

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities in the Company.

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)

DISCLOSEABLE TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARES IN THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE ACQUISITION

The Board wishes to announce that on 31 May 2019 (after trading hours), the Purchaser (an indirectly wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued share capital in the Target Company at the Consideration of HK\$9 million by issue and allotment of the Consideration Shares.

Following completion of the Acquisition, the Target Company will become an indirect subsidiary of the Company and its financial results will be consolidated into the Group.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5% but is/are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board wishes to announce that on 31 May 2019 (after trading hours), the Purchaser (an indirectly wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital in the Target Company, at the Consideration of HK\$9 million.

THE SALE AND PURCHASE AGREEMENT

Summarised below are the principal terms of the Sale and Purchase Agreement:

Date: 31 May 2019 (after trading hours)

Parties: (a) the Vendors: Cheong Hok Chu 張學主 (“**Mr. Cheong**”)
Liew Yeung Man 劉煬萬 (“**Mr. Liew**”)

(b) the Purchaser: World-Link Roadway System Company Limited

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, save that Mr. Cheong is interested in 1,288,000 Shares (representing approximately 0.3% of the issued shares of the Company as at the date of this announcement), the Vendors are Independent Third Parties.

Assets to be acquired

Under and pursuant to the terms and conditions of the Sale and Purchase Agreement, the Vendors have agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendors, the Sale Shares, which are duly allotted and issued and is free from any and all encumbrances, and together with all rights and entitlements attaching thereto as at Completion.

Consideration and terms of payment

At Completion, the Company shall, and the Purchaser shall procure the Company to, allot and issue 10,067,114 Consideration Shares at the Issue Price out of the General Mandate and free from any encumbrance whatsoever to and in favour of the Vendors for full and final settlement and discharge of the Consideration. Out of the 10,067,114 Consideration Shares, 5,033,557 Consideration Shares (representing 50% of the Consideration Shares) shall be allotted and issued to Mr. Cheong, and 5,033,557 Consideration Shares (representing 50% of the Consideration Shares) shall be allotted and issued to Mr. Liew.

The Consideration was arrived at after arm's length negotiations among the Vendors and the Purchaser, with reference to the valuation of the fair value of the equity interests of the Target Company by an independent valuer engaged by the Company. For arriving at the fair value of the 100% equity interests of the Target Company, the independent valuer had adopted the asset approach, which is based on the value of the assets net of liabilities.

The number of Consideration Shares was determined by dividing the Consideration by the Issue Price, which was set at the average closing price per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the date of the Sale and Purchase Agreement.

Mr. Cheong has irrevocably undertaken to the Purchaser that he shall not trade, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Consideration Shares allotted and issued to him until after the third anniversary of the date of Completion. On the other hand, Mr. Liew is free to trade, dispose of, or whatsoever deal with the Consideration Shares allotted and issued to him upon Completion.

Issue of the Consideration Shares

The Consideration Shares represent: (i) approximately 2.1% of the number of issued Shares as at the date of this announcement; and (ii) approximately 2.0% of the number of issued Shares as enlarged by the allotment and issue of the Consideration Shares upon Completion.

The Consideration Shares will be allotted and issued under the General Mandate at Completion. Under the General Mandate, the Directors are allowed to allot and issue up to 96,000,000 Shares. Up to the date of this announcement, no Share has been allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Consideration Shares is not subject to any further approval by the Shareholders.

The Consideration Shares will, upon issue, be credited as fully paid, and will rank pari passu in all respects with all the Shares then in issue. An application for the listing of, and permission to deal in, the Consideration Shares will be made by the Company to the Stock Exchange.

Issue Price

The Issue Price of HK\$0.894 per Share represents:

- (i) a discount of approximately 6.9% to the closing price of HK\$0.96 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;
- (ii) a premium of approximately 5.2% to the average closing price of HK\$0.85 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and
- (iii) a premium of approximately 13.2% to the average closing price of approximately HK\$0.79 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The Issue Price was arrived at after arm's length negotiations among the Vendors and the Purchaser. The Directors consider the Issue Price is fair and reasonable.

