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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The Board of Directors (the “**Board**”) of World-Link Logistics (Asia) Holding Limited (the “**Company**”) and its subsidiaries collectively the “**Group**”) is pleased to announce that the consolidated financial results of the Group for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022. 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 2023

	Note	2023 HK\$'000	2022 HK\$'000
Revenue	3	331,204	327,646
Other net income		1,811	4,969
Employee benefits expenses		(63,749)	(61,657)
Depreciation of property, plant and equipment and right-of-use assets		(44,722)	(45,415)
Sub-contracting expenses		(31,926)	(38,784)
Operating lease rentals in respect of rented premises		(1,318)	(2,909)
Operating lease rentals in respect of plant, machinery and equipment		(660)	(514)
Cost of products sold		(149,755)	(135,588)
Other expenses		(15,737)	(20,952)
Profit from operations		25,148	26,796
Finance costs		(1,167)	(1,958)
Profit before taxation		23,981	24,838
Income tax expense	5	(3,936)	(3,395)
Profit for the year		20,045	21,443
Attributable to:			
Equity shareholders of the Company		20,025	20,486
Non-controlling interests		20	957
Profit for the year		20,045	21,443
Earnings per share (HK cents)			
Basic	6	3.99	4.08
Diluted		3.99	4.08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Property, plant and equipment		6,556	7,146
Right-of-use assets		23,755	61,369
Rental deposits		297	7,056
Deferred tax assets		2,399	2,109
		<u>33,007</u>	<u>77,680</u>
Current assets			
Inventories – finished goods		112,588	14,979
Trade and other receivables and contract assets	7	105,887	67,526
Tax recoverable		102	–
Rental deposits		7,184	193
Bank balances and cash		37,969	54,149
		<u>263,730</u>	<u>136,847</u>
Current liabilities			
Trade and other payables, accrued expenses and contract liabilities	8	142,754	19,803
Tax payable		966	1,227
Reinstatement provisions		499	–
Lease liabilities		23,458	44,178
Amounts due to non-controlling interests		506	506
Dividend payable		10,037	15,056
Bank borrowings		2,000	2,000
		<u>180,220</u>	<u>82,770</u>
Net current assets		<u>83,510</u>	<u>54,077</u>
Total assets less current liabilities		<u>116,517</u>	<u>131,757</u>
Non-current liabilities			
Reinstatement provisions		–	499
Long service payment obligation		1,437	1,903
Lease liabilities		1,809	20,094
		<u>3,246</u>	<u>22,496</u>
NET ASSETS		<u>113,271</u>	<u>109,261</u>
CAPITAL AND RESERVES			
Share capital	9	5,018	5,018
Reserves		106,959	101,989
Total equity attributable to equity shareholders of the Company		<u>111,977</u>	<u>107,007</u>
Non-controlling interests		1,294	2,254
TOTAL EQUITY		<u>113,271</u>	<u>109,261</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to equity shareholders of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Retained profits	Total		
Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2022	5,018	66,139	10	45,465	116,632	1,297	117,929
Changes in equity for the year ended 31 December 2022:							
Profit and total comprehensive income for the year	-	-	-	20,486	20,486	957	21,443
Dividend approved in respect of previous year	10	-	-	(10,037)	(10,037)	-	(10,037)
Dividend declared in respect of the current year	10	-	-	(20,074)	(20,074)	-	(20,074)
At 31 December 2022 and 1 January 2023	5,018	66,139	10	35,840	107,007	2,254	109,261
Changes in equity for the year ended 31 December 2023:							
Profit and total comprehensive income for the year	-	-	-	20,025	20,025	20	20,045
Dividend approved in respect of previous year	10	-	-	(5,018)	(5,018)	-	(5,018)
Dividend declared in respect of the current year	10	-	-	(10,037)	(10,037)	-	(10,037)
Dividend paid to non-controlling interests	-	-	-	-	-	(980)	(980)
At 31 December 2023	5,018	66,139	10	40,810	111,977	1,294	113,271

NOTES TO THE ANNOUNCEMENT

For the year ended 31 December 2023

1. GENERAL

World-Link Logistics (Asia) Holding Limited (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 Main Board of The Stock Exchange of Hong Kong Limited (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.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

The Company acts as an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in the supply chain management service and full service distribution business.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(a) Basis of preparation

The financial results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2023, but are derived from those financial statements.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(b) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the financial statements.

