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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The board of Directors (the "**Board**") is pleased to announce that the consolidated audited financial results of the Group for the year ended 31 December 2017, together with the audited comparative figures for the year ended 31 December 2016. The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	NOTES	**2017** *HK$'000*	2016 *HK$'000*
Revenue	*3*	**163,610**	149,724
Other income		**1,181**	942
Employee benefits expenses		**(46,417)**	(40,861)
Depreciation of property, plant and equipment		**(2,009)**	(1,940)
Operating lease rentals in respect of rented premises		**(42,482)**	(37,711)
Sub-contracting expenses		**(26,750)**	(26,164)
Cost of sales recognised		**(715)**	–
Operating lease rental in respect of plant, machinery and equipment		**(1,421)**	(1,704)
Interest on bank borrowings		**–**	(279)
Other expenses		**(16,040)**	(13,255)
Profit before taxation		**28,957**	28,752
Income tax expense	*5*	**(5,327)**	(5,241)
Profit and total comprehensive income for the year		**23,630**	23,511
Basic earnings per share *(HK cents)*	*6*	**4.92**	4.90

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	NOTES	2017 HK$'000	2016 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**8,792**	3,389
Rental deposits		**6,775**	6,606
Deferred tax assets		**685**	769
		16,252	10,764
Current assets			
Inventories-finished goods		**403**	–
Trade and other receivables	*7*	**47,681**	46,610
Short-term bank deposit with original maturity over three months		**37,000**	20,000
Bank balances and cash		**18,172**	19,059
		103,256	85,669
Current liabilities			
Trade and other payables and accrued expenses	*8*	**7,966**	7,474
Tax payable		**1,500**	2,188
		9,466	9,662
Net current assets		**93,790**	76,007
Total assets less current liabilities		**110,042**	86,771
Non-current liabilities			
Provisions		**610**	969
NET ASSETS		**109,432**	85,802
CAPITAL AND RESERVES			
Share capital	*9*	**4,800**	4,800
Reserves		**104,632**	81,002
TOTAL EQUITY		**109,432**	85,802

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Share capital	**Share premium**	**Merger reserve**	**Retained profits**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2016	4,800	49,350	10	8,131	62,291
Profit and total comprehensive income for the year	–	–	–	23,511	23,511
At 31 December 2016	4,800	49,350	10	31,642	85,802
Profit and total comprehensive income for the year	–	–	–	23,630	23,630
At 31 December 2017	4,800	49,350	10	55,272	109,432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 27 July 2015 and its shares were listed on the Growth Enterprise Market*(Note)* ("**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 29 December 2015. On 15 November 2017, the Company has successfully transferred the shares listed on GEM to the Main Board of the Stock Exchange. The addresses of the registered office and the principal place of business of the Company are disclosed in the section "**Corporate Information**" in the annual report.

Note: Name changed to GEM on 15 February 2018.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the integrated logistics services and packing services.

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

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

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

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts"[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2018

2 Effective for annual periods beginning on or after 1 January 2019

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

4 Effective for annual periods beginning on or after 1 January 2021

HKFRS 9 "Financial Instruments"

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the assessment by the Directors of the Company, if the expected credit loss model were to be applied by the Group, there will not be any material impact to the Group.

HKFRS 15 "Revenue from Contracts with Customers" and its related amendments

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "*Revenue*", HKAS 11 "*Construction Contracts*" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarification to HKFRS 15 in relation to the identification of performance obligation, principal versus agent considerations, as well as licensing application guidance.

The Directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures. However, the Directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16 "Leases"

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

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

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion, both of which will be presented as financing cash flows by the Group.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK$61,028,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16.

In addition, the Group currently considers refundable rental deposits paid of HK$6,775,000 as at 31 December 2017 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets. Accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments.

Furthermore, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

Except as described above, the Directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's consolidated financial statements in the future.

3. REVENUE

	2017	2016
	HK$'000	*HK$'000*
Transportation services income	**36,493**	36,332
Warehousing services income	**77,625**	67,273
Customisation services income	**39,703**	37,355
Value-added services income	**8,696**	8,764
Sale of goods	**1,093**	–
	163,610	149,724

4. SEGMENT INFORMATION

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group (the Executive Directors of the Company who are also directors of all operating subsidiaries) (the "**CODM**"), for the purpose of resource allocation and performance assessment. The Directors regularly review revenue and results analysis by (i) logistics solutions business and (ii) customisation services and (iii) others. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments.

