees
Number of Employees	Male	14	31	16	61	10.17:1
	Female	0	4	2	6	

	Proportion of Average Remuneration between Male and Female Employee
Average Employee Remuneration	1.08:1

		Under aged 30	Aged 30-50	Over aged 50	Total New Employees	Percentage of Number of New Employees over the Total Number of Employees
New Employees	Male	6	9	4	19	29.85%
	Female	0	1	0	1	

		Under aged 30	Aged 30-50	Over aged 50	Total Resigned Employees	Percentage of Number of Resigned Employees over the Total Number of Employees
Resigned Employees	Male	20	24	8	52	7.37%
	Female	2	4	3	9	

		Management	Managers	Staff	Total
Proportion of Employees under Regular Reviews of Performance and Career Development (%)	Male	100%	100%	100%	100%
	Female	0%	0%	100%	

The daily operation of the Group requires employees conducting physical labour, therefore, the number of male employees of the Group is more than that of females. However, the proportion of average remuneration between males and females of the Group is approximately 1:1, showing that there is no inequity in the employee remuneration of the Group.

The Group has zero tolerance over any sexual harassment, nor any discrimination behaviour. The Group maintains a complaints mechanism, through which the employees may make complaints when they think they are treated unfairly. The Group also makes sure the claimants get replies within a reasonable period. During the reporting period, the Group has not identified any non-compliance cases relating to the employment system.

Labour Standards

The Group fully understands that employing child labour and forced labour is a violation of basic human rights and international labour conventions, and poses threats to the sustainable development of the society and economy. The Group is strictly in compliance with the Employment Ordinance and has established the "Prohibition of Child Labour Policy" and ensure all the staff be informed. To enhance the understandings of relevant colleagues towards this policy, the Group has illustrated distinctly the definition of the Child Labour, the Group prohibits the employment of any persons under the age of 15; and employees under the age of 18 are not permitted to conduct dangerous jobs, and will not be positioned to work during night time. The employment policies of the Group also protect the right of free choice of employment by any person and ensure that all the employment relationship within the Group is established on a voluntary basis. During the reporting period, the Group has not identified any non-compliance cases involving child labour and forced labour.

International Labour Organization, a professional institution of the United Nations, establishes labour standards through international labour conventions and proposals to improve working and living standards around the world. China is a founding member of International Labour Organization and a permanent member of this organization. In Hong Kong, there are 41 international labour conventions at present applicable to matters such as working conditions and employment policies.

The Group considers that complying with the laws and regulations is a basic requirement of daily operation. The Group will further disseminate and communicate with its business partners on its "Prohibition of Child Labor Policy", in order to avoid the child labor or forced labor in the supply chain.

Training and Development

The Group strongly believes that cultivation and retention of talents is the core of the Group's development and is essential in strengthening the competitiveness of the Group. The Group considers the staff as its strategic partners and provides various and specific in-house training courses to enhance their know-how and skills. Based on actual needs, the Group also supports employees in enrolling in job-related training courses. The Group constantly allocates resources in staff training.

Summary of Training and Development Performance Indicators of Warehouse Employees

		Management	Managers	Staff	Percentage of total employees attending training
Proportion of Employees Attending Training (%)	Male	100%	100%	100%	100%
	Female	0%	0%	100%	

		Management	Managers	Staff	Average Training Hours (Hours)
Training Hours (Hours)	Male	20	20	649	11.27
	Female	0	0	66	

Health and Safety

The Group believes that operational efficiency of a company is closely related to occupational health and safety of all staff. The Group considers health and safety of its staff as an important duty. Therefore, it is committed to maintaining a healthy and safe working environment and preventing work-related injuries and occupational diseases. Back in the early 1990s, the Group has already used electric forklifts in warehouses to avoid the emission of dark smokes and air pollutions during the working process. This move has not only improved air quality, but also created a healthy working environment for the staff.

The Group is always devoted to "zero work-related injury" as its aim. For this purpose, the Group identifies posts which are high risk and assesses if the existing measures are sufficient and effective. That does not only involves setting of safety regulations themselves, but also includes the execution, control and regular reviews of these regulations. In the daily operation of the Group's two warehouses, the operational posts that need special attention include forklift operation and cargo stack. For this purpose, the Group has published relevant operation safety guidelines such as the "Operation Safety on Forklifts Guidelines", the "Safe Stack of Cargo Guidelines" and the "Operation Safety on Physical Handling Guidelines" for the staff to follow. These safety guidelines contain vivid pictures which explicitly highlight high risk operational processes and demonstrate the safety measures that should be adopted. To enable the staff to learn the correct methods, these guidelines also specifically identify incorrect methods of operation and describe the correct methods that should be adopted. The Group also assigns experienced employees to demonstrate to newcomers on the methods in handling machines and carrying goods as well as other security guidelines and codes.