(b) Changes in accounting policies

The HKICPA has issued the following new and amended HKFRSs that are first effective for the current accounting period of the Group:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Supply chain management service income	156,510	177,153
Full service distribution sales	174,694	150,493
	<u>331,204</u>	<u>327,646</u>

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) supply chain management service business; and (ii) full service distribution business. No operating segments have been aggregated in arriving at the reportable segments of the Group. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

- Supply chain management service business This segment provides warehousing, transportation; value-added services; and customisation services. Currently the activities in this regard are primarily carried out in Hong Kong.

- Full service distribution business This segment provides wholesales and trading of goods. Currently the activities in this regard are primarily carried out in Hong Kong and Macau.

(a) **Segment revenue and results**

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2023 and 2022 is set out below.

For the year ended 31 December 2023

	Supply chain management service business HK\$'000	Full service distribution business HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Total HK\$'000
Disaggregated by timing of revenue recognition					
Point in time	110,000	174,694	284,694	–	284,694
Overtime	46,510	–	46,510	–	46,510
Revenue					
Revenue from external customers	156,510	174,694	331,204	–	331,204
Inter-segment revenue	10,768	–	10,768	(10,768)	–
	<u>167,278</u>	<u>174,694</u>	<u>341,972</u>	<u>(10,768)</u>	<u>331,204</u>
Results					
Segment results	<u>23,026</u>	<u>1,958</u>			24,984
Unallocated corporate expenses					<u>(1,003)</u>
Profit before taxation					<u>23,981</u>

For the year ended 31 December 2022

	Supply chain management service business <i>HK\$'000</i>	Full service distribution business <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition					
Point in time	129,240	150,493	279,733	–	279,733
Overtime	<u>47,913</u>	<u>–</u>	<u>47,913</u>	<u>–</u>	<u>47,913</u>
Revenue					
Revenue from external customers	177,153	150,493	327,646	–	327,646
Inter-segment revenue	<u>4,311</u>	<u>–</u>	<u>4,311</u>	<u>(4,311)</u>	<u>–</u>
	<u>181,464</u>	<u>150,493</u>	<u>331,957</u>	<u>(4,311)</u>	<u>327,646</u>
Results					
Segment results	<u>23,670</u>	<u>2,399</u>			26,069
Unallocated corporate expenses					<u>(1,231)</u>
Profit before taxation					<u>24,838</u>

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

(b) **Other segment information**

For the year ended 31 December 2023

	Supply chain management service business <i>HK\$'000</i>	Full service distribution business <i>HK\$'000</i>	Segment total <i>HK\$'000</i>
Additions to property, plant and equipment	1,646	1,063	2,709
Additions to right-of-use assets	2,441	1,524	3,965
Depreciation of property, plant and equipment included in the measure of segment results	3,050	249	3,299
Depreciation of right-of-use assets included in the measure of segment results	39,910	1,513	41,423

For the year ended 31 December 2022

	Supply chain management service business <i>HK\$'000</i>	Full service distribution business <i>HK\$'000</i>	Segment total <i>HK\$'000</i>
Additions to property, plant and equipment	1,401	57	1,458
Additions to right-of-use assets	8,831	1,589	10,420
Depreciation of property, plant and equipment included in the measure of segment results	3,827	282	4,109
Depreciation of right-of-use assets included in the measure of segment results	40,295	1,011	41,306

(c) **Geographical information**

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's plant, property and equipment and right-of-use assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of plant, property and equipment and right-of-use assets and the location of the operation to which they are allocated.