Conditions Precedent

Completion shall be subject to the fulfilment of the following conditions precedent:

- (i) the Vendors have good title to the Sale Shares free from encumbrances and are the only legal and beneficial owners of the Sale Shares at Completion;
- (ii) all necessary licenses, consents, approvals, authorisations, permissions, waivers, orders, exemptions or notifications of, among others, creditors and shareholders of the Target Company, other relevant third parties and/or governmental or regulatory authorities or bodies (including the relevant Macau bodies), which are required for the execution and performance of the Sale and Purchase Agreement or Completion, having been obtained and not having been revoked prior to Completion;
- (iii) the Listing Committee of The Stock Exchange of Hong Kong Limited has granted listing of and permission to deal in the Consideration Shares;
- (iv) the Purchaser has completed and satisfied the results of the due diligence of the Target Company;
- (v) all the amounts owed by the Target Company to the related parties of the Target Company are settled at Completion;

- (vi) save for the trade payables arising from the ordinary course of business of the Target Company, all debts, liabilities or indebtedness, actual or contingent, contractual or otherwise of the Target Company (the “**Financial Indebtedness**”) have been fully released and discharged and the Target Company is free from Financial Indebtedness;
- (vii) there not having occurred any event or series of events since the date of the Sale and Purchase Agreement which, individually or collectively, would probably have a material adverse effect on the business or financial conditions of the Target Company or which would materially affect the Target Company’s ability to perform its obligations under the Sale and Purchase Agreement or the transactions contemplated thereby; and
- (viii) there are no matters, facts or circumstances which constitute or may constitute violation of the relevant warranties or terms under the Sale and Purchase Agreement on the part of the Vendors.

None of the above conditions precedent can be waived (save that the Purchaser may waive unilaterally such conditions precedent as set out in (iv) to (vi) either in whole or in part at any time by notice in writing to the Vendors) and the parties shall use their respective best endeavours to ensure that the conditions precedent shall be fulfilled.

Completion for the sale and purchase of the Sale Shares shall take place simultaneously at the same time by the Vendors and the Purchaser on the Completion Date, or such other later date to be agreed between the Vendors and the Purchaser in writing.

Completion

Subject to the terms in relation to conditions precedent in the Sale and Purchase Agreement, Completion shall take place on the Completion Date. If (i) the conditions precedent have not been fulfilled or waived (where applicable) on or before 16 July 2019 (or such other date as the parties may agree in writing, but in any event not later than 31 July 2019); or (ii) the Vendors fail to complete the Sale and Purchase Agreement in accordance with the terms therein, the Purchaser shall not be bound to proceed with the Completion, and shall be entitled to terminate the Sale and Purchase Agreement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Consideration Shares (assuming there is no change in the issued Shares from the date of this announcement to the Completion Date):

	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares	
	No. of Shares	Approx.	No. of Shares	Approx.
The Directors (<i>Note</i>)	345,568,000	71.4%	345,568,000	69.9%
The Vendors				
– Mr. Cheong	1,288,000	0.3%	6,321,557	1.3%
– Mr. Liew	–	–	5,033,557	1.0%
Other Public Shareholders	<u>137,144,000</u>	<u>28.3%</u>	<u>137,144,000</u>	<u>27.8%</u>
Total	<u>484,000,000</u>	<u>100.0%</u>	<u>494,067,114</u>	<u>100.0%</u>

Note:

As at the date of this Announcement:

- (i) Mr. Yeung Kwong Fat (“**Mr. Yeung**”), an executive Director, is interested in 130,404,000 Shares, of which (i) 117,188,000 Shares are 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; and (ii) 13,216,000 Shares are held by Mr. Yeung in his personal capacity;
- (ii) Mr. Lee Kam Hung (“**Mr. Lee**”), an executive Director, is interested in 134,264,000 Shares, of which (i) 130,296,000 Shares are 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) 3,968,000 Shares are held by Mr. Lee in his personal capacity;
- (iii) Mr. Luk Yau Chi, Desmond (“**Mr. Luk**”), an executive Director, is interested in 80,708,000 Shares, of which (i) 74,988,000 Shares are 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) 5,720,000 Shares are held by Mr. Luk in his personal capacity;
- (iv) Mr. How Sze Ming, an independent non-executive Director, is interested in 64,000 Shares;
- (v) Mr. Jung Chi Pan, Peter, an independent non-executive Director, is interested in 64,000 Shares; and
- (vi) Mr. Mak Tung Sang, an independent non-executive Director, is interested in 64,000 Shares.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Macau with limited liability. As at the date of this announcement, the Target Company was mainly engaged in general trading, including the wholesale and trading of daily necessities and medicine.

Set out below is certain consolidated financial information of the Target Company for the two years ended 31 December 2017 and 2018 respectively extracted from its latest audited/unaudited financial statements:

	For the year ended 31 December 2018 MOP\$'000 (approximately) Audited	For the year ended 31 December 2017 MOP\$'000 (approximately) Unaudited
Loss before taxation	(1,020)	(1,038)
Loss after taxation	(1,024)	(1,038)

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is an established logistics service provider which offers a wide range of logistics services to meet the needs of its customers' supply chains.

The Target Company is a trading company which can help the Group to expand its sales of goods business segment. Leveraging on the expertise of the Company on fast moving consumer goods, the Directors believe that they could refer the customers which the Directors have connections, in particularly those which engage in trading of daily necessities or healthcare products, to the Target Company to explore opportunities of distributorship or other business arrangements. As the Target Company is the authorized distributor of various well-known brands, the Company would also benefit from the Acquisition by absorbing the clientele of the Target Company, which may also require the logistics services offered by the Group. Lastly, with the operation of the Target Company in Macau, it could act as a stepping stone for the Group to develop its logistics business in Macau should the opportunity arise.

In addition, the Board considers that the settlement of the Consideration by way of issue of the Consideration Shares will not create actual cash outlay of the Group. The Directors consider that the Sale and Purchase Agreement is on normal commercial terms and the Acquisition is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5% but is/are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendors subject to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors of the Company
“Business Day”	any day that is not a Saturday, Sunday or other day in which banks in Hong Kong are generally open for the transaction of normal business
“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
“Completion”	completion of the Acquisition which shall take place on the Completion Date
“Completion Date”	subject to the terms of the Sale and Purchase Agreement, the date on which the last condition precedent as set out in the Sale and Purchase Agreement is fulfilled or waived

“Consideration”	HK\$9 million, being the total consideration for the Sale Shares
“Consideration Shares”	the 10,067,114 new Shares to be allotted and issued by the Company to the Vendors for full and final settlement of the Consideration
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 21 June 2018 to allot, issue or otherwise deal with up to 96,000,000 new Shares (representing 20% of the issued Shares on that date)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Issue Price”	HK\$0.894 per Consideration Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“MOP\$”	Macau dollars, the lawful currency of Macau
“PRC”	The People’s Republic of China
“Purchaser”	World-Link Roadway System Company Limited, a company incorporated in Hong Kong with limited liability

“Sale and Purchase Agreement”	the sale and purchase agreement dated 31 May 2019 entered into between the Vendors and the Purchaser in respect of the Acquisition
“Sale Shares”	The entire issued share capital in the Target Company as at the date of this announcement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Forewide Company (Macau) Limited, a company incorporated in the Macau with limited liability
“Vendors”	Mr. Cheong Hok Chu and Mr. Liew Yeung Man

By order of the Board
WORLD-LINK LOGISTICS (ASIA) HOLDING LIMITED
Yeung Kwong Fat
Chairman

Hong Kong, 31 May 2019

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. Mak Tung Sang and Mr. Jung Chi Pan, Peter.