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 on Main Board: 6083)

(Stock Code on GEM: 8012)

TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Financial Adviser to the Company

金融有限公司
OCTAL Capital Limited

Reference is made to the announcement of the Company dated 17 March 2017 in relation to the proposed Transfer of Listing. On 17 March 2017, an application was made by the Company to the Stock Exchange for the transfer of listing of, and permission to deal in (i) the existing 480,000,000 Shares in issue; and (ii) 48,000,000 new Shares, being the maximum number of new Shares which may fall to be issued upon the exercise of all options which may be granted under the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board.

The Board is pleased to announce that the approval-in-principle for the Transfer of Listing was granted by the Stock Exchange on 7 November 2017 for the Shares to be listed on the Main Board and de-listed from GEM. The last day of dealings in the Shares on GEM (Stock Code: 8012) will be 14 November 2017. Dealings in the Shares on the Main Board (Stock Code: 6083) will commence at 9:00 a.m. on 15 November 2017.

All pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

TRANSFER OF LISTING

On 17 March 2017, an application was made by the Company to the Stock Exchange for the transfer of listing of the Shares from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in (i) the existing 480,000,000 Shares in issue; and (ii) 48,000,000 new Shares, being the maximum number of new Shares which may fall to be issued upon the exercise of all options which may be granted under the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board.

The Board is pleased to announce that the approval-in-principle for the Transfer of Listing was granted by the Stock Exchange on 7 November 2017 for the Shares to be listed on the Main Board and de-listed from GEM.

COMPLIANCE OF THE LISTING RULES

All pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

REASONS FOR THE TRANSFER OF LISTING

The Company has been listed on GEM since 29 December 2015. The Group is an established logistics service provider in Hong Kong which offers a wide range of logistics services to meet the needs of its customers' supply chains, including transportation, warehousing, customisation and certain value-added services. The Board believes that the Transfer of Listing will enhance the profile of the Company and increase the trading liquidity of the Shares. The Board considers that the Transfer of Listing will be beneficial to the future growth and business development of the Group as well as in the overall interests of the Company and the Shareholders.

As at the date of this announcement, the Board has no intention to change the nature of business of the Group following the Transfer of Listing. The Transfer of Listing will not involve issue of any new Shares by the Company.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS since 29 December 2015, the date on which the Shares were first listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (Stock Code: 8012) will be 14 November 2017. Dealing in the Shares on the Main Board (Stock Code: 6083) will commence at 9:00 a.m. on 15 November 2017.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for delivery, trading, settlement and registration purposes, and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in a board lot size of 8,000 Shares each and are traded in Hong Kong dollars. The principal share registrar and transfer office of the Company is Estera Trust (Cayman) Limited and the branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited. No change will be made to the Chinese and English stock short names of the Company, the existing share certificates, board lot size, trading currency and share registrars of the Shares in connection with the Transfer of Listing.

SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 16 December 2015, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. As at the date of this announcement, no option has been granted or outstanding under the Share Option Scheme. The total number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 48,000,000 Shares.

The Share Option Scheme will remain valid and effective following the Transfer of Listing to the Main Board and will be implemented in full compliance with the requirements under Chapter 17 of the Listing Rules. Following the Transfer of Listing, the Shares issued and to be issued upon exercise of share options, which may be granted under the Share Option Scheme, will be listed on the Main Board.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Listing Rules, the general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders on 21 June 2017 will continue to be valid and remain in effect until the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or

(iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking, varying or renewing the authority given to the Directors by the relevant resolution.

COMPETING INTERESTS

For the year ended 31 December 2016, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group pursuant to Rule 9A.09(10) of the Listing Rules.

A deed of non-competition (the "**Existing Deed**") dated 16 December 2015 was executed in favour of the Company (for itself and as trustee for each of its subsidiaries) by Mr. Yeung Kwong Fat, Mr. Lee Kam Hung, Mr. Luk Yau Chi, Desmond, Orange Blossom International Limited, Best Matrix Global Limited and Leader Speed Limited (collectively the "**Covenantors**") regarding certain non-competition undertakings. The details of the Existing Deed have been disclosed in the prospectus dated 22 December 2015 under the section headed "Relationship with our Controlling Shareholders".

During the year ended 31 December 2016, the independent non-executive Directors have reviewed on behalf of the Company the compliance of the Covenantors with the Existing Deed and are satisfied that the Covenantors and their close associates have complied with the provisions of the Existing Deed.

As the Existing Deed will no longer be valid once the Shares cease to be listed on GEM, the Covenantors have entered into a new deed of non-competition (the "**New Deed**") on 25 April 2017, which shall take effect conditional on the Transfer of Listing, to continue the undertakings pursuant to the Existing Deed. Terms of the New Deed succeed those set out in the Existing Deed and make reference to Listing Rules instead of GEM Listing Rules.

Pursuant to the New Deed, each of the Covenantors jointly and severally and irrevocably undertakes and covenants to the Company (for itself and as trustee for and on behalf of its subsidiaries) that each of them will not, and will procure that its/his close associates (except any member of the Group) will not, either on his/its own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly, amongst other things, carry on, participate or be interested or engaged in or acquire or hold any right or interest (in each case whether as an investor, a shareholder, principal, partner, director, employee, consultant, agent or otherwise and whether for profit, reward, interest or otherwise), or otherwise be involved in any business which is or may be in competition, whether directly or indirectly, with the business carried on (including but not limited to the provision of logistics services to meet the need of the Group's customers' supply chains which include transportation, warehousing, customisation services (consisting mainly of repacking services and labelling services) as well as value-added services (consisting mainly of container handling services and assistance in preparation of shipping document services) or contemplated to be carried on by any member of the Group, in Hong Kong or any other jurisdiction where the Group has conducted business as at the date of the New Deed or may conduct business from time to time in the future ("**Restricted Business**").