	Revenue from external customers		Specified non-current assets	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	221,427	198,014	27,482	66,584
Macau	109,777	129,632	2,829	1,931
	<u>331,204</u>	<u>327,646</u>	<u>30,311</u>	<u>68,515</u>

(d) **Information about major customers**

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A	46,521	66,994
Customer B	<u>34,366</u>	<u>N/A*</u>

Revenue from Customers A and B are generated from the supply chain management service business segment.

* Revenue from this customer is accounted for less than 10% of the Group's revenue during the corresponding year.

5. INCOME TAX EXPENSE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	4,315	3,723
Over-provision in respect of prior years	<u>(89)</u>	<u>(20)</u>
	<u>4,226</u>	<u>3,703</u>
Deferred tax		
Origination of temporary differences	<u>(290)</u>	<u>(308)</u>
	<u>3,936</u>	<u>3,395</u>

The provision for Hong Kong Profits Tax for 2023 is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2023/24, subject to a maximum reduction of HK\$3,000 for each business (2022: a maximum reduction of HK\$6,000 was granted for the year of assessment 2022/23 and was taken into account in calculating the provision for 2022). A subsidiary of the Group is eligible for 8.25% tax band of the first HK\$2,000,000 under the two-tiered tax regime introduced by the Hong Kong SAR Government.

The provision for Macau Complementary (Corporate) Tax for 2023 is calculated at 12.0% (2022: 12.0%) of the taxable income for the year, taking into account a tax incentive granted by the Macau SAR Government for the tax-free income threshold of MOP600,000 for the tax year 2023 (2022: MOP600,000). No provision for tax has been made for the subsidiary in Macau as the subsidiary does not have assessable profit for Macau Complementary Tax for 2023 and 2022.

6. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$20,025,000 (2022: HK\$20,486,000) and the weighted average of 501,843,000 ordinary shares (2022: 501,843,000) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2023 '000	2022 '000
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>501,843</u>	<u>501,843</u>

(b) Diluted earnings per share

For the years ended 31 December 2023 and 2022, diluted earnings per share equals basic earnings per share as there was no dilutive potential shares.

7. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	2023 HK\$'000	2022 HK\$'000
Trade receivables, net of loss allowance	100,993	60,056
Prepayments	1,381	1,307
Contract assets	1,859	1,856
Deposits and other receivables	<u>1,654</u>	<u>4,307</u>
	<u>105,887</u>	<u>67,526</u>

The Group allows a credit period ranging from 0 day to 120 days (2022: 0 day to 120 days) to its customers.

The following is an ageing analysis of trade receivables presented based on the invoice dates and net of loss allowance at the end of the reporting period.

	2023 HK\$'000	2022 HK\$'000
0 – 30 days	41,964	26,593
31 – 60 days	34,226	16,846
61 – 90 days	18,216	13,303
Over 90 days	<u>6,587</u>	<u>3,314</u>
	<u>100,993</u>	<u>60,056</u>

8. TRADE AND OTHER PAYABLES, ACCRUED EXPENSES AND CONTRACT LIABILITIES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	131,766	6,517
Accrued employees' benefits	4,096	3,669
Accrued expenses	3,867	4,207
Other payables	2,087	2,511
Contract liabilities	938	2,899
	<u>142,754</u>	<u>19,803</u>

All of the trade and other payables and accrued expenses are expected to be settled within one year or are payable on demand. As at 31 December 2023, the ageing analysis of trade payables based on invoice date, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	128,410	6,177
31 – 60 days	1,784	312
61 – 90 days	1,524	3
Over 90 days	48	25
	<u>131,766</u>	<u>6,517</u>

9. SHARE CAPITAL

	Number of shares '000	Amount <i>HK\$'000</i>
Authorised		
At 1 January 2022, 31 December 2022 and 31 December 2023 of 1.0 HK cent	<u>10,000,000</u>	<u>10,000,000</u>
	Number of shares '000	Amount '000
Issued and fully paid:		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	<u>501,843</u>	<u>5,018</u>
		<i>HK\$'000</i>
Shown in the consolidated statement of financial position		<u>5,018</u>