To ensure safety in the work environment, the Group focuses on enhancing the awareness of the staff on health and security risks. To provide a systemic occupational safety education to the staff and targeting at the actual operation situations, the Group formulated comprehensive training programs on "Safety, Health and Professional Skill Training", including "General Knowledge of Safety and Health" and "General Knowledge of Professional Skills". The Group also maintains a set of handing mechanism which stipulates a clear procedure of reporting any unfortunate work-related injury to the Group. During the reporting period, the Group has not identified any non-compliance cases relating to health and safety.

Content of Safety and Health and Professional and Technical Training

Categories	Training Content
General knowledge of the safety and health	• Stretching exercise at the workplace • Physical handling procedures • Preventing slips and trips • Preventing of heat stroke at work in a hot environment • Safety procedures for the use of ladder • Preliminary handling procedures for accidental injury • Code for the use of fire extinguisher
General knowledge of the professional skills	• Application and safety guidelines for forklift trucks • Guidelines to work with computers • Safe stacking • Prevention of clamping injury by the tail lifts • Professional telephone answering skills

Summary of Health and Safety Performance Indicators of Warehouse Employees

	Number of work injury cases	Rate of work injury (per thousand employee)	Number of working day lost due to work injury	Working days	Percentage of working day lost due to work injury	Total hours of absence	Total working hours	Percentage of working hours lost due to work injury
Male	1	14.93	105	19,032	0.50%	798	161,772	0.51%
Female	0		0	1,872		102	15,912	

Product Responsibility

Under the prevailing competitive market environment, there are increasingly higher demand for better products and services from the customers. The Group understands that creating maximum value for customers is the only way to gain their trusts and supports.

As a logistics service provider with extensive experiences in warehousing, the Group has laid down strict requirements on service standard and quality. In the two warehouses of the Group, the major good stored include: food and beverage, consumer products, wines, rice, cosmetics products and dangerous goods. According to the types of goods stored, the Group divided the warehouses into wine warehouses, dangerous goods warehouses, cosmetics products warehouses, rice warehouses and air-conditioned warehouses. The Group closely and precisely monitors the temperature, humidity, hygiene and safety of the warehouses in order to meet the needs of different customers and maintain the goods in good quality.

The Group adopts an ERP system to assist the warehousing management, which covers the coding, classification, loading and quality inspection of the goods, to facilitate the management and customers to track inventory levels. The Group has also established a detailed warehouse standard operation procedure, which describes the operation flow such as the receipt of materials and goods, operation instruction for changing packages, as well as delivery arrangement and returns procedure. The operation procedure has set out clear instruction regarding the requirements of measurement, control and monitoring of temperature and humidity, calibration and maintenance standard of measurement equipment as well as planned schedule for cleaning and pest control. The Group has also formulated emergency risk measures to ensure prompt response to emergencies and contingencies.

The Group is particularly concerned with the security of the warehouses. CCTV surveillance system is installed in the warehouse and burglar alarm system is also in 24-hour operation, and security patrol is arranged to ensure the safety of customer goods. The security of the information system is also the Group's concern. The Group has assigned distinguishable permission for the use of computer and only the designated personnel could use the relevant system, and ensure the timely backup of computer data.

Anti-corruption is another focus of the Group to ensure the service quality. During the recruitment process, the Group places great importance on the moral standard and character of the employees in addition to their knowledge and skills. The Group has developed a "Code of Conduct" to put forward specific requirements, aiming to address issues such as conflict of interest, prevention of corruption and bribery, and to ensure that the interests of its clients are protected. The Group's anti-corruption measures are well implemented. During the reporting period, there were no corruption cases related to the Group and its employees.

The Group also attaches great importance to customer privacy and intellectual property rights. The Group protects the interests of its customers by way of entering into contracts. The Group also specifies in the "Employee Handbook" the requirements and obligation on confidentiality for employees when they are handling confidential information. The Group expects to maintain a fair competition in the market through employee education. During the reporting period, the Group has not identified any non-compliance cases relating to product responsibility.

Aiming to provide high quality services, the Group highly values its relationship with suppliers. It is expected that through mutual cooperation and leveraging a high standard of corporate ethics requirements, the Group can improve the environmental and social performance of the entire supply chain. The suppliers involved in the operation of the Group's two warehouses mainly consisted of suppliers of machinery and tools, as well as packaging materials. In selecting suppliers, the Group will actively consider the safety of the products and stipulate in the sale and purchase contract that the machines and tools provided by the suppliers shall have proper design to ensure the safety of its employees. In the future, the Group will regularly review the supply chain management policies and adopt more products with positive impacts on the environment and society provided that they have satisfied the technical requirements. In the long term, the Group will also encourage suppliers to integrate environmental management and social responsibility into their operations on the basis of compliance with laws and regulations and jointly promote the sustainable development of the industry as a whole.