Each of the Covenantors further undertakes to refer to the Company within 10 days any and all opportunities in connection with the Restricted Business ("**New Business Opportunity**") which are identified by or made available to any of them.

Notwithstanding the aforesaid, the New Deed does not apply where:

1. any opportunity to invest, participate, be engaged in and/or operate with a third party any Restricted Business has first been offered or made available to the Group, and that the offer should contain all information reasonably necessary for the Group to consider whether (i) such opportunity would constitute competition with any Restricted Business and (ii) it is in the interest of the Group and the shareholders of the Company as a whole to pursue such opportunity, and the Company has, after review by the independent non-executive Directors, declined such opportunity to invest, participate, be engaged in or operate the Restricted Business with such third party or together with the Covenantors and/or its/his close associate(s), provided that the principal terms by which that Covenantors (or its/his close associate(s)) subsequently invests, participates, engages in or operates the Restricted Business are not more favourable than those disclosed to the Company. A Covenantors may only engage in the New Business Opportunity if (i) a notice is received by the Covenantors from the Company confirming that the New Business Opportunity is not accepted and/or does not constitute competition with the Restricted Business (the "**Non-acceptance Notice**"); or (ii) the Non-acceptance Notice is not received by the Covenantors within 30 days after the proposal of the New Business Opportunity is received by the Company;

2. each Covenantors having interests in the shares or other securities in a company whose shares are listed on a recognised stock exchange provided that:

   (a) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of the relevant company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts; or

   (b) the total number of the shares held by the Covenantors and/or their respective close associates or in which they are together interested does not exceed 5% of the issued shares of that class of the company in question (the "**Relevant Company**"), provided that (i) the total number of the relevant Covenantors' representatives on the board of directors of the Relevant Company is not significantly disproportionate with respect to his shareholdings in the Relevant Company; and (ii) at all times there is a holder of such shareholding (together, where appropriate, with its close associates) a larger percentage of the shares in question than the Covenantors and their respective close associates together hold.

PUBLIC FLOAT

Reference is made to our announcement dated 13 September 2016 regarding the completion SFC's enquiry into the shareholding of the Company. The SFC's findings indicated that as at 1 September 2016, 17 Shareholders held an aggregate of 109,936,000 Shares, representing approximately 22.91% of the issued share capital of the Company. Such shareholding, together with 349,264,000 Shares (representing 72.76% of the issued share capital of the Company) held by our Controlling Shareholders, represented 95.67% of the issued share capital of the Company. Therefore, only 20,800,000 Shares (representing approximately 4.33% of the issued share capital of the Company) were held by other public Shareholders as at 1 September 2016. SFC considered that a high concentration of shareholding was maintained in a small number of Shareholders.

In order to increase the spread of the shareholding of the Company held by public Shareholders, three of the Controlling Shareholders, namely Best Matrix Global Limited, Orange Blossom International Limited and Leader Speed Limited, disposed of an aggregate of 40,000,000 Shares to 67 independent placees through a placing agent at the price of HK$1.12 per share on 21 September 2017. Among the said 40,000,000 shares disposed, Best Matrix Global Limited, Orange Blossom International Limited and Leader Speed Limited disposed of 16,000,000 Shares, 16,000,000 Shares and 8,000,000 Shares respectively, representing approximately 3.33%, 3.33% and 1.67% of the total issued share capital of the Company as at 21 September 2017, respectively. The distribution of the 40,000,000 Shares disposed of by the Controlling Shareholders to the top 25 placees can be referred to the announcement of the Company dated 21 September 2017. Immediately after the disposal of the 40,000,000 Shares by the Controlling Shareholders and as at the Latest Practicable Date, 64.43% and 35.57% of the Shares were held by the Controlling Shareholders and the public Shareholders, respectively.

As at 11 October 2017, a total of 170,736,000 Shares were held by at least 485 public Shareholders, representing approximately 35.57% of the issued share capital of the Company, and the three largest public Shareholders in aggregate held 30,184,000 Shares, representing 6.29% of the issued share capital of the Company. The Company has at least a total of 488 Shareholders.

The Directors confirm that not less than 25% of the total issued share capital of the Company was held by the public (as defined in the Listing Rules) as at the Latest Practicable Date. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Listing Rules.

Save for the 480,000,000 Shares in issue, the Company does not have any other options, warrants, or similar rights or convertible equity securities in issue as at the Latest Practicable Date.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company discloses below the biographical information of each current Director and senior management of the Company:

EXECUTIVE DIRECTORS

Mr. Yeung Kwong Fat ("Mr. Yeung"), aged 65

Chairman of the Board, executive Director, Chief Executive Officer and Authorised Representative of the Company

Mr. Yeung was appointed as the Chairman of the Board, the executive Director, the Chief Executive Officer and the authorised representative of our Group on 4 September 2015. He is also the chairman of the nomination committee of the Board ("**Nomination Committee**").

Mr. Yeung 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. Yeung has entered into a service agreement with the Company for an initial term of three years commencing from 29 December 2015 which is subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles. Pursuant to the service agreement and the subsequent amendment by the remuneration committee of the Board ("**Remuneration Committee**"), Mr. Yeung receives a remuneration of HK$1,608,000 per annum for his service as the executive Director. His remuneration package is determined with reference to market terms, seniority, experiences, duties and responsibilities within the Group as well as the recommendation of the Remuneration Committee.

Mr. Lee Kam Hung ("Mr. Lee"), aged 64

Executive Director

Mr. Lee 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. Lee has entered into a service agreement with the Company for an initial term of three years commencing from 29 December 2015 which is subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles. Pursuant to the service agreement and the subsequent amendment by the Remuneration Committee, Mr. Lee receives a remuneration of HK$1,425,000 per annum for his service as the executive Director of our Group. His remuneration package is determined with reference to market terms, seniority, experiences, duties and responsibilities within the Group as well as the recommendation of the Remuneration Committee.

Mr. Luk Yau Chi Desmond ("Mr. Luk"), aged 52

Executive Director, Compliance Officer of the Company

Mr. Luk was appointed as the executive Director and the compliance officer of our Group on 4 September 2015. He 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 ("**F&B**"), 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.

Mr. Luk has entered into a service agreement with the Company for an initial term of three years commencing from 29 December 2015 which is subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles. Pursuant to the service agreement and the subsequent amendment by the Remuneration Committee, Mr. Luk receives a remuneration of HK$1,425,000 per annum for his service as the executive Director of our Group. His remuneration package is determined with reference to market terms, seniority, experiences, duties and responsibilities within the Group as well as the recommendation of the Remuneration Committee.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. How Sze Ming ("Mr. How"), aged 40

Mr. How was appointed as an independent non-executive Director on 16 December 2015. He is the chairman of the audit committee of the Board ("**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 corporate finance 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), from January 2015 to March 2017; (iii) Forgame Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 484), since January 2016 and; (iv) Shanghai Zendai Property Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 755), since May 2017.

Mr. How has entered into a letter of appointment with the Company for an initial term of one year commencing from 16 December 2016 which is subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles. Pursuant to the letter of appointment and the subsequent amendment by the Remuneration Committee, Mr. How receives a remuneration of HK$144,000 per annum which has been proposed by the Remuneration Committee and approved by the Board with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy and the prevailing market condition.

Mr. Jung Chi Pan Peter ("Mr. Jung"), aged 50

Mr. Jung 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. Jung has entered into a service contract with the Company for an initial term of one year commencing from 1 January 2017 which is subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles. Pursuant to the service agreement, Mr. Jung receives a remuneration of HK$144,000 per annum which has been proposed by the Remuneration Committee and approved by the Board with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy and the prevailing market condition.

Mr. Mak Tung Sang ("Mr. Mak"), aged 57

Mr. Mak 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.

Mr. Mak has entered into a service contract with the Company for an initial term of one year commencing from 1 January 2017 which is subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles. Pursuant to the service agreement, Mr. Mak receives a remuneration of HK$144,000 per annum which has been proposed by the Remuneration Committee and approved by the Board with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy and the prevailing market condition.

Save as disclosed above, each of the 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 the 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 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

SENIOR MANAGEMENT

Ms. Leung Ho Yee ("Ms. Leung"), aged 32

Financial Controller, Company Secretary and Authorised Representative of the Company

Ms. Leung is the financial controller, the company secretary and the authorised representative of our Group. She joined our Group in August 2015. She is mainly responsible for financial reporting, financial planning, treasury, and 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, an Associate of The Hong Kong Institute of Chartered Secretaries since 2015 and an Associate of The Institute of Chartered Secretaries and Administrators 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 ("Mr. Chan"), aged 38

Commercial Director of the Group

Mr. Chan is the commercial director of our Group since January 2016, now leading a team which processes 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 ("Mr. Wong"), aged 62

Customisation Manager of the Group

Mr. Wong 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 ("Ms. Ng"), aged 47

Commercial Manager of the Group

Ms. Ng 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 announcement, 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 the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at the date of this announcement, 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 Issuers ("**Model Code**"):

Interest in the Company

Name of Director	Capacity	Number of shares held: Personal interests	Number of shares held: Other interests	Number of shares held: 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; beneficial owner	4,320,000	304,944,000	309,264,000	64.43%
Mr. Lee Kam Hung *(Note 1, 3)*	Interest in a controlled corporation; interests held jointly with another person	–	309,264,000	309,264,000	64.43%
Mr. Luk Yau Chi Desmond *(Note 1, 4)*	Interest in a controlled corporation; interests held jointly with another person	–	309,264,000	309,264,000	64.43%

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 approximately 64.43% of the issued share capital of the Company.

2. The aggregate 309,264,000 Shares in which Mr. Yeung is interested consist of (i) 119,360,000 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) 185,584,000 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. The aggregate 309,264,000 Shares in which Mr. Lee is interested consist of (i) 123,744,000 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) 185,520,000 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. The aggregate 309,264,000 Shares in which Mr. Luk is interested consist of (i) 61,840,000 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) 247,424,000 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.

Interest 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 the date of this announcement, 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 Model Code.

FINANCIAL INDEPENDENCE

The Group has an independent financial system and makes financial decisions according to its own business needs. There have no financial assistance, guarantee and/or security provided by the Controlling Shareholders and their respective associates for the Group as at the date of this announcement. The Directors believe that the Company is capable of obtaining financing from third parties without reliance on its controlling shareholders.

QUARTERLY REPORTING OF FINANCIAL RESULTS

Upon the Transfer of Listing, the Company will cease the practice of quarterly reporting of financial results and will follow the relevant requirements of the Listing Rules which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year ends, respectively. The Board is of the view that the investors and Shareholders will continue to have access to relevant information on the Company following the reporting requirements under the Listing Rules.

BUSINESS OVERVIEW

The Company offers a wide range of logistics services to meet the needs of our customers' supply chains which include transportation services, warehousing services, customisation services (consisting mainly of repacking and labeling services) as well as certain value-added services (consisting mainly of container handling services and provision of assistance to the preparation of shipping documentation services).

The following table sets out the revenue by the types of services we typically offered in the logistics business during the Track Record Period:

	Year ended 31 December						**Six months ended 30 June**			
	2014		**2015**		**2016**		**2016**		**2017**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
	(audited)		(audited)		(audited)		(unaudited)		(unaudited)	
Transportation	32,386	24.0	31,107	24.9	36,332	24.3	16,568	24.5	19,246	25.3
Warehousing	53,524	39.7	56,959	45.4	67,273	44.8	30,279	44.7	34,813	45.7
Customisation[1]	39,313	29.2	29,637	23.7	37,355	25.0	16,776	24.8	17,920	23.6
Value-added[2]	9,589	7.1	7,458	6.0	8,764	5.9	4,071	6.0	4,108	5.4
Total	**134,812**	**100.0**	**125,161**	**100.0**	**149,724**	**100.0**	**67,694**	**100.0**	**76,087**	**100.0**

Notes:

1. Customisation services refer to the repacking services and labeling services; and`

2. Value added services mainly include container handling services and assistance in preparation of shipping documentation services.

Transportation services

Our transportation services refer to the delivery of our customers' goods from our warehouses or our customers' designated locations to their designated delivery points or destinations. We can offer (i) same-day delivery services to our customers depending on our delivery schedule; and (ii) three-hour turnaround services to our customers which is calculated from the time the customers place orders with us to the time when we have delivered the goods to the customers' designated delivery points or destinations. We charge our customers at a premium for such services.

The Group provides delivery services on Sunday which is a newly-added service in response to the need of our existing customers from 2016.

In order to increase the flexibility and cost effectiveness in carrying out our service, we also engage independent subcontractors for the provision of transportation services. We generally do not enter into long-term agreements with the subcontractors.

We also provide return logistics services to our customers, such as handling returned products from retail stores. We collect returned products or out-of-season products from points of sale, transport them back to our warehouses and we will re-tag and re-pack the products to sales outlets or dispose of the returned products in accordance with our customers' instructions.

Revenue from transportation services mainly consists of delivery fee. Such revenue is driven by the volume of goods delivered, and the numbers and types of customers served, among other factors. The major charging basis for the transportation services is based on the number of trips.

Warehousing services

We offer inventory storage to our customers as part of our logistics services. The conditions of storage are normally specified in the service agreements with our customers, including the storage temperature and capacity.

Our fees are typically charged with reference to the volume of goods stored. Handling fees are also charged relating to various goods-handling services such as loading and unloading of goods in and out of the warehouses.

Revenue from warehousing services consists of storage and handling fee for leasing of our warehouses. Such revenue is primarily driven by the floor area occupied and the rates of fees, among other factors. The major charging basis for the warehousing services is based on the number of units.

Customisation services

We provide certain customisation services to customers along their supply chains, including but not limited to repacking services, labeling and relabeling of cartons, gift packing, tags hanging and heat sealing. Our customers normally require our customisation services, such as the labeling services (i.e. sticking labels onto the surface of the products according to customers' instructions from time to time), and the packing and repacking services (i.e. grouping small objects together into one package and repacking the products with the customers' different design) to match the customers' marketing and promotional activities. We may also procure packing materials on behalf of our customers following the packing instruction provided by the customers.

Our fees are charged with reference to the volume of goods, procedures and time involved in processing the relevant customisation activities.

Revenue from customisation services consists of packing, repacking and inspection fee. Such revenue is primarily driven by the number of items processed and time involved in processing such items, among other factors.

Value-added services

We also offer certain value-added services to our customers, which mainly consist of (i) container handling services; and (ii) assistance in preparation of shipping documentation services.

(i) Container handling services

When the containers have arrived at the port terminal and the seal of which is found to be intact, we will arrange for the collection of the containers and transport them back to our warehouses. Once the containers arrived at our warehouses, we will provide container devanning services. We engage independent contractors to perform the container handling services as the contractors possess the relevant machineries and expertise.

As our container handling services commence only when the container has arrived in Hong Kong and we act as a logistic provider thereof in Hong Kong and thus, our Group should not be regarded as the importer of the cargo in a strict sense.

(ii) Shipping documentation services

We arrange cargo booking and assist customers in preparing relevant customs clearance documents on behalf of our customers and for their signatures and endorsements.

Revenue from value-added services primarily consists of shipping documentation fee and container handling fee. Such revenue is primarily driven by the number of cargo handled and the types of container handling services delivered, among other factors.

MAJOR CUSTOMERS

We serve customers from various industries, mainly including fast moving consumer goods ("**FMCG**"), retailing and F&B.

Our FMCG customers include Customer A, Customer B and other customers whose principal business is the sale of FMCG such as (i) baby and family care products, for instance, diapers and tissues; (ii) household products, such as laundry detergent and softeners; (iii) beauty products, such as cosmetics and face cleanser; and (iv) health and grooming products, such as toothpaste and razor blades. These types of products are generally sold in supermarkets, grocery stores, drug stores and department stores.

Our retailing customers are mainly chain store operators in Hong Kong. Chain stores include chain convenience stores and chain restaurants, which operate a number of stores or restaurants in Hong Kong. The end consumers are the public.

Our F&B customers are mainly suppliers or distributors of a wide range of F&B products such as meat, rice, wines, beverages to retailers, wholesalers or food manufacturers.

MAJOR SUPPLIERS

Our suppliers mainly include subcontractors for transportation services and container handling services, landlords of our warehouses in Hong Kong, and suppliers of packing materials. We rented several floors and units in Allied Cargo Centre and Leader Industrial Centre with a total area of approximately 430,000 square feet from the landlords which are all third parties independent of and not connected with the Company or its connected persons.

None of the Directors, their respective close associates or, so far as the Directors are aware of, Shareholders who own 5% or more of the issued share capital of the Company, or has any interest in any of the five largest customers and suppliers for the years ended 31 December 2014, 2015 and 2016.

FINANCIAL INFORMATION

The table below sets forth the selected information of the Group's consolidated financial statement of profit or loss and other comprehensive income for the Track Record Period:

	For the year ended 31 December			For the six months ended 30 June	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	134,812	125,161	149,724	67,694	76,087
Other income	23	428	942	508	652
Employee benefits expenses	(36,986)	(35,896)	(40,861)	(19,222)	(21,806)
Depreciation of property, plant and equipment	(2,072)	(2,138)	(1,940)	(1,166)	(853)
Operating lease rentals in respect of rented premises	(31,450)	(36,052)	(37,711)	(18,783)	(18,911)
Sub-contracting expenses	(25,412)	(21,911)	(26,164)	(11,610)	(14,002)
Operating lease rental in respect of plant, machinery and equipment	(1,326)	(1,753)	(1,704)	(810)	(781)
Interest on bank borrowings	–	(15)	(279)	(185)	–
Listing expenses	–	(12,665)	–	–	–
Other expenses	(12,496)	(12,453)	(13,255)	(5,616)	(7,421)
Profit before taxation	25,093	2,706	28,752	10,810	12,965
Income tax expense	(3,677)	(2,556)	(5,241)	(1,906)	(2,369)
Total profit and other comprehensive income for the period/year	21,416	150	23,511	8,904	10,596

Revenue

The table below sets out our revenue by the types of industry our customers are engaged in:

	For the year ended 31 December			For the six months ended 30 June	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
FMCG	107,127	84,790	101,350	43,568	62,857
F&B	6,333	18,080	24,692	11,633	2,862
Retailing	16,756	15,815	18,143	8,936	8,882
Electronic, health and beauty accessories ("**EHBA**")	1,481	4,297	3,297	2,361	765
Others	3,115	2,179	2,242	1,196	721
	134,812	125,161	149,724	67,694	76,087

The revenue for the six months ended 30 June 2017 was approximately HK$76.1 million, representing an increase by approximately HK$8.4 million or 12.4% as compared to that for the six months ended 30 June 2016. The increase is mainly attributable to revenue growth derived from FMCG sector by approximately HK$19.3 million as compared to that of the previous period because the Group raised the service fee charged to FMCG customers and a higher demand of logistics services by FMCG customers was recorded. During the six months ended 30 June 2017, the revenue of F&B sector decreased by approximately HK$8.8 million as compared to that of the same period in 2016 because the Group vacated some storage areas for renovation and installing air-conditioning system and thus reduced the provision of warehousing services to certain F&B customers. The storage area with air-conditioning system is prepared for Customer C's logistics services which commenced in October 2017.

The revenue for the year ended 31 December 2016 was approximately HK$149.7 million, representing an increase by approximately HK$24.6 million or 19.6% as compared to that for the year ended 31 December 2015. The increase was mainly attributable to the revenue growth in the FMCG sector, the F&B sector and the retailing sector by approximately HK$16.6 million, HK$6.6 million and HK$2.3 million, respectively, as compared to that of the previous year; and partially offset by the decrease in revenue in the EHBA sector by approximately HK$1.0 million as compared to that of the previous year.

The revenue for the year ended 31 December 2015 was approximately HK$125.2 million, representing a decrease by approximately HK$9.7 million or 7.2% compared to that for the year ended 31 December 2014. The decrease was primarily due to a considerable drop in orders for higher pricing activities such as gift packing placed by our largest customer from the FMCG sector.

The revenue derived from FMCG for the year ended 31 December 2015 recorded a decrease of 20.9% while comparing to that for the year ended 31 December 2014. Such decrease in FMCG is mainly in relation to the limitation on Individual Visit Scheme imposed by the government in Hong Kong in April 2015 and the economy in Hong Kong was severely affected. In 2016, since the effect incurred from the limitation on Individual Visit Scheme was stablised, the revenue derived from the FMCG sector recorded an increase from approximately HK$84.8 million for the year ended 31 December 2015 to approximately HK$101.4 million for the year ended 31 December 2016, which represents an increase of approximately 19.5%. Other reasons of the respective increase include the renewal of contracts with the existing customers and exploration of new customers. The growth in revenue of the F&B sector and the retailing sector were mainly driven by (i) renewal of contracts with the existing customers; (ii) new customisation services offered to customers; and (iii) services for our new customers which are listed multinational companies.

The following table set forth information on the two largest customers of the Group for the Track Record Period:

	Year ended 31 December						**Six months ended 30 June**			
	2014		**2015**		**2016**		**2016**		**2017**	
	HK$'000 (audited)	*%*	*HK$'000* (audited)	*%*	*HK$'000* (audited)	*%*	*HK$'000* (unaudited)	*%*	*HK$'000* (unaudited)	*%*
Customer A	97,739	72.5	78,187	62.5	67,946	45.4	38,182	56.4	14,218	18.7
Customer B	–	–	–	–	21,915	14.6	–	–	44,088	57.9
Others	37,073	27.5	46,974	37.5	59,863	40.0	29,512	43.6	17,781	23.4
Total	**134,812**	**100.0**	**125,161**	**100.0**	**149,724**	**100.0**	**67,694**	**100.0**	**76,087**	**100.0**

Customer A

Customer A is a multi-national consumer goods company. The parent company of Customer A is listed on the New York Stock Exchange. It is principally engaged in the sale of consumer goods, including baby and family care products, household products, beauty products and health and grooming products. We were appointed as its sole logistics solutions service provider in Hong Kong for over 20 years. Customer A conducts regular inspections and assessments on the Group's performance and sets out performance indicators for the Group to follow from time to time.

The service agreements between the Group and Customer A typically have a term of two to three years with an option to renew subject to further negotiation. The current service agreements with Customer A will expire in June 2019. On 1 October 2016, Customer A appointed Customer B to be the distributor of its products in Hong Kong and the Group directly dealt with Customer B in relation to the provision of logistics services for Customer A's home products. The logistics services provided by the Company to Customer A therefore reduced accordingly, which resulted in the decrease of revenue derived from Customer A. As at the Latest Practicable Date, the Directors confirm that the service agreement with Customer A had not been stopped or suspended.

Customer B

Customer B is a multi-national leading market expansion service group in Asia. The parent company of Customer B is listed on the SIX Swiss Exchange. Customer B offers a wide range of services across the entire value chain from sourcing, research and analysis, marketing, sales, distribution and logistics to after sales services. In October 2016, the Group commenced business relationship with Customer B in relation to provision of services for Customer A's home products and FMCG and healthcare customers of Customer B.

The current service agreement between the Group and Customer B has a term of approximately 33 months with an option to renew subject to further negotiation. The current service agreement with Customer B will expire in June 2019. As at the Latest Practicable Date, the Directors confirm that the service agreement with Customer B had not been stopped or suspended.

Business arrangement between the Company, Customer A and Customer B

Customer A appointed Customer B to be the distributor of its products in Hong Kong from 1 October 2016. Customer B would provide order management as well as field marketing for the business of Customer A with the chain retailers in Hong Kong.

In light of the Customer B's distributorship appointment, the Company and Customer B entered into a purchase agreement in relation to the (i) provision of logistics services for Customer A's home products through Customer B; and (ii) provision of logistics services for products from FMCG and healthcare customers other than Customer A. As such, since 1 October 2016, the Company dealt with Customer B in relation to the provision of logistics services for Customer A's home products and other subcontracting services from Customer B while the Company continues provision of logistics services for other Customer A's products.

During the year ended 31 December 2016, revenue derived from Customer A amounted to approximately HK$67.9 million while that from Customer B was approximately HK$21.9 million, representing approximately 45.4% and 14.6% of the total revenue of the Group respectively.

The breakdown of revenue contribution derived from Customer B is summarised as below:

	For the year ended 31 December 2016 *(HK$'000)*
Provision of logistics services for Customer A's home products	21,892
Provision of logistics services for other customers	23
Total	21,915

Employee benefits expenses

Employee benefits expenses primarily consisted of wages and salaries, medical benefits, and other allowances and benefits. During the first half year of 2017, the employee benefits expenses were approximately HK$21.8 million, representing an increase by approximately HK$2.6 million or 13.4% compared to the same period in 2016. The increase is attributable to the annual increment of staff salaries and director fees.

Our employee benefits expenses amounted to approximately HK$40.9 million for the year ended 31 December 2016, representing an increase of approximately HK$5.0 million or 13.8% as compared to that for the year ended 31 December 2015. The increase was mainly attributable to the increase in the number of full-time employees resulting from the growth in our business scale. The Group had a total number of 266 and 292 full-time employees as at 31 December 2015 and 31 December 2016 respectively.

Our employee benefits expenses amounted to approximately HK$35.9 million for the year ended 31 December 2015, representing a decrease of approximately HK$1.1 million or 2.9% as compared to that for the year ended 31 December 2014. The decrease was mainly attributable to the decrease in the number of full-time employees from 271 as at 31 December 2014 to 266 as at 31 December 2015.

Operating lease rentals in respect of rented premises

During the first half year of 2017, the operating lease rentals in respect of rented premises were relatively stable compared to the same period of last year and amounted to approximately HK$18.9 million.

The operating lease rental in respect of rented premises was approximately HK$37.7 million for the year ended 31 December 2016, representing an increase of approximately HK$1.7 million or 4.6% as compared to that of the year ended 31 December 2015. The increase was mainly due to the increased rent according to the renewed rental agreements during the year ended 31 December 2016.

The operating lease rental in respect of rented premises was approximately HK$36.1 million for the year ended 31 December 2015, representing an increase of approximately HK$4.6 million or 14.6% as compared to that of the year ended 31 December 2014. The increase was mainly due to the increased rental expenses during the third year of the contract period according to the rental agreements.

Sub-contracting expenses

The sub-contracting expenses increased from approximately HK$11.6 million for the first half year of 2016 to approximately HK$14.0 million for the first half year of 2017. The increase is driven by the higher revenue during the first half year of 2017 as more sub-contracting services were required to support the growth of logistics services.

The sub-contracting expenses were approximately HK$26.2 million for the year ended 31 December 2016, representing an increase of approximately HK$4.3 million or 19.4% as compared to that of the year ended 31 December 2015. The increase was mainly due to the increase in fee paid to our subcontractors for delivery services which was in line with the increasing revenue of transportation services.

The sub-contracting expenses were approximately HK$21.9 million for the year ended 31 December 2015, representing a decrease of approximately HK$3.5 million or 13.8% as compared to that of the year ended 31 December 2014. The decrease was primarily attributable to the decrease in fee paid to our subcontractors for delivery services which was in line with the decreasing trend of our revenue of transportation services.

Profit attributable to owners of the Company

During the first half year of 2017, the Group recorded a profit attributable to owners of approximately HK$10.6 million, representing an increase of approximately HK$1.7 million as compared to the first half year of 2016. The increase is mainly driven by the growth in the revenue. The profit attributable to owners of the Company (excluding the expenses in relation to transfer of listing application) for the six months ended 30 June 2017 is approximately HK$11.7 million, representing an increment of approximately 31.5% compared to that for the six months ended 30 June 2016.

The profit attributable to owners of the Company for the year ended 31 December 2016 was approximately HK$23.5 million, representing an increase of approximately HK$10.7 million as compared to the profit attributable to owners of the Company (excluding the non-recurring listing expenses) for the year ended 31 December 2015 of approximately HK$12.8 million. The significant increase was mainly driven by the increase in revenue by approximately HK$24.6 million and partially offset by the increase in the three direct operating costs, namely employee benefits expenses, operating lease rental in respect of rented premises and sub-contracting expenses. The increase in these direct operating costs was in line with the growth in revenue of the Group.

The profit attributable to owners of the Company for the year ended 31 December 2015 was approximately HK$0.2 million, representing a decrease by approximately HK$21.3 million as compared to the profit attributable to owners of the Company for the year ended 31 December 2014. The decrease in the net profit was mainly due to (i) the weakened demand from Customer A which was mainly attributed to, among other, the change in its marking strategies or plans in respect of the sale of its products in Hong Kong in the face of Occupant Central movement and the implementation of the government policy with regard to the limitation of the number of PRC residents visiting Hong Kong; and (ii) the listing expenses amounted to approximately HK$12.7 million incurred from the listing of the Group by way of placing in December 2015.

For illustration purpose, the profit attributable to owners of the Company (excluding the non-recurring listing expenses) for the year ended 31 December 2015 was approximately HK$12.8 million, representing a decrease by approximately HK$8.6 million as compared to the profit attributable to owners of the Company for the year ended 31 December 2014.

Cash balance

The net cash generated from operating activities of the Group was approximately HK$16.2 million, HK$12.5 million, HK$11.7 million and HK$6.0 million for the years ended 31 December 2014, 2015 and 2016 and the six months ended 30 June 2017, respectively. The decrease in the net cash generated from operating activities of the Group was mainly driven by the increase in the trade receivable resulting from a longer credit period granted to customers.

The Group allowed a credit period to customers ranging from 0 to 75 days since July 2015 while the customers' credit period was 0 to 45 days during the year ended 31 December 2014. The trade receivable turnover days were 91, 91, 88 and 110 during the years ended 31 December 2014, 2015 and 2016 and the six months ended 30 June 2017, respectively. The trade receivable turnover days exceeded our Group's maximum credit period of 75 days due to delayed settlement from the customers. During the Track Record Period, our customers have been continuously settling our bills without default and our Directors consider that there was no collectability issue in relation to such outstanding trade receivables and, accordingly, no provision had been made. As at the Latest Practicable Date, approximately HK$45.0 million or 93.7% of trade receivables as at 30 June 2017 was subsequently settled and approximately HK$3.9 million or 70.2% of other receivables as at 30 June 2017 was subsequently settled.

The Group had cash and cash equivalents of approximately HK$10.2 million, HK$54.6 million, HK$19.1 million and HK$12.1 million respectively as at 31 December 2014, 2015 and 2016 and 30 June 2017, respectively. The decrease in the cash and cash equivalent was due to a placement of short term bank deposit of approximately HK$20.0 million and a repayment of bank borrowings of approximately HK$25.0 million during the year ended 31 December 2016.

FUTURE PLAN

New customers are an important driver of our revenue growth. For the year ended 31 December 2016, the Group had 12 new customers. Revenue derived from the new customers for the year ended 31 December 2016 amounted to approximately HK$22.1 million and represented approximately 14.8% of the total revenue of the Group. We will continue on exploration of new business opportunities in the local market and approaching new customers in the coming future.

In 2016, our Group extended our delivery services to Sunday which is a newly-added services in response to the need of our existing customers. We are planning to further extend our delivery service hours to statutory holiday. During the year ended 31 December 2016, our Group commenced a new business, namely cold chain logistics services which include provision of storage and local delivery services of frozen food which are required to be kept in a temperature-controlled storage space. Our Group has equipped with temperature-controlled vehicles and installed air-conditioners in our existing warehouse for the cold chain logistics services. In 2017, our Group will further enhance our capability to handle the delivery and storage of frozen food and drink. We are planning to purchase temperature-controlled vehicles and rent a temperature-controlled warehouse to meet the needs of existing customers and potential customers on the cold chain logistics services.

From the Board's perspective, the economy in the coming years is still uncertain. Based on the market situation, retail business will be affected while FMCG is expected to have a relatively better performance.

As shown in the 2016 Annual Report, the revenue of the Company derived from FMCG increased from approximately HK$84.8 million for the year ended 31 December 2015 to HK$101.4 million for the year ended 31 December 2016, representing an increase of approximately 19.5%. It also represented approximately 67.7% of the total revenue of the Company for the years ended 31 December 2015 and 2016, respectively, indicating that FMCG customers are our major sources of income.

In 2017, the Board is of the view that the Company will remain its business strategy for the current business segments of the Company while extra efforts will be put on the expansion of the FMCG sector to seize the opportunity from the development of cold chain logistics business and attract new customers.

With the cooperation and support of all our staff, we will continue to provide flexible logistics solutions to our new and existing customers. We respond quickly to fulfil the customers' requirements. Our Group will continue to improve our service quality so as to expand the Group's business and customer base.

USE OF PROCEEDS

The net proceeds raised from our listing on GEM in December 2015 were approximately HK$41.5 million. As at 30 September 2017, the Group had utilised approximately HK$28.5 million of the net proceeds in accordance with the proposed usage set out in the section headed "Future plans and use of proceeds" in the prospectus dated 22 December 2015.

As the property market remains volatile since the Group's listing on GEM in December 2015, the Directors are of the view that it is not the optimal time to purchase or lease any area for cold chain logistics business as price and rental of properties were relatively high. Therefore, the Board decided to delay the expansion plan during 2016.

One of our potential customers, Customer C, expressed its interest on the co-operation with the Company in September 2016. Customer C invited the Company to submit a tender of a potential project in relation to the provision of temperature-controlled storage and delivery services, which is part of our cold chain logistics business. Customer C is a multi-national family-owned manufacturer of confectionery and pet care brands and its headquarters is in Mclean, Virginia, the United States. Customer C employs more than 70,000 employees in 79 countries worldwide. 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 interests in Customer C.

In order to commence the business relationship with Customer C, the Company submitted the tender in relation to the potential project in November 2016. According to the original timetable, the contract of the potential project was expected to be awarded in January 2017 and the potential project would be commenced in July 2017. However, due to the prolonged tender process and Customer C's internal contract approval process, the commencement of the potential project was delayed and the expansion plan of the Company was therefore postponed. The Company received the letter of intent in relation to the potential project in May 2017 and entered into a service agreement with Customer C on 1 October 2017. The Company substantially completed warehouse renovation and electronic data interchange system integration. The business with Customer C commenced in October 2017.

The Board is of the view that, although the current rental of warehousing property may not drop significantly in the foreseeable future, the demand of cold chain logistics business is growing in the coming future. Therefore, the Company has resumed the expansion plan of cold chain logistics business to seize the respective business opportunity as mentioned above. Since Customer C is a leading global chocolate manufacturer, the Company would like to build up the business relationship with Customer C and therefore the Group resumes its expansion plan to meet the requirements of logistics services requested by Customer C. The installation of air-conditioning system and renovation work of the Group's existing warehouse has been substantially completed in September 2017.

As at 30 September 2017, approximately HK$9.1 million of the IPO proceeds were used on the expansion of the cold chain logistics business. The remaining balance of the IPO proceeds for the expansion of the cold chain logistics business amounted to approximately HK$9.9 million will be used in the fourth quarter of 2017 and the first quarter of 2018.

The revised expansion plan of cold chain logistics business is as follows:

1. For the year ending 31 December 2017:

Use of proceeds	Approximate proceeds to be used	Expected period to be incurred	Approximate proceeds used as at 30 September 2017
Strengthening the air-conditioning system and conducting renovation work for the air-conditioned warehouse of the Group	HK$5.2 million	Third quarter of 2017 (Completed)	HK$5.0 million
Procurement of two temperature-controlled vehicles	HK$2.0 million	Fourth quarter of 2017	HK$0.0 million
Payment to subcontractor(s) for cold chain logistics business	HK$3.6 million	Full year of 2017	HK$2.0 million
Storage expenses for cold chain logistics business	HK$1.4 million	Fourth quarter of 2017	HK$0.2 million

2. For the year ending 31 December 2018:

Use of proceeds	Approximate proceeds to be used	Expected period to be incurred
Payment to subcontractor(s) for cold chain logistics business	HK$3.0 million	First quarter of 2018
Storage expenses for cold chain logistics business	HK$1.9 million	First quarter of 2018

NO MATERIAL ADVERSE CHANGE

The Directors confirm that subsequent to 31 December 2016 and up to the date of this announcement, there are no unfavorable trends and developments which may have a material adverse impact on the Group's business and financial performance.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for viewing on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.world-linkasia.com:

a. the Memorandum of Association and the Articles of Association of the Company;

b. the interim report of the Company for the six months ended 30 June 2017;

c. the first quarterly report of the Company for the three months ended 31 March 2017;

d. the Directors' report and the annual report of the Company for the financial year ended 31 December 2016;

e. the third quarterly report of the Company for the nine months ended 30 September 2016;

f. the circular of the Company dated 18 May 2017 in respect of the general mandates to issue and repurchase Shares, proposed re-election of Directors and notice of annual general meeting; and

g. a copy of each of the announcements and other corporate communications made by the Company as required under the GEM Listing Rules and the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Articles"	the articles of association of the Company conditionally adopted on 16 December 2015 and with effect from 29 December 2015, and as amended from time to time
"Board"	the board of Directors
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	World-Link Logistics (Asia) Holding Limited (環宇物流(亞洲)控股有限公司), a company incorporated in the Cayman Islands on 27 July 2015 as an exempted company with limited liability

“Connected persons”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules, in the context of this announcement, means Mr. Yeung Kwong Fat, Mr. Lee Kam Hung, Mr. Luk Yau Chi, Desmond, Orange Blossom International Limited, Best Matrix Global Limited and Leader Speed Limited
“Director(s)”	the director(s) of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	31 October 2017, being the latest practicable date prior to the issue of this announcement for ascertaining certain information contained in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock market (excluding the options market) operated by the Stock Exchange which is independent from and in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)

"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholders"	the holder(s) of Share(s)
"Share Option Scheme"	the share option scheme adopted by the Company on 16 December 2015
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Track Record Period"	the three years ended 31 December 2016 and the six months ended 30 June 2017
"Transfer of Listing"	the transfer of listing of the Shares from GEM to the Main Board

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

Hong Kong, 7 November 2017

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules and the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.world-linkasia.com.

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