For the year ended 31 December 2017

	Logistics solutions business	**Customisation services**	**Others**	**Segment total**	**Eliminations**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Revenue						
External sales	**128,507**	**40,010**	**1,093**	**169,610**	**(6,000)**	**163,610**
Results						
Segment results	**22,340**	**10,145**	**378**			**32,863**
Unallocated corporate income						**331**
Unallocated corporate expenses						**(4,237)**
Profit before taxation						**28,957**

For the year ended 31 December 2016

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

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents profit earned from each segment without allocation of corporate income and expenses. This is the measure reported to the CODM of the Group for the purpose of resource allocation and performance assessment.

Other segment information

For the year ended 31 December 2017

	Logistics solutions business *HK$'000*	**Customisation services** *HK$'000*	**Segment total** *HK$'000*
Additions to non-current assets	**7,288**	**284**	**7,572**
Depreciation of property, plant and equipment included in the measure of segment results	**1,935**	**74**	**2,009**
Gain on disposal of property, plant and equipment included in the measure of segment results	**384**	**–**	**384**

For the year ended 31 December 2016

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

Information about major customers

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

	2017 *HK$'000*	2016 *HK$'000*
Customer A	**29,450**	67,946
Customer B	**87,728**	21,915
Customer C	**N/A***	15,401

* The corresponding amount is less than 10% of the Group's total revenue for the year ended 31 December 2017.

Revenue from Customer A, B and C are generated from all of the logistics solutions business and customisation services segments.

5. INCOME TAX EXPENSE

	2017	2016
	HK$'000	*HK$'000*
The charge (credit) comprises:		
Hong Kong Profits Tax		
– current year	**5,262**	5,081
– prior year	**(19)**	193
Deferred taxation	**84**	(33)
	5,327	5,241

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

6. EARNINGS PER SHARE

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

	2017	2016
	HK$'000	*HK$'000*
Earnings:		
Profit for the year attributable to owners of the Company for the purposes of earnings per share	**23,630**	23,511

	2017	2016
Number of shares:		
Weighted average number of ordinary shares for the purpose of earnings per share	**480,000,000**	480,000,000

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

7. TRADE AND OTHER RECEIVABLES

The following is an aging analysis of trade receivables presented based on the invoice dates at the end of each reporting period, which approximated the respective revenue recognition dates:

	2017	2016
	HK$'000	*HK$'000*
0-30 days	**16,484**	14,123
31-60 days	**16,622**	13,741
61-90 days	**5,247**	11,394
Over 90 days	**6,605**	5,517
	44,958	44,775

8. TRADE AND OTHER PAYABLES

The amount included approximately HK$2,603,000 (2016: HK$3,069,000) trade payables that aged within 30 days.

9. SHARE CAPITAL

	Number of shares	*HK$*
Issued and fully paid:		
At 31 December 2016 and 31 December 2017	480,000,000	4,800,000

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is one of the well-established logistics service providers in Hong Kong and always maintain high quality of services. Most of the Group's customers are leading multinational companies and thus we customise our services to meet their unique needs.

The Group will continue to expand its strategic segments which include fast moving consumer goods ("**FMCG**"), food and beverage ("**F&B**") and in particular the new business, namely cold chain logistics services which comprise provision of storage, transportation and value added services of food which are required to be kept in a temperature-controlled storage space. In 2017, capital expenditure ("**CAPEX**") was mainly spent on upgrading our facilities for temperature-controlled business. For example, we installed air-conditioners in our warehouses. The Group will further enhance its capability to meet various customers' sophisticated requirements. For marketing, we adopted various strategies to build our branding and to improve our brand visibility e.g our trucks and temperature-controlled vehicles have been decorated with banners to advertise World-Link Logistics. In 2017, the customization services sector had been expanded to temperature-controlled food and our customization services facilities expanded by two service centres in order to fulfill the new demand from our customers.

Overall, the performance of 2017 has been heartening. The Group recorded healthy organic growth and recruited new customers. The Group also experienced a 17.0% organic growth. To a large extent, the growth reflected that our customers highly appreciated our service quality and World-Link is growing with our customers. We never forgot that new customers are an important driver for the Group to grow. Approximately 8.6% of the total revenue for the year ended 31 December 2017 attributed from the new business after the Group started doing business with a giant new customer which is a multi-national family-owned manufacturer of confectionery and pet care brands and its headquarters is in Mclean, Virginia, the United States. This new customer employs more than 70,000 employees in 79 countries worldwide. As we mentioned in the 2016 annual report, we focus on developing the FMCG sector and we will continue to expand the FMCG business. This is our core competence and strategic segment in the future.

