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WORLD-LINK LOGISTICS (ASIA) HOLDING LIMITED

環宇物流(亞洲)控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6083)

MAJOR TRANSACTION IN RELATION TO OFFER TO RENEWAL OF THE EXISTING TENANCY AGREEMENTS

OFFER TO RENEWAL OF EXISTING TENANCY AGREEMENTS

On 20 June 2024, the Tenant, an indirect wholly-owned subsidiary of the Company, as tenant, has accepted and signed the Offer to Renewal of Existing Tenancy Agreements in respect of the Premises.

Acceptance of the offers contained in the Offer Letters to enter into the Tenancy Agreements shall constitute valid and binding agreements between the Tenant and the Landlord for the renewal of Existing Tenancy Agreements of the Premises, and therefore constitutes a major transaction of the Company under the Listing Rules.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the entering into of the Offer to Renewal of Existing Tenancy Agreements by the Tenant as tenant will require the Group to recognize the Premises as right-of-use asset. Accordingly, the transactions contemplated under the Offer Letters will be regarded as the acquisitions of asset by the Company under the Listing Rules.

The Directors consider that since all the Offer Letters were entered into by the Tenant with the same Landlord within 12 months, the transaction contemplated under the Offer Letters shall be aggregated under Rule 14.22 of the Listing Rules. The unaudited value of right-of-use asset recognised by the Company under the Offer Letters amounted to approximately HK\$69 million in aggregate.

As the highest percentage ratio as defined under the Listing Rules in respect of the acquisition of right-of-use asset recognised by the Group pursuant to HKFRS 16 under the Offer Letters is 25% or more but is less than 100% when aggregated, the entering into of the Offer Letters constitutes a major transaction for the Company and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval in accordance with Rule 14.44 of the Listing Rules from the Shareholder Group, which is beneficially interested in an aggregate of 326,876,000 Shares, representing approximately 65.14% of the entire issued capital of the Company as at the date of this announcement. On the basis that (i) no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the transaction contemplated under the Offer Letters; and (ii) the written approval of Shareholder Group for the transactions contemplated under the Offer Letters has been obtained, no extraordinary general meeting will be convened for the purpose of approving the transactions contemplated under the Offer Letters as permitted under Rule 14.44 of the Listing Rules.

A circular containing, amongst others, further information of the transactions contemplated under the Offer Letters is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement, that is, on or before 11 July 2024. The Company may not be able to despatch the circular within such period due to the time required to prepare the relevant financial and other information to be included in the circular under the Listing Rules, in which case the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make a further announcement of the expected despatch date of the circular in due course.

INTRODUCTION

On 20 June 2024, the Tenant, an indirect wholly-owned subsidiary of the Company, as tenant, has accepted and signed the Offer to Renewal of Existing Tenancy Agreements in respect of the Premises.

Acceptance of the offers contained in the Offer Letters to enter into the Tenancy Agreements shall constitute valid and binding agreements between the Tenant and the Landlord for the renewal Existing Tenancy Agreements of the Premises, and therefore constitutes a major transaction of the Company under the Listing Rules.

The principal terms of the Offer to Renewal of Existing Tenancy Agreements are set out below:

OFFER TO RENEWAL OF EXISTING TENANCY AGREEMENTS

Date of signing by 20 June 2024
the Tenant:

Parties: (1) San Pack Properties Limited as landlord; and

 (2) World-Link Roadway System Company Limited, an indirect wholly-owned subsidiary of the Company as tenant.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

Premises: (i) Portion of G/F, 2-6/F and 4 lorry parking spaces; (ii) 14-19/F, 21-22/F and 24/F; and (iii) 23/F of Allied Cargo Centre located at Nos. 150-164 Texaco Road, Tsuen Wan, New Territories, Hong Kong

Term: Two years commencing from 1 July 2024 and expiring on 30 June 2026 (both dates inclusive)

Rent: The total rent payable under the Tenancy Agreements with respect of (i) Premises A which is inclusive of management fee but exclusive of rates; (ii) Premises B which is inclusive of management fee and rates; and (iii) Premises C which is inclusive of management fee and rates in aggregate, is approximately HK\$73,784,000. The monthly rent in aggregate from 1 July 2024 to 30 June 2026 is approximately HK\$3,074,000.

The rent is payable in advance on the 1st day of each and every calendar month.

The rent was determined after arm's length negotiations between the parties with reference to the prevailing market rent for comparable premises in the vicinity of the Premises.

Rental deposit: Approximately HK\$6,149,000

Use of premises: The Group intends to use the Premises as logistics center and office premises.

Stamp duty: The stamp duty shall be borne equally by the Landlord and the Tenant.

The payment of the monthly rent, the rental deposit and the stamp duty will be funded by the internal resources of the Group.

The Landlord and the Tenant shall enter into a formal Tenancy Agreements in the standard form prepared by the Landlord.

THE RIGHT-OF-USE ASSET

The unaudited value of the right-of-use asset recognised by the Company amounted to approximately HK\$69 million in aggregate which is calculated with reference to the present value of the aggregate lease payment under the Offer Letters.

INFORMATION ON THE PARTIES

The Company is an investment holding company. The Group is principally engaged in the integrated logistics service, packing services and distribution business.

The Tenant was incorporated under the laws of Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. The Tenant principally engages in provision of warehousing, transportation and value-added services.

The Landlord was incorporated under the laws of Hong Kong with limited liability and is principally engaged in properties holding business. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Landlord, San Pack Properties Limited is a wholly-owned subsidiary of Allied Group Limited, a company listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (Stock Code: 373) whose information including its ultimate beneficial owner(s) can be referred to on the website of the Stock Exchange.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE RENEWAL OF THE EXISTING TENANCY AGREEMENTS

The Group is currently leasing the Premises and the lease expires on 30 June 2024. In evaluating the leases, the Directors consider that (i) the Group has been using part of the Premises as its logistics centre and office space for over 20 years; and (ii) the terms of the Offer Letters were determined after arm's length negotiations between the Landlord and the Tenant and with reference to the prevailing market price of comparable premises in the vicinity of the Premises.

The renewal of the Tenancy Agreements is necessary for continuing the business operation of the Group and is in the ordinary and usual course of business of the Group.

The Board considers that the terms and conditions of the Offer Letters and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, the entering into of the Offer to Renewal of Existing Tenancy Agreements and the Offer Letters by the Tenant as tenant will require the Group to recognize the Premises as right-of-use asset. Accordingly, the transactions contemplated under the Offer Letters will be regarded as the acquisitions of asset by the Company under the Listing Rules. The Directors consider that since all the Offer Letters were entered into by the Tenant with the same Landlord within 12 months, the transaction contemplated under the Offer Letters shall be aggregated under Rule 14.22 of the Listing Rules. The unaudited value of right-of-use asset recognised by the Company under the Offer Letters amounted to approximately HK\$69 million.

As the highest percentage ratio as defined under the Listing Rules in respect of the acquisition of right-of-use asset recognised by the Group pursuant to HKFRS 16 under the Offer Letters is 25% or more but is less than 100% when aggregated, the entering into of the Offer Letters constitutes a major transaction for the Company and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval in accordance with Rule 14.44 of the Listing Rules from the Shareholder Group, which is beneficially interested in an aggregate of 326,876,000 Shares, representing approximately 65.14% of the entire issued capital of the Company as at the date of this announcement. On the basis that (i) no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the transaction contemplated under the Offer Letters; and (ii) the written approval of Shareholder Group for the transactions contemplated under the Offer Letters has been obtained, no extraordinary general meeting will be convened for the purpose of approving the transactions contemplated under the Offer Letters as permitted under Rule 14.44 of the Listing Rules.

A circular containing, amongst others, further information of the transactions contemplated under the Offer Letters is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement, that is, on or before 11 July 2024. The Company may not be able to despatch the circular within such period due to the time required to prepare the relevant financial and other information to be included in the circular under the Listing Rules, in which case the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make a further announcement of the expected despatch date of the circular in due course.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise.

“Board”	board of Directors
“Company”	World-Link Logistics (Asia) Holding Limited, a company incorporated in Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 6083)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Existing Tenancy Agreement”	The tenancy agreement dated 11 June 2021 and entered into between the Tenant and the Landlord in respect of the lease of the Premises
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third party(ies)”	the independent third party(ies) who is/are, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Landlord”	San Pack Properties Limited, which is a wholly-owned subsidiary of a Allied Group Limited (Stock code: 373) and is principally engaged in property holding business

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Letters”	the offer letters signed and issued by the Tenant on 20 June 2024 in respect of the renewal of Existing Tenancy Agreement
“Offer to Renewal of Existing Tenancy Agreements”	the offer to renew the Existing Tenancy Agreements as contemplated under the Offer Letters
“Premises”	means collectively the Premises A, Premises B and Premises C
“Premises A”	Portion of G/F, 2-6/F and 4 lorry parking spaces of Allied Cargo Centre located at Nos. 150-164 Texaco Road, Tsuen Wan, New Territories, Hong Kong
“Premises B”	14-19/F, 21-22/F and 24/F of Allied Cargo Centre located at Nos. 150-164 Texaco Road, Tsuen Wan, New Territories, Hong Kong
“Premises C”	23/F of Allied Cargo Centre located at Nos. 150-164 Texaco Road, Tsuen Wan, New Territories, Hong Kong
“Share(s)”	share(s) in the Company
“Shareholder(s)”	holders of the Shares from time to time
“Shareholder Group”	means the following Shareholders: <ul style="list-style-type: none"> (i) Orange Blossom International Limited, which is wholly owned by Mr. Yeung Kwong Fat, an executive Director, holding 82,088,000 Shares, representing approximately 16.36% of the total number of issued capital of the Company;

- (ii) Mr. Yeung Kwong Fat, an executive Director, holding 15,112,000 Shares, representing approximately 3.01% of the total number of issued capital of the Company;
- (iii) Best Matrix Global Limited, which is wholly owned by Mr. Lee Kam Hung, an executive Director, holding 143,796,000 Shares, representing approximately 28.65% of the total number of issued capital of the Company;
- (iv) Mr. Lee Kam Hung, an executive Director, holding 3,968,000 Shares, representing approximately 0.79% of the total number of issued capital of the Company;
- (v) Leader Speed Limited, which is wholly owned by Mr. Luk Yau Chi Desmond, an executive Director, holding 76,060,000 Shares, representing approximately 15.16% of the total number of issued capital of the Company; and
- (vi) Mr. Luk Yau Chi Desmond, an executive Director, holding 5,852,000 Shares, representing approximately 1.17% of the total number of issued capital of the Company

which in aggregate hold 326,876,000 Shares representing approximately 65.14% of the total number of entire issued capital of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Tenancy Agreements”

means the tenancy agreements to be entered into between the Landlord and the Tenant in respect of the Premises

“Tenant” World-Link Roadway System Company Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“%” per cent.

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

Hong Kong, 20 June 2024

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.

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