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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)

PROPOSED ISSUE OF NEW SHARES PURSUANT TO SPECIFIC MANDATE CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ISSUE OF NEW SHARES TO CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE

On 19 January 2018, the Board has resolved to conditionally award up to an aggregate of 12,000,000 Award Shares to 13 Selected Individuals at the Subscription Price of HK\$0.5 per Award Share, of which (i) up to 10,224,000 Connected Award Shares will be awarded to six Connected Selected Individuals by way of issue and allotment of new Shares and (ii) up to 1,776,000 Independent Award Shares will be awarded to seven Independent Selected Individuals by way of issue and allotment of new Shares.

As the Connected Selected Individuals are connected persons of the Company, the issue and allotment of the Connected Award Shares to those Connected Selected Individuals constitute connected transactions on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders. Specific mandate will also be obtained for issue and allotment of the Independent Award Shares to the Independent Selected Individuals.

An EGM will be convened and held to consider and, if thought fit, to approve, inter alia, the grant of specific mandate for issue of the Award Shares.

A circular containing, among other things, (i) a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders in respect of the Connected Award Shares, (ii) a letter of recommendation from the independent board committee to the Independent Shareholders in respect of the Connected Award Shares and (iii) notice to convene the EGM and proxy form, will be despatched to the Shareholders as soon as practicable and in accordance with the Listing Rules.

DETAILS OF AWARD OF THE AWARD SHARES

On 19 January 2018, the Board has resolved to, subject to, inter alia, (i) the approval of the Independent Shareholders/Shareholders (as the case may be); and (ii) the granting by the Stock Exchange the listing of, and permission to deal in, the Award Shares, award up to an aggregate of 12,000,000 Award Shares to 13 Selected Individuals by way of issue and allotment of new Shares at the Subscription Price of HK\$0.5 per Award Share pursuant to the specific mandate which may be granted by the Independent Shareholders/Shareholders (as the case may be) at the EGM.

Amongst the 12,000,000 Award Shares:

- (i) 10,224,000 Connected Award Shares will be awarded to six Connected Selected Individuals; and
- (ii) 1,776,000 Independent Award Shares will be awarded to seven Independent Selected Individuals.

AWARD TO THE CONNECTED SELECTED INDIVIDUALS

Up to 10,224,000 Connected Award Shares are proposed to be granted to six Connected Selected Individuals at the Subscription Price per Award Share. As the six Connected Selected Individuals, who are the executive Directors and the independent non-executive Directors, are the connected persons (as defined in Chapter 14A of the Listing Rules) of the Company, the issue and allotment of the Connected Award Shares to the Connected Selected Individuals shall constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The issue and allotment of the Connected Award Shares shall be subject to, among others, the approval by the Independent Shareholders at the EGM.

The Connected Award Shares are proposed to be granted to the following Connected Selected Individuals, who are connected persons of the Company:

Name of Connected Selected Individuals	Relationship with the Group	Aggregate maximum number of Connected Award Shares to be granted
Yeung Kwong Fat	Executive Director and Chairman	3,344,000
Lee Kam Hung	Executive Director	3,344,000
Luk Yau Chi, Desmond	Executive Director	3,344,000
How Sze Ming	Independent non-executive Director	64,000
Jung Chi Pan, Peter	Independent non-executive Director	64,000
Mak Tung Sang	Independent non-executive Director	64,000
Total		10,224,000

Each of the Directors has abstained from approving the relevant board resolution(s) on the award of the relevant Connected Award Shares to himself.

AWARD TO THE INDEPENDENT SELECTED INDIVIDUALS

Up to 1,776,000 Independent Award Shares are proposed to be granted to the Independent Selected Individuals, who are the employees of the Company but not Directors nor chief executive of the Group, at the Subscription Price per Award Share.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Independent Selected Individuals are third parties independent of the Company and connected persons of the Company.

CONDITIONS

The issue and allotment of the Connected Awarded Shares to the Connected Selected Individuals shall be subject to, inter alia:

- (i) the granting by the Stock Exchange the listing of, and permission to deal in, the Connected Award Shares; and
- (ii) the approval by the Independent Shareholders at the EGM in respect of the specific mandate for the issue and allotment of the Connected Award Shares.

The issue and allotment of the Independent Award Shares to the Independent Selected Individuals shall be subject to, inter alia:

- (i) the granting by the Stock Exchange the listing of, and permission to deal in, the Independent Award Shares; and
- (ii) the approval by the Shareholders at the EGM in respect of the specific mandate for the issue and allotment of the Independent Award Shares.

FURTHER DETAILS OF THE AWARD SHARES

The information in relation to the issue and allotment of up to 12,000,000 Award Shares to the Selected Individuals is set out below:

Securities to be issued:	An aggregate of up to 12,000,000 new Shares, comprising (i) 10,224,000 Connected Award Shares to be issued and allotted to the Connected Selected Individuals at the Subscription Price per Award Share; and (ii) 1,776,000 Independent Award Shares to be issued and allotted to the Independent Selected Individuals at the Subscription Price per Award Share.
Percentage of Award Shares in the share capital of the Company:	The maximum number of 12,000,000 Award Shares to be issued and allotted by the Company to the Selected Individuals represent 2.5% of the total number of Shares in issue as at the date of this announcement and approximately 2.4% of the total number of Shares in issue as enlarged by the issue and allotment of the maximum number of Award Shares.
Market value of Award Shares:	Based on the closing price of HK\$1.29 per Share as quoted on the Stock Exchange as at the date of this announcement, the market values of 10,224,000 Connected Award Shares and 1,776,000 Independent Award Shares are approximately HK\$13,188,960 and HK\$2,291,040, respectively.
Status of Award Shares:	The Award Shares, when issued and fully paid, shall rank pari passu among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

Subscription price and the funds to be raised:	<p>The Selected Individuals are required to pay HK\$0.5 per Award Share for the subscription of the Award Shares.</p> <p>The maximum gross proceeds and the net proceeds (after deducting professional fees and other related expenses) from the subscription of Award Shares will be approximately HK\$6,000,000 and HK\$5,345,000 respectively. The net proceeds of the subscription of Award Shares, if any, will be used for general working capital of the Company.</p>
Identity of the allottee(s):	<p>The Shares will be allotted and issued directly to the relevant Selected Individuals.</p>
Further conditions and timing of issue:	<p>The proposed issue of Award Shares to each Selected Individual will be made in a single or multiple tranches (as the case may be) and is subject to, among others, the following further conditions (together with the conditions as set out in the paragraph headed “Conditions” above, the “Conditions”):</p> <p>(i) (applicable to the first tranche of Award Shares only) the achievement of a 100% increment of unaudited revenue, attributed from such customers (i) who commenced business with the Group in 2017 or later; and (ii) during the period when their business relationship with the Group is within one year (the “Relevant Revenue”), in the year ending 31 December 2018 over that in the year ended 31 December 2017.</p> <p>For determining the fulfilment of this condition, all revenue generated from a relevant customer will be counted towards the total Relevant Revenue in 2017 and/or 2018 respectively during the period when its business relationship with the Group is within one year. All revenue generated from such customer subsequently after its business relationship with the Group has exceeded one year will no longer be counted for the current purpose. For clarity, the failure of fulfilment of this condition will not affect the award of the subsequent tranches of Award Shares (if any);</p>

- (ii) the achievement of certain level of working conditions and performance by the Selected Individual in the Group which is to be determined in the absolute discretion of the Board; and
- (iii) receipt of the Selected Individual's written notice of acceptance of the Award Shares by the Company.

Subject to the fulfilment of the Conditions and the Selected Individuals remaining as a Director or employee of the Company (as the case maybe) on each relevant issue date, the new Shares will be issued in a single or multiple tranche(s) in accordance with the following timetable:

With respect to the issue of Connected Award Shares to each Connected Selected Individual who is an executive Director

- (i) approximately 32.0% of the relevant Connected Award Shares on the first anniversary of the Award Date;
- (ii) approximately 34.0% of the relevant Connected Award Shares on the second anniversary of the Award Date; and
- (iii) approximately 34.0% of the relevant Connected Award Shares on the third anniversary of the Award Date.

With respect to the issue of Connected Award Shares to each Connected Selected Individual who is an Independent non-executive Director

- 100% of the relevant Connected Award Shares on the first anniversary of the Award Date.

With respect to the issue of Independent Award Shares to each Independent Selected Individual who is an employee of the Group

- (i) approximately 33.3% of the relevant Independent Award Shares on the first anniversary of the Award Date;

- (ii) approximately 33.3% of the relevant Independent Award Shares on the second anniversary of the Award Date; and
- (iii) approximately 33.3% of the relevant Independent Award Shares on the third anniversary of the Award Date.

Lapse of award of Award Shares:

The award of the relevant tranche of Award Shares to a Selected Individual shall automatically lapse forthwith if the Selected Individual fails to issue a written notice of acceptance to the Company prior to the corresponding issue date, notwithstanding the fulfilment of the other Conditions.

In the event the Selected Individual ceases to be a Director or employee of the Company before the relevant issue date of Award Shares, he/she shall cease to be awarded the remaining Award Shares which are yet to be issued to him/her (if any). For the avoidance of doubt, it shall not affect the Selected Individual's rights and title to the Award Shares already issued and allotted to him/her.

FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not carried out any equity fund raising activities in the past twelve months prior to the date of this announcement.

REASONS AND BASIS FOR THE AWARD OF THE AWARD SHARES

The Selected Individuals are selected by the Board after consideration of, inter alia, (i) the role and responsibility; (ii) the years of service; and (iii) contributions to the Group of the Selected Individuals. The Board believes that the issue of Award Shares to the Selected Individuals would (i) allow the Group to retain and provide incentives to the Selected Individuals for the continual operation and development of the Group; and (ii) allow the Company to recognize and motivate the contributions made by the Selected Individuals to the Group.

INFORMATION ABOUT THE GROUP

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, customization and certain value-added services.

EGM

An EGM will be convened and held to consider and, if thought fit, to approve, inter alia, the grant of specific mandate for issue and allotment of the Award Shares to the Selected Individuals.

The Selected Individuals and their respective associates and parties acting in concert with them are required to abstain from voting on the relevant resolution(s) in respect of issue of the Award Shares to the relevant Selected Individual.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Award Shares to be issued to the Selected Individuals.

A circular containing, among other things, (i) a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders in respect of the Connected Award Shares, (ii) a letter of recommendation from the independent board committee to the Independent Shareholders in respect of the Connected Award Shares and (iii) notice to convene the EGM and proxy form, will be despatched to the Shareholders as soon as practicable and in accordance with the Listing Rules.

GENERAL

The Directors (excluding the independent non-executive Directors whose views will be given after taken into account the advice from the independent financial adviser) consider that the award of the Connected Award Shares to the Connected Selected Individuals is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the award of the Independent Award Shares to the Independent Selected Individuals is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The independent board committee of the Company, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the award of the Connected Award Shares to the Connected Selected Individuals is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders in relation to the award of the Connected Award Shares to the Connected Selected Individuals.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

“Award Date”	19 January 2018, being the date on which new Shares are conditionally awarded to the Selected Individuals
“Award Shares”	An aggregate of up to 12,000,000 new Shares, comprising (i) 10,224,000 Connected Award Shares to be issued and allotted to the Connected Selected Individuals and (ii) 1,776,000 Independent Award Shares to be issued and allotted to the Independent Selected Individuals at the Subscription Price
“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 Award Shares”	an aggregate of up to 10,224,000 Award Shares which are proposed to be issued and allotted to the Connected Selected Individuals
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Connected Selected Individuals”	Selected Individuals who are the executive Directors and independent non-executive Directors, being connected persons of the Company
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, to approve the issue and allotment of the Award Shares to the Selected Individuals
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Award Shares”	an aggregate of up to 1,776,000 Award Shares which are proposed to be awarded to the Independent Selected Individuals
“Independent Selected Individuals”	Selected Individuals who are the employees of the Group, being independent of the Company and connected persons of the Company
“Independent Shareholders”	the Shareholders who are independent of, and not connected with, the Connected Selected Individuals and their respective associates and are not required to abstain from voting at the EGM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Selected Individual”	being a Director or an employee of the Group (as the case may be) who has been conditionally awarded the Award Shares by the Board on the Award Date
“Share(s)”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.5 per Award Share

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

Hong Kong, 19 January 2018

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.