10. DIVIDEND

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Final dividend proposed after the end of the reporting period of 2.0 HK cents per ordinary share (2022: 1.0 HK cent per ordinary share)	10,037	5,018
Interim dividend declared of nil per ordinary share (2022: 1.0 HK cent per ordinary share)	–	5,018
Special dividend declared of 2.0 HK cents per ordinary share (2022: 3.0 HK cents per ordinary share)	<u>10,037</u>	<u>15,056</u>
	<u>20,074</u>	<u>25,092</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and/or paid during the year

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of 1.0 HK cent per ordinary share (2022: 2.0 HK cents per ordinary share)	5,018	10,037
Special dividend in respect of the previous financial year paid during the year, of 3.0 HK cents per ordinary share (2022: 1.0 HK cent per ordinary share)	<u>15,056</u>	<u>5,018</u>
	<u>20,074</u>	<u>15,055</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is one of the well-established one-stop logistics service provider specializing in Fast Moving Consumer Goods (“**FMCG**”) and food and beverage (“**F&B**”), which include pet food. Most of our customers are leading international enterprises and our services are tailored for their unique needs. In addition, the Group has entered into the full service distribution business after we acquired a subsidiary in Macau in 2019 and has set-up a non-wholly owned subsidiary in Hong Kong in 2020. During 2023, the Group established a wholly owned subsidiary in Hong Kong engaged in full service distribution business.

During 2023, the recovery of the external economic environment was slow and full of challenges with variant of the COVID-19 pandemic. According to the Report entitled “Gross Domestic Product (“**GDP**”) (Yearly)” released by the Census and Statistics Department of the Government of the Hong Kong Special Administrative Region (“**C&SD**”) in 2024, the year-on-year rate of change in real terms of GDP for 2023 increased by 3.2%. Another publication entitled “Report on Monthly Survey of Retail Sales” released by C&SD in 2024, the value index of the total retail sales has increased by 7.8% over that of 2022 as a whole. As reported by the Hong Kong Tourism Board, the number of visitors arrivals to Hong Kong rebound to 33.0 million during 2023, compared to 0.6 million during 2022. Same as Hong Kong, the number of visitor arrivals to Macau in 2023 also increased to 28.0 million from 5.7 million in 2022, reported by the Statistics and Census Service of the Government of Macao Special Administrative Region (“**SCSM**”). The business environment gradually improve and the Group performed well during 2023 and achieved an overall steady growth.

Achievement in 2023

The business environment has improved since the outbreak of the Pandemic in 2019. In 2023, the Group has established a new subsidiary in Hong Kong to engage in full services distribution business and has recruited two experienced senior staff to further enhance its business model and networking capabilities. The Group believes that their relevant industry experience could bring valuable expertise, knowledge, and connections that can contribute to the success of the new business unit, as well as strengthen the synergy with its distribution business in Macau. The successful expansion and recruitment efforts signify the Group’s commitment to growth and its proactive approach to adapting to the changing market conditions. The Group has successfully contracted with a well-known brand chocolate manufacturer group based

in Europe, which is globally active, develops, produces and sells chocolate products in the premium quality segment, and the Group has been appointed as its official distributor in Hong Kong and Macau. The development of 4PL business in Hong Kong is still at the initial stage and the time of learning. The Group will continue to improve and expand to increase the market share and performance. More importantly, the Group has successfully diversified its business risk with more customers base and reduced the concentration risk.

The Group never forget its core competence as a quality supply chain solution provider. During 2023, the Group has expanded its cold chain business with a new reputable customer engaged in the fast food chain catering business. This is another signal from the market to recognize the quality and services of the Group. With the well established foundation of our logistics backbone, the Group is expected to leverage its operation scales and experience to provide its customers additional value added services and the best quality service. With the expansion of full service distribution business, the back-bone and foundation of our supply chain management facilities, expertise and experience could further improve the Group's overall performance by realising the synergy of two business segments, as well as providing the competitive advantages.