PROTECTING OUR ENVIRONMENT

Climate change poses unprecedented challenges to the global economic development. Extreme weather caused by climate change directly or indirectly affects the ability of different institutions to access resources and maintain operation. In the 2015 Paris Climate Change Conference, 195 countries agreed to implement the greenhouse gas reduction program to control the increase of global temperature within two degrees Celsius. China is also one of the countries signing the agreement.

In November 2016, the Paris Agreement officially came into effect, aiming to limit the rise in global temperature with two degrees Celsius before the end of the century as compared to the time of pre-industrialization and further controls the range of such rise within 1.5 degrees Celsius.

Emissions

The two warehouses of the Group located in Hong Kong do not involve any production process, hence there is no obvious exhausting of pollutant emissions. Major emissions of the Group are from vehicles, particularly diesel vehicles. The Group has developed an "Emission Policy" to implement targeted management measures for the main sources of emissions, i.e. emissions from company vehicles and forklift trucks. The Group has developed a vehicle emission control scheme, in which the key measures include: replacing diesel vehicles with low-pollution vehicles (where practicable); stepping up inspection of vehicle exhaust emissions; improving the vehicle maintenance and promoting environmentally friendly driving habits to employees thereby reducing fuel consumption; and reducing the exhausting of air pollutants and greenhouse gas emissions. During the reporting period, the Group did not identify any non-compliance related to emissions. In the future, the Group will continue to implement improvement plans until all of its vehicles are replaced by more energy-efficient models.

Use of Resources

The Group has been advocating the use of high-performance equipment, and striving to streamline the operational procedures, thereby reducing the consumption of fuel, electricity and water and improving the resource efficiency. The Group increased its resources to upgrade its environmental protection equipment in 2016 and replaced about 70% of the traditional lighting fixtures on the warehouse floor with energy-saving LED lights. In addition to enhancing the efficiency of energy use for the Group, such measures also helps raising the awareness of saving electricity among employees.

The Environment and Natural Resources

Due to the nature of the business, in addition to the above-mentioned emissions and resource usage, the Group does not have any direct and significant impacts on the environment and natural resources in the course of its operation. Moreover, the Group has developed the "Environmental and Natural Resources Policy" to encourage the staff of the relevant departments to identify and adopt advanced technologies that are suitable for each stage of the production process so as to minimize the impact of the business on the environment. By regular environmental monitoring, the Group ensures that it strictly complies with relevant environmental laws and regulations in its daily operations and closely monitors and timely identifies, controls and manages important environmental matters.

The effective implementation of environmental measures relies on the support of the internal and the external stakeholders. As a result, the Group is committed to ensuring that its employees have clear understanding in the relevant policies and the specific requirements of the Group and to encouraging business partners to align with the Group's policies to operate in a sustainable manner and achieve continuous improvement.

With the market's concerns on the corporate behavior and "social business licensing", the pursuit of short-term and maximum financial performance to reward shareholders is no longer the only goal of the business management. As a proactive enterprise, the Group has profound understanding in the importance of meeting different stakeholders' expectations. Therefore, from the long term perspective, the Group emphasizes balancing the interests of shareholders and all other stakeholders to achieve a long-term, stable and healthy development. The Group has formulated the "Community Investment Policy", focusing on "climate change and environment" and "community health" to support projects or programs that meet the needs of the community. As an organization with a commitment to social responsibility, the Group is committed to working with different sectors in helping to build a healthy and vibrant community and contributing for the sustainable development of the community.

"Environmental, Social and Governance (ESG) Reporting Guide" Content Index

Aspects	Description	Page Index
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	36
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	36
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	36
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	32
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	34
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	33
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	33
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	35
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	35
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	35
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	36

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE SHAREHOLDERS OF 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)

Opinion

We have audited the consolidated financial statements of World-Link Logistics (Asia) Holding Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 42 to 73, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters *(Continued)*

Key audit matters	How our audit addressed the key audit matters
Revenue recognition	
We identified revenue recognition as a key audit matter due to revenue is one of key performance indicators of the Group and it involves complicated calculations of transportation and warehousing services income charged to different customers in accordance with various types of service agreements. Hence, it gives rise to an inherent risk that revenue could be recorded in the incorrect period or could be subject to manipulation. An analysis of the Group's revenue for the year is set out in note 6 to the consolidated financial statements.	Our procedures in relation to revenue recognition included: • Inspecting the service agreements signed with top ten customers of the Group's revenue and assessing the recognition criteria and checking the calculation of the revenue of those relevant customers; • Testing the controls over the Group's systems which govern the movement of customers' products and processing of service orders performed for the customers; and • Scrutinising the delivery notes before and after the end of the reporting period on a sample basis to assess whether revenue is recognised in the correct period.
Valuation of trade receivables	
We identified the valuation of trade receivables as a key audit matter due to the use of judgment and estimates in assessing the recoverability of trade receivables. In determining the allowance for trade receivables, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables. At 31 December 2016, the carrying amount of trade receivables is HK$44,775,000 (net of allowance for doubtful debts of nil). Details of the trade receivables are set out in note 16 to the consolidated financial statements.	Our procedures in relation to valuation on trade receivables included: • Obtaining an understanding of how allowance for doubtful debts is estimated by the management and testing the key controls of the Group relating to the preparation of the aging analysis of trade receivables; • Reviewing the aging analysis of the trade receivables throughout the year to understand the settlement patterns by the customers; • Testing the aging analysis of the trade receivables, on a sample basis, to the source documents; and • Assessing the reasonableness of recoverability of trade receivables with reference to the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of each individual customer.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Woo King Wa.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

24 February 2017

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	6	**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	9	**(5,241)**	(2,556)
Total profit and other comprehensive income for the year	10	**23,511**	150
Basic earnings per share (HK cents)	12	**4.90**	0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Notes	2016 HK$'000	2015 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	**3,389**	3,001
Rental deposits	14	**6,606**	5,759
Deferred tax assets	15	**769**	736
		10,764	9,496
Current assets			
Trade and other receivables	16	**46,610**	29,494
Tax recoverable		**–**	1,600
Short-term bank deposit with original maturity over three months	17	**20,000**	–
Bank balances and cash	17	**19,059**	54,553
		85,669	85,647
Current liabilities			
Trade and other payables and accrued expenses	18	**7,474**	7,173
Unsecured bank borrowings	19	**–**	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	20	**969**	679
NET ASSETS		**85,802**	62,291
CAPITAL AND RESERVES			
Share capital	21	**4,800**	4,800
Reserves		**81,002**	57,491
TOTAL EQUITY		**85,802**	62,291

The consolidated financial statements on pages 42 to 73 were approved and authorised for issue by the Board of Directors on 24 February 2017 and are signed on its behalf by:

Mr. Yeung Kwong Fat
DIRECTOR

Mr. Lee Kam Hung
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Attributable to 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	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 (note 11)	–	–	–	(15,000)	(15,000)
Capitalisation issue (note 21)	3,600	(3,600)	–	–	–
Issue of shares (note 21)	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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	2016 HK$'000	2015 HK$'000
OPERATING ACTIVITIES		
Profit before taxation	**28,752**	2,706
Adjustments for:		
Depreciation of property, plant and equipment	**1,940**	2,138
Interest on bank borrowings	**279**	15
Interest income	**(43)**	(14)
(Gain) loss on disposal of property, plant and equipment	**(165)**	16
Operating cash flows before movements in working capital	**30,763**	4,861
Increase in rental deposits	**(847)**	(120)
(Increase) decrease in trade and other receivables	**(17,116)**	6,592
Increase in trade and other payables and accrued expenses	**358**	3,514
Increase in amounts due to directors	**–**	410
Net cash generated from operations	**13,158**	15,257
Hong Kong Profits Tax paid	**(1,486)**	(2,748)
NET CASH FROM OPERATING ACTIVITIES	**11,672**	12,509
INVESTING ACTIVITIES		
Placement of short term bank deposit with original maturity over three months	**(20,000)**	–
Purchase of property, plant and equipment	**(2,080)**	(1,814)
Proceeds on disposal of property, plant and equipment	**165**	–
Interest received	**43**	14
NET CASH USED IN INVESTING ACTIVITIES	**(21,872)**	(1,800)
FINANCING ACTIVITIES		
Repayment of bank borrowings	**(25,000)**	–
Interest paid	**(294)**	–
Proceeds from new shares issued	**–**	60,000
Share issue expenses	**–**	(5,850)
New bank borrowings raised	**–**	25,000
Repayment to directors	**–**	(30,546)
Dividends paid	**–**	(15,000)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	**(25,294)**	33,604
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(35,494)**	44,313
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**54,553**	10,240
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	**19,059**	54,553

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 this 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 service and packing services. Particulars of the subsidiaries are set out in note 27.

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.

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

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 in note 23. 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. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristic of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. Significant Accounting Policies *(Continued)*

Basis of consolidation *(Continued)*

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporates the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The combined statement of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from service income is recognised when the services are delivered.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. Significant Accounting Policies *(Continued)*

Property, plant and equipment *(Continued)*

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Change of depreciation rate in the year

In previous years, motor vehicles were depreciated at 30% per annum. The directors have reviewed the useful life of the motor vehicles and based on the historical experiences the motor vehicles have a longer useful life. With effect from 1 January 2016, motor vehicles have been depreciated at 20% per annum. This change in depreciation rate has decreased the depreciation charge for the year by approximately HK$110,000.

Impairment losses

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

3. Significant Accounting Policies *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. Significant Accounting Policies *(Continued)*

Retirement benefit costs

Payments to the retirement contribution scheme and Mandatory Provident Fund Scheme ("MPF Scheme") are charged as an expense when employees have rendered service entitling them to the contributions.

Provision for long service payments are recognised as an expense when employees have rendered services entitling them upon their retirement. The amount recognised represents the difference between the statutory requirement entitling the employees and the contributions made to the retirement contribution scheme/MPF Scheme. The amount is reviewed on an annual basis and adjusted as appropriate.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest income/expense is recognised on an effective interest basis.

Financial assets

The Group's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, short term bank deposit with maturity over three months and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of loans and receivables below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Loans and receivables are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of loans and receivables have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the loans and receivables' original effective interest rate.

The carrying amount of loans and receivables is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance amount. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the loans and receivable at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including trade and other payables and unsecured bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty *(Continued)*

Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimated future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2016, the carrying amount of trade receivables is approximately HK$44,775,000 (2015: HK$27,469,000). No impairment loss on trade receivables was recognised during both years.

5. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the unsecured bank borrowings as disclosed in note 19, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, share premium, retained profits and other reserves.

The directors of the Company review the capital structure on a regular basis by considering the cost of capital and the risks associated with each class of capital. Based on recommendation of directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt and the redemption of existing debt.

6. Revenue

	2016 **HK$'000**	2015 HK$'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

7. 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 described in note 3. 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.

7. Segment Information *(Continued)*

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

Geographical information

The Group's operations are located in Hong Kong.

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.

8. Directors' Remuneration

(a) Directors' and the chief executive's emoluments

Details of the emoluments paid or payable by the entities comprising the Group to the directors and the chief executive of the Company are as follows:

For the year ended 31 December 2016

Name of director	Fee HK$'000	Salaries and other allowances HK$'000	Performance related incentive payments HK$'000 (note iv)	Retirement benefit scheme contributions HK$'000	Total HK$'000
Executive directors (note i)					
Mr. Yeung (note ii)	200	1,280	–	148	1,628
Mr. Lee	200	780	–	98	1,078
Mr. Luk	200	780	–	18	998
Independent non-executive directors (note iii)					
Mr. Poon Ka Lee, Barry	202	–	–	–	202
Mr. How Sze Ming	202	–	–	–	202
Ms. Yam Ka Yue	202	–	–	–	202
	1,206	2,840	–	264	4,310

For the year ended 31 December 2015

Name of director	Fee HK$'000	Salaries and other allowances HK$'000	Performance related incentive payments HK$'000 (note iv)	Retirement benefit scheme contributions HK$'000	Total HK$'000
Executive directors					
Mr. Yeung	–	780	–	78	858
Mr. Lee	–	–	130	78	208
Mr. Luk	–	480	–	14	494
Independent non-executive directors					
Mr. Poon Ka Lee, Barry	9	–	–	–	9
Mr. How Sze Ming	9	–	–	–	9
Ms. Yam Ka Yue	9	–	–	–	9
	27	1,260	130	170	1,587

8. Directors' Remuneration *(Continued)*

(a) Directors' and the chief executive's emoluments *(Continued)*

Notes:

(i) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

(ii) Mr. Yeung is the Chief Executive Officer of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive Officer.

(iii) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

(iv) Performance related incentive payments were determined based the Group's operating results and future plans and individual performance.

(b) Employees' emoluments

The five highest paid individuals of the Group for the year include 3 (2015: 2) individuals who were appointed as directors of the Company. The emoluments of the remaining 2 (2015: 3) individuals for the year are as follows:

	2016 HK$'000	2015 HK$'000
Salaries and other allowances	952	1,266
Performance related incentive payments	80	87
Retirement benefit scheme contributions	39	61
	1,071	1,414

The emoluments of the employees were less than HK$1,000,000 each during the year.

During the year, no emoluments were paid by the Group to any of the directors of the Company or the chief executive of the Group or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company or the chief executive of the Group waived any emoluments during both years.

9. Income Tax Expense

	2016 HK$'000	2015 HK$'000
The charge (credit) comprises:		
Hong Kong Profits Tax		
– current year	5,081	2,642
– prior year	193	–
Deferred taxation (note 15)	(33)	(86)
	5,241	2,556

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

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2016 HK$'000	2015 HK$'000
Profit before taxation	28,752	2,706
Tax at Hong Kong Profits Tax rate of 16.5%	4,744	446
Tax effect of expenses not deductible for tax purposes	332	2,123
Tax effect of income not taxable for tax purposes	(28)	(10)
Tax effect of deductible temporary difference previously not recognised	–	(3)
Underprovision in prior year	193	–
Income tax expense for the year	5,241	2,556

10. Profit For The Year

	2016 HK$'000	2015 HK$'000
Profit for the year has been arrived at after charging (crediting):		
Auditors' remuneration	1,025	985
Bank interest income	(43)	(14)
(Gain) loss on disposal of property, plant and equipment	(165)	16

11. Dividends

No dividend was paid or proposed for ordinary shareholders of the Company during 2016, nor has any dividend been proposed since the end of the reporting period.

In December 2015, the Company has declared a dividend of HK$15,000,000 to the individual shareholders of the Company whose names appear in the register of members on 17 December 2015.

12. 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 HK$'000	2015 HK$'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 21).

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.

13. Property, Plant and Equipment

	Plant and machinery HK$'000	Furniture and equipment HK$'000	Office equipment HK$'000	Leasehold improvement HK$'000	Motor vehicles HK$'000	Total HK$'000
COST						
At 1 January 2015	3,361	9,556	988	179	3,761	17,845
Additions	419	264	321	222	588	1,814
Disposals	(195)	(91)	(16)	–	–	(302)
At 31 December 2015	3,585	9,729	1,293	401	4,349	19,357
Additions	633	2	226	777	690	2,328
Disposals	–	(2)	–	–	(351)	(353)
At 31 December 2016	4,218	9,729	1,519	1,178	4,688	21,332
DEPRECIATION						
At 1 January 2015	3,060	6,866	732	179	3,667	14,504
Provided for the year	241	1,465	167	92	173	2,138
Eliminated on disposals	(192)	(79)	(15)	–	–	(286)
At 31 December 2015	3,109	8,252	884	271	3,840	16,356
Provided for the year	310	807	289	306	228	1,940
Eliminated on disposals	–	(2)	–	–	(351)	(353)
At 31 December 2016	3,419	9,057	1,173	577	3,717	17,943
CARRYING VALUES						
At 31 December 2016	799	672	346	601	971	3,389
At 31 December 2015	476	1,477	409	130	509	3,001

The above items of property, plant and equipment are depreciated on a straight-line basis as follows:

Plant and machinery	10% per annum
Furniture and equipment	20% per annum
Office equipment	20% - 25% per annum
Leasehold improvement	Over the period of the relevant lease
Motor vehicles	20% per annum

14. Rental Deposits

The balances represent rental deposits placed by the Group in connection with its rented premises. The relevant leases will expire after one year from the end of the respective reporting period, or if the remaining lease term is less than one year, the Group has the positive intention to renew the leases upon expiry. Therefore, the balances are classified as non-current.

15. Deferred Tax Assets

The following are the major deferred tax asset recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK$'000
At 1 January 2015	650
Credit to profit or loss	86
At 31 December 2015	736
Credit to profit or loss	33
At 31 December 2016	769

16. Trade and Other Receivables

	2016 HK$'000	2015 HK$'000
Trade receivables	44,775	27,469
Prepayments	771	768
Deposits and other receivables	1,064	1,257
Total trade and other receivables	46,610	29,494

The Group allows a credit period ranging from 0 day to 75 days (2015: 0 day to 75 days) to its customers.

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

	2016 HK$'000	2015 HK$'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

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributed to customers and credit term granted to customers are reviewed regularly. The majority of the trade receivables that are neither past due nor impaired have no history of defaulting on repayments. The Group does not hold any collateral over these balances.

16. Trade and Other Receivables *(Continued)*

Aged analysis of trade receivables which are past due but not impaired

In determining the allowance for trade receivables, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.

Included in the Group's trade receivable balances are debtors with an aggregate carrying amount of approximately HK$15,917,000 (2015: HK$8,576,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The aging analysis of the overdue balances are set out below.

	2016 HK$'000	2015 HK$'000
0 - 30 days	14,040	4,137
31 - 60 days	765	3,543
61 - 90 days	150	636
Over 90 days	962	260
	15,917	8,576

17. Bank Balances and Cash/Short-Term Bank Deposit With Original Maturity Over Three Months

Bank balances and cash of the Group comprise bank balances and short-term bank deposits that are interest-bearing at prevailing market rates and are with maturity of three months or less. The bank deposits carry interest at market rates ranged from 0.01% (2015: 0.01%) per annum.

Short term bank deposit with original maturity over three months as at 31 December 2016 carries interest at 0.74% per annum.

18. Trade and Other Payables

	2016 HK$'000	2015 HK$'000
Trade payables aged within 30 days	3,069	2,072
Accrued employees benefits	2,058	3,592
Provision for long service payments (note 20)	169	203
Accrued expenses	1,853	1,085
Other payables	325	221
	7,474	7,173

19. Unsecured Bank Borrowings

The amounts as at 31 December 2015 represent floating rate bank loans with a repayable on demand clause. The Group repaid all bank loans during the year.

20. Provisions

	2016 HK$'000	2015 HK$'000
Analysis for reporting purposes as:		
Non-current liabilities	969	679
Current liabilities	169	203
	1,138	882

	Long service payments HK$'000	Reinstatement works HK$'000	Total HK$'000
At 1 January 2016	882	–	882
Provision for the year	64	248	312
Utilisation of the provision	(56)	–	(56)
At 31 December 2016	890	248	1,138

The provision for long service payments represents management's best estimate of the liabilities associated with the long service payments to the employees that the Group is obligated to pay upon their retirement in accordance with the requirement of the Employment Ordinance.

The provision for the reinstatement works represents management's best estimate of the liabilities associated with the removal and disposal of leasehold improvements at the end of a lease term when the Group is contractually obliged to restore the rent premises to a condition specified in the lease agreements.

21. Share Capital

	Number of shares	Amount HK$'000
Authorised:		
At 27 July 2015 (date of incorporation) of HK$0.01 each	38,000,000	380
Increase on 16 December 2015 (Note a)	9,962,000,000	99,620
At 31 December 2015 and 31 December 2016 of HK$0.01 each	10,000,000,000	100,000

	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 b)	359,999,000	3,599,990
Issue of new shares upon listing (Note c)	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 passed written resolution pursuant to which the authorised share capital of the Company was increased by HK$99,620,000 by the creation of 9,962,000,000 shares of par value HK$0.01 each.

(b) 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.

(c) 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.

21. Share Capital *(Continued)*

The share capital as at 1 January 2015 represented the combined share capital of following companies attributable to the owners of the Company:

	As at 1 January 2015 HK$
Name of companies	
World-Link Roadway System Company Limited	10,000
World-Link Packing House Company Limited	100
	10,100

	HK$'000
Shown in the consolidated statement of changes in equity	10

22. Financial Instruments

22a. Categories of financial instruments

	2016 HK$'000	2015 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**84,898**	83,279
Financial liabilities		
Amortised cost	**3,394**	27,293

22b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, short-term bank deposit with original maturity over three months, bank balances and cash, trade and other payables.

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Group's bank balances carry interest at variable rates and have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rates. The directors of the Company consider the Group's exposure is not significant as those interest-bearing bank balances are within a short maturity period and no sensitivity analysis has been prepared.

22. Financial Instruments *(Continued)*

22b. Financial risk management objectives and policies *(Continued)*

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position of the Company.

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual customer at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings.

As at 31 December 2016, the Group has concentration of credit risk as 32.8% (2015: 54.5%) of the total trade receivables was due from the Group's largest customer. The Group's concentration of credit risk on the top five largest customers accounted for 94.2% (2015: 90.8%) of the total trade receivables as at 31 December 2016. The management of the Group considered their the credit risk of amounts due to these customers is insignificant after considering their historical settlement record, credit quality and financial positions.

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date, on which the Group can be required to pay. The maturity dates for other financial liabilities are based on the agreed repayment dates.

Liquidity tables

As at 31 December 2016

	Repayable on demand or less than 30 days HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31 December 2016 HK$'000
Financial Liabilities			
Trade and other payables	3,394	3,394	3,394

22. Financial Instruments *(Continued)*

22b. Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

Liquidity tables (Continued)

As at 31 December 2015

	Weighted average effective interest rate %	Repayable on demand or less than 30 days HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31 December 2015 HK$'000
Financial Liabilities				
Trade and other payables	–	2,293	2,293	2,293
Unsecured bank borrowings	2.47	25,000	25,000	25,000
		27,293	27,293	27,293

Bank loans with a repayment on demand clause are included in the "Repayable on demand or less than 30 days" time band in the above maturity analysis. As at 31 December 2015, the aggregate undiscounted principal amounts of these bank loans amounted to HK$25,000,000. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The whole balance was repaid during the year ended 31 December 2016.

22c. Fair value

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate to their respective fair values at the end of the reporting period.

23. Operating Leases

The Group as lessee

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 and plant, machinery and equipment which fall due as follows:

	2016 HK$'000	2015 HK$'000
Rented premises		
Within one year	35,566	22,623
In the second to fifth year inclusive	48,687	3,979
	84,253	26,602
Plant, machinery and equipment		
Within one year	317	481
In the second to fifth year inclusive	211	245
	528	726
	84,781	27,328

Operating lease payments represent rentals payable by the Group for its office premises, warehouses, plant, machinery and equipment. Leases are negotiated for the period of one to three years.

24. Retirement Benefits Scheme

The Group operates a defined contribution scheme for all qualified employees. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group also participates in a defined contribution scheme which is registered under the MPF Scheme established under the Mandatory Provident Fund Ordinance in December 2000.

For members of the MPF Scheme, the Group contributes at the lower of HK$1,500 per month or 5% of relevant payroll costs each month to the MPF Scheme, which contribution is matched by the employee.

The only obligation of the Group with respect to these retirement benefits schemes is to make the specified contributions. During the year, the total amount contributed by the Group to the schemes and cost charged to the profit or loss represents contributions paid/payable to the schemes by the Group at rates specified in the rules of the schemes. The retirement benefits scheme contributions made by the Group amounted to approximately HK$1,874,000 (2015: HK$1,593,000).

25. Related Party Disclosures

The remuneration of key management (representing directors of the Company) during the year was as follows:

	2016 HK$'000	2015 HK$'000
Fee	1,206	27
Salaries, bonus and other allowances	2,840	1,260
Performance related incentive payments	–	130
Retirement benefit scheme and contributions	264	170
	4,310	1,587

26. Statement of Financial Position of the Company

The statement of financial position of the Company is as follows:

	31 December	
	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSET		
Investment in a subsidiary	25,183	25,183
CURRENT ASSET		
Prepayments and other receivables	342	–
Amount due from a subsidiary	29,864	3,000
Short-term bank deposit with original maturity over three months	20,000	–
Bank balances	6,511	52,350
	56,717	55,350
CURRENT LIABILITIES		
Other payables and accrued expenses	277	32
NET CURRENT ASSETS	56,440	55,318
NET ASSETS	81,623	80,501
CAPITAL AND RESERVES		
Share capital	4,800	4,800
Reserves (note)	76,823	75,701
	81,623	80,501

26. Statement of Financial Position of the Company *(Continued)*

Note:

	Share premium HK$'000	Capital reserve HK$'000	Retained profits HK$'000	Total HK$'000
Issue of shares	58,800	–	–	58,800
Cost of issuing new shares	(5,850)	–	–	(5,850)
Profit for the period	–	–	16,168	16,168
Capitalisation issue (note 21)	(3,600)	–	–	(3,600)
Effect of group reorganisation	–	25,183	–	25,183
Dividend declared during the period	–	–	(15,000)	(15,000)
At 31 December 2015	49,350	25,183	1,168	75,701
Profit for the year	–	–	1,122	1,122
At 31 December 2016	49,350	25,183	2,290	76,823

The Company's statement of financial position was approved and authorised for issue by the board of directors on 24 February 2017 and are signed on its behalf by:

Mr. Yeung Kwong Fat
DIRECTOR

Mr. Lee Kam Hung
DIRECTOR

27. Particulars of the Subsidiaries

Name of subsidiary	Place of incorporation and operations	Issued and fully paid ordinary share capital	Proportion of issued share capital owned by the Group 2016	2015	Principal activities
Real Runner Limited	British Virgin Islands	US$3,000	**100%** (Note)	100% (Note)	Investment holding
World-Link Roadway System Company Limited	Hong Kong	HK$10,000	**100%**	100%	Provision of warehousing, transportation and value-added services
World-Link Packing House Company Limited	Hong Kong	HK$100	**100%**	100%	Provision of customisation services

Note: Real Runner Limited is directly held by the Company.

None of the subsidiaries had any debenture outstanding at the end of the year or at any time during the year.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last three financial years, as extracted from the audited consolidated financial statements and the Company's prospectus dated 22 December 2015, is set out below:

Results

	Year ended 31 December		
	2014 HK$'000	2015 HK$'000	**2016** **HK$'000**
REVENUE	134,812	125,161	**149,724**
PROFIT BEFORE TAXATION	25,093	2,706	**28,752**
INCOME TAX EXPENSE	(3,677)	(2,556)	**(5,241)**
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	21,416	150	**23,511**

Assets and Liabilities

	At 31 December		
	2014 HK$'000	2015 HK$'000	**2016** **HK$'000**
TOTAL ASSETS	57,450	95,143	**96,433**
TOTAL LIABILITIES	(34,459)	(32,852)	**(10,631)**
NET ASSETS	22,991	62,291	**85,802**