Our employees are the most valuable assets to the Group and our employees are a solid foundation to the Group. Despite the pressure of increased labour cost in 2017, we invested more resources in staff training to enhance our service quality. The number of warehouse employees has increased. The full-time equivalent ("**FTE**") of warehouse staff increased by approximately 16.1% for the year ended 31 December 2017 when comparing to the year end ended 31 December 2016.

The Group's core focus is our service quality. We always take one step ahead to understand the needs of our customers. We add value to our services by solving their daily operation difficulties.

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

For the information technology system, we invested approximately 21.1% out of our total CAPEX in 2017 to simplify our operational model and to streamline the customers' system to enhance co-operation with the customers. In 2018, we will continue to invest in the IT system to reengine process and to improve productivity.

The Group invested in warehouse facilities and vehicles fleets. The Group's investment in renovating the warehouses included installation of air-conditioners in our warehouses for the cold chain logistics services and installed different kind of racking in the warehouses to improve warehouse utilization which is the key to success.

In 2018, the Board is of the view that the Company should continue its business strategy for the current business segments of the Company while extra efforts should be put on expanding the FMCG and the F&B sectors to seize the opportunity in developing the 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. The Group will continue to improve our service quality so as to expand the Group's business and customer base.

Financial Review

Revenue

The revenue of the Group increased by approximately 9.3% from approximately HK$149.7 million for the year ended 31 December 2016 to approximately HK$163.6 million for the year ended 31 December 2017. The increase in revenue was mainly attributable to the higher demand of logistics services by existing FMCG customers and successful recruitment of different new customers during the year ended 31 December 2017.

Stringent customer demands have in fact made us stronger. The Group's core business segments in the FMCG sector has performed well, in spite of external challenges. In 2017, we attained a 25.0% increase in revenue in the FMCG sector as a result of organic growth.

Other income

Other income comprised of bank interest income and other miscellaneous income. Other income was HK$942,000 and HK$1,181,000 for the year ended 31 December 2016 and the year ended 31 December 2017 respectively. The increment was due to the gain on disposal of property, plant and equipment and bank interest income from short-term bank deposit with original maturity over three months.

Employee benefits expenses

Employee benefits expenses primarily consisted of wages and salaries, medical benefits, and other allowances and benefits. Our employee benefits expenses amounted to approximately HK$46.4 million for the year ended 31 December 2017 (2016: HK$40.9 million). Our Group had a total of 292 and 279 full-time employees as at 31 December 2016 and 31 December 2017 respectively.

Other expenses

Other expenses mainly included other operating cost for the warehousing and value-added services, electricity, repair and maintenance, consumables, entertainment, rates, office and store supplies and non-recurring expenses in relation to the transfer of listing application. The Company submitted a formal application to the Stock Exchange on 17 March 2017 for the proposed transfer of listing to the Main Board of the Stock Exchange and incurred expenses of approximately HK$2.1 million for the year ended 31 December 2017. For the year ended 31 December 2016 and 2017, other expenses amounted to approximately HK$13.3 million and HK$16.0 million respectively.

Taxation

The taxation represented the provision of Hong Kong profits tax calculated at 16.5% of the estimated assessable profits during the year ended 31 December 2017.

Profit and total comprehensive income for the year ended 31 December 2017

The Group recorded a net profit after taxation of approximately HK$23.6 million for the year ended 31 December 2017, representing an increment of approximately 0.5% compared to the year ended 31 December 2016. The net profit after taxation (excluding the expenses in relation to transfer of listing application) for the year ended 31 December 2017 is approximately HK$25.7 million, representing an increment of approximately 9.3% compared to that for the year ended 31 December 2016. The improvement in the net profit after taxation was driven by (i) the growth of revenue; (ii) the revenue from new customers; and (iii) a stringent control in operating expenses through streamlining and reengineering the operation flow of the Group.

The net profit margin (excluding the expenses in relation to transfer of listing application) for the year ended 31 December 2017 and the net profit margin for the year ended 31 December 2016 remained stable as approximately 15.7%.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operation and investments were financed principally by cash generated from its business operations and bank borrowings. As at 31 December 2017, the Group had net current assets of approximately HK$93.8 million (2016: approximately HK$76.0 million), cash and cash equivalents of approximately HK$18.2 million as at 31 December 2017 (2016: approximately HK$19.1 million) and short-term bank deposit with original maturity over three months of HK$37.0 million (2016: HK$20.0 million). The Directors have confirmed that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

GEARING RATIO

As at 31 December 2017, the gearing ratio (calculated on the basis of total bank borrowings divided by total assets at the end of the year) of the Group was nil (2016: Nil).

FOREIGN CURRENCY RISK

The Group's business activities are in Hong Kong and are denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the Directors will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENT

As at 31 December 2017, the Group did not have material capital commitments (2016: Nil).

OTHER INFORMATION

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in this annual results announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this annual results announcement.

DIVIDEND

The Board is pleased to announce that at the Board meeting held today, resolutions have been passed to recommend the payment of a final dividend (the "**Final Dividend**") of HK1.0 cent (2016: Nil) per share and a special cash dividend (the "**Special Dividend**") of HK3.5 cents (2016: Nil) per share amounting to HK$4,800,000 and HK$16,800,000 in aggregate respectively.

The Special Dividend has been declared and approved by the Board pursuant to Article 155(c) of the Company's Articles of Association. The Special Dividend will be paid in cash on or around Monday, 30 April 2018 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Thursday, 12 April 2018, being the record date for determination of entitlements to the Special Dividend.

The Final Dividend has been recommended by the Board and is subject to approval by the shareholders of the Company in the forthcoming Annual General Meeting. The Final Dividend (if approved by the shareholders in the forthcoming Annual General Meeting) will be paid in cash on or around Thursday, 19 July 2018 to the shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 3 July 2018, being the record date for determination of entitlements to the Final Dividend.

The register of members of the Company will be closed from Wednesday, 11 April 2018 to Thursday, 12 April 2018, during which period no transfer of shares of the Company will be registered. In order for a shareholder to qualify for the Special Dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30p.m. on Tuesday, 10 April 2018.

CAPITAL STRUCTURE

The capital structure of the Group consists of equity attributable to the owners of the Company which comprise of issued share capital and reserves. The Directors review the Group's capital structure regularly. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt and redemption of existing debt.

CHARGE ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2017, the Group has no bank borrowings (2016: Nil). The Group has banking facility of HK$45.0 million which were guaranteed by the Company (2016: HK$15.0 million). The Group has no material contingent liabilities as at 31 December 2017.

MATERIAL ACQUISITIONS AND DISPOSAL

During the year ended 31 December 2017, the Group had no material acquisitions and disposals of subsidiaries.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group employed 279 (31 December 2016: 292) full time employees. We determine the employee's remuneration based on factors such as qualification, duty, contributions and years of experience.

USE OF PROCEEDS

The net proceeds from the listing on the GEM of the Stock Exchange in December 2015 by way of Placing (the "**Listing**") were approximately HK$41.5 million, which was based on the final placing price of HK$0.5 per Ordinary Share and the actual expenses on the Listing.

The actual use of proceeds since the Listing are as follows:

	Planned use of proceeds stated in the Prospectus since the Listing to 31 December 2017	Actual use of proceeds since the Listing up to 31 December 2017
	HK$'million	*HK$'million*
Expanding the scope of services	19.0	11.1
Strengthening information technology and systems	2.1	1.8
Enhancing sales and marketing effort	3.2	0.8
Attracting and retaining talented and experienced personnel	2.1	2.1
Repaying the bank loans	12.0	12.0
General working capital	3.1	3.1
	41.5	30.9

The business objectives as stated in the Prospectus dated 22 December 2015 (the "**Prospectus**") were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds has been applied in accordance with the actual development of the market.

As at 31 December 2017, approximately HK$30.9 million out of the net proceeds from the Listing had been used. The unused net proceeds have been deposited in licensed banks in Hong Kong.

The Company intends to apply the net proceeds in the manner as stated in the Prospectus. However, the Directors will constantly evaluate the Group's business objectives and may change or modify the plans of using the net proceeds against the changing market condition to attain sustainable business growth of the Group.

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

During the year, the Company and any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions By Directors of Listed Issuers in Appendix 10 of the Listing Rules. The Company, having made specific enquiry of all the Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the year ended 31 December 2017.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 2017, 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**"):

Interests in the Company

		Number of shares held			Percentage of Company's
Name of Director	**Capacity**	**Personal interests**	**Other interests**	**Total interests**	**issued share capital**
Mr. Yeung Kwong Fat *(Note 1, 2)*	Interest in a controlled corporation; interests held jointly with another person; beneficial owner	4,816,000	305,696,000	310,512,000	64.69%
Mr. Lee Kam Hung *(Note 1, 3)*	Interest in a controlled corporation; interests held jointly with another person; beneficial owner	440,000	310,072,000	310,512,000	64.69%
Mr. Luk Yau Chi, Desmond *(Note 1, 4)*	Interest in a controlled corporation; interests held jointly with another person	–	310,512,000	310,512,000	64.69%

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 64.69% of the issued share capital of our Company.

2. 310,512,000 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) 4,816,000 Shares is directly held by Mr. Yeung; and (iii) 186,336,000 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. 310,512,000 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; (ii) 440,000 Shares is directly held by Mr. Lee; and (iii) 186,328,000 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. 310,512,000 Shares in which Mr. Luk is interested consist of (i) 62,152,000 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) 248,360,000 Shares in which Mr. Luk is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee and Mr. Yeung.

Interests in associated corporation(s) of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number of shares	Percentage of shareholding
Mr. Yeung	Orange Blossom International Limited	Beneficial interests	1	100%
Mr. Lee	Best Matrix Global Limited	Beneficial interests	1	100%
Mr. Luk	Leader Speed Limited	Beneficial interests	1	100%

Save as disclosed above, as at 31 December 2017, 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2017, the following persons (other than Directors or Chief Executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Capacity	Number of Shares/ underlying Shares held	Percentage of Company's issued share capital
Best Matrix Global Limited *(Note 1)*	Beneficial owner; interests held jointly with another person	310,512,000	64.69%
Leader Speed Limited *(Note 1)*	Beneficial owner; interests held jointly with another person	310,512,000	64.69%
Orange Blossom International Limited *(Note 1)*	Beneficial owner; interests held jointly with another person	310,512,000	64.69%
Ms. Law Wai Yee *(Note 2)*	Interest of spouse	310,512,000	64.69%
Ms. Chan Pik Shan *(Note 3)*	Interest of spouse	310,512,000	64.69%
Ms. Wong Soo Fung *(Note 4)*	Interest of spouse	310,512,000	64.69%

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 64.69% of the issued share capital of our Company.

2. Ms. Law Wai Yee is the spouse of Mr. Yeung and is deemed, or taken to be, interested in Shares in which Mr. Yeung has interest under the SFO.

3. Ms. Chan Pik Shan is the spouse of Mr. Lee and is deemed, or taken to be, interested in Shares in which Mr. Lee has interest under the SFO.

4. Ms. Wong Soo Fung is the spouse of Mr. Luk and is deemed, or taken to be, interested in Shares in which Mr. Luk has interest under the SFO.

All the interests disclosed above represent long positions in the shares and underlying shares of the Company.

Save as disclosed herein, the Company has not been notified of any other person (other than a Director or a chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 December 2017.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2017 was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of 31 December 2017 or at any time during the year ended 31 December 2017.

COMPETING INTEREST

For the year ended 31 December 2017, the Directors were not aware of any business or interest of the Directors, the Controlling Shareholders, the management shareholders and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest.

EVENTS AFTER THE REPORTING PERIOD

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 who are the Executive Directors and the Independent Non-Executive Directors of the Company 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 (as defined in Chapter 14A of the Listing Rules) 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.

A circular setting out the particulars of the issue of the Award Shares will be despatched to the Shareholders as soon as practicable and in accordance with the Listing Rules.

An extraordinary general meeting 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.

Please refer to the announcement published by the Company on 19 January 2018 for details of the proposed issue of new Share.

CORPORATE GOVERNANCE PRACTICES

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interest of the shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Listing Rules to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner. In accordance with the requirements of the Listing Rules, the Company has established an Audit Committee, a Nomination Committee and a Remuneration Committee with specific written terms of reference.

Except for the deviation from CG Code provision A.2.1, the Company's corporate governance practices have complied with the CG Code. Details of the continuing evolution of our corporate governance practices for the year ended 31 December 2017 are set out in the 2017 annual report.

CG Code Provision A.2.1 stipulates that the role of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yeung Kwong Fat is the Chairman and the chief executive officer of our Company. In view of Mr. Yeung being one of the co-founders of our Group and has been operating and managing World-Link Roadway System Company Limited and World-Link Packing House Company Limited since 1994 and 2009 respectively, our Board believes that it is in the best interest of the Group to have Mr. Yeung taking up both roles for effective management and business development. Therefore our Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance.

The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high-caliber individuals, with 3 of them being Independent Non-executive Directors.

AUDIT COMMITTEE

The board has established an audit committee (the "**Audit Committee**") on 16 December 2015, which operates under terms of reference approved by the Board. It is the Board's responsibility to ensure that an effective internal control and risk management framework exists within the entity. This includes internal controls, risk management to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated to the Audit Committee the responsibility for the initial establishment and the maintenance of a framework of internal controls, risk management and ethical standards for the Group's management. The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. How Sze Ming, Mr. Mak Tung Sang and Mr. Jung Chi Pan, Peter. Mr. How Sze Ming is the chairman of the Audit Committee. The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2017.

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

Hong Kong, 22 March 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.

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