In order to capitalize the upcoming economy recovery opportunity, the Group is willing to invest and enhance its competitiveness. The Group has incurred capital expenditures for semi-auto machines to increase working efficiency and productivity. Moreover, the Group has shown its determination to develop as a 4PL service provider. The Group has developed a new enterprise resource planning (“ERP”) system tailored for 4PL business for continuous development and created distribution networking with various local retailers, including supermarkets and department stores. Additionally, the Group has rented a new warehouse in Macau for handling increasing sales demand and new distribution brands. Furthermore, the Group has successfully improved the overall gross profit margin of full distribution sales products by phasing out low gross profit margin items.

Besides the operation, the Group always takes into consideration the aspects of Environmental, Social, and Governance (“ESG”). The Group has adopted different methods to achieve the goal as a responsible enterprise. During 2023, the Group has co-operated with banks to provide funds for green projects and responded to the society by donation of foods and materials to charitable entities which include Tung Wah Group of Hospital, Caritas Hong Kong and Po Leung Kuk.

Financial Review

Revenue

The revenue of the Group increased by approximately 1.1% from approximately HK\$327.6 million for the year ended 31 December 2022 to approximately HK\$331.2 million for the year ended 31 December 2023. The Group's revenue remained stable during the year.

Other net income

Other net income comprised bank interest income and other miscellaneous income. Other net income amounted to HK\$5.0 million and HK\$1.8 million for the year ended 31 December 2022 and the year ended 31 December 2023 respectively. The decrease is mainly due to the receipt of one-off Government grants of HK\$3.6 million in 2022 and such grants are not available in 2023.

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\$63.7 million for the year ended 31 December 2023 (2022: HK\$61.7 million). The increase is mainly due to salary increment. Our Group had a total of 196 and 206 full-time employees as at 31 December 2022 and 31 December 2023 respectively. The Group has hired additional staff for the expansion of the full distribution service segment in Hong Kong and Macau during 2023.

Other expenses

Other expenses mainly include other operating cost for the warehousing and value-added services, electricity, repairs and maintenance, consumables, entertainment, rates, office and store supplies. For the years ended 31 December 2022 and 2023, other expenses amounted to approximately HK\$21.0 million and HK\$15.7 million respectively. The decrease is mainly due to the reduction in warehouse expense and packing material costs as a result of the decrease in the volume of the supply chain management service business.

Taxation

Income tax expense represents the provision of Hong Kong profits tax and Macau complementary tax calculated at 16.5% and 12.0% respectively of the estimated assessable profits during the year ended 31 December 2023. Both the Hong Kong SAR Government and the Macau SAR Government granted a reduction of profits tax for the year of assessment 2023-2024. Please refer to Note 5 to this announcement for details.

Profit and total comprehensive income for the year ended 31 December 2023

The Group recorded a net profit of approximately HK\$20.0 million for the year ended 31 December 2023, representing a decrease of approximately 6.5% when compared to that for the year ended 31 December 2022. Excluding the government grants received during year ended 31 December 2022, the net profit after tax increased by 12.2% for the year ended 31 December 2023. The increase in the net profit after tax is mainly due to (i) the cost efficiency improvement in the supply chain management services business, (ii) establishment of a new cold chain business relationship with a well-known brand of local chain canteens group and (iii) the growth of the full service distribution segment with the sales rebound due to recovery of tourism in Macau; which helps to net off the decrease in the contribution from the decline in sales of disinfectionary products after the Pandemic and phasing out of low gross margin items.

Liquidity and Financial Resources

The Group's operation and investments are financed principally by cash generated from its business operations and bank borrowings. As at 31 December 2022, the Group had net current assets of approximately HK\$83.5 million (2022: approximately HK\$54.1 million), cash and cash equivalents and bank borrowings of approximately HK\$38.0 million (2022: HK\$54.1 million) and HK\$2.0 million (2022: HK\$2.0 million) as at 31 December 2023, respectively. 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 2023, 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 0.01 (2022: 0.01).

Foreign Currency Risk

The Group's business activities are in Hong Kong and Macau and are denominated in Hong Kong dollars and Macau Patacas. Except for certain trade payables balance denominated in Swiss Franc which the Group has agreed a fixed exchange rate with the vendor. The Group currently does not have a foreign currency hedging policy. However, the Directors will continue to monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Capital Commitment

As at 31 December 2023, the Group did not have material capital commitments (2022: Nil).

Dividend

On 21 November 2023, the Board declared a special dividend of 2.0 HK cents per share of the Company, amounting to approximately HK\$10,037,000 in total (the “**Special Dividend**”). The Special Dividend has been paid on Tuesday, 2 January 2024 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 13 December 2023.

The Board is pleased to announce that at the Board meeting held on 25 March 2024, a resolution has been passed to recommend the payment of a final dividend (the “**Final Dividend**”) of 2.0 HK cents (2022: 1.0 HK cent) per share amounting to approximately HK\$10,037,000 in aggregate.

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 Monday, 24 June 2024 to the shareholders whose names appear on the register of members of the Company at the close of business on Friday, 7 June 2024, being the record date for determination of entitlements to the Final Dividend.

To determine the persons who are entitled to the proposed Final Dividend of 2.0 HK cents per share for the year ended 31 December 2023, the register of members of the Company will be closed from Wednesday, 5 June 2024 to Friday, 7 June 2024, both days inclusive, during which period no transfer of shares will be registered. In order for a shareholder to qualify for the Final Dividend, all transfer forms accompanied by relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 4 June 2024.

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 will review the Group's capital structure regularly. As part of this review, the Director will consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through payment of dividends, issuance of new shares as well as issue of new debts and redemption of existing debts.

Charge on the Group's Assets and Contingent Liabilities

As at 31 December 2023, the Group has bank borrowings of approximately HK\$2.0 million (2022: HK\$2.0 million). The subsidiaries within the Group have banking facilities of HK\$25.0 million (2022: HK\$25.0 million), in which HK\$15.0 million (2022: HK\$15.0 million) and HK\$10.0 million (2022: HK\$10.0 million) are guaranteed by the Group and co-guaranteed by the Group and non-controlling interests, respectively.

The Group has no material contingent liabilities as at 31 December 2023 (2022: Nil).

Material Acquisitions and Disposal

For the year ended 31 December 2023, the Group did not have material acquisitions and disposal.

Employees and Remuneration Policies

As at 31 December 2023, the Group employed 211 (31 December 2022: 196) full time employees. We determine the employee's remuneration based on factors such as qualification, duty, contributions and years of experience.

OTHER INFORMATION

Scope of work of KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

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

At no time during the year, did the Company nor any of its subsidiaries 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 C3 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 2023.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 2023, the Directors and their associates and chief executives 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

Name of Director and Chief Executive	Capacity	Number of shares held/ interested			Percentage of Company's issued share capital
		Personal interests	Other interests	Total interests	
Mr. Yeung Kwong Fat (Note 1, 2)	Interest in a controlled corporation; and beneficial owner	15,112,000	82,088,000	97,200,000	19.37%
Mr. Lee Kam Hung (Note 1, 3)	Interest in a controlled corporation; and beneficial owner	3,968,000	143,796,000	147,764,000	29.44%
Mr. Luk Yau Chi, Desmond (Note 1, 4)	Interest in a controlled corporation; and beneficial owner	5,852,000	76,060,000	81,912,000	16.32%
Mr. How Sze Ming (Note 5)	Beneficial owner	64,000	–	64,000	0.01%
Mr. Jung Chi Pan Peter (Note 6)	Beneficial owner	64,000	–	64,000	0.01%
Mr. Mak Tung Sang (Note 7)	Beneficial owner	64,000	–	64,000	0.01%

Notes:

- As Mr. Yeung, Mr. Lee and Mr. Luk no longer intend to be bound by the acting in concert arrangement with each other for the purpose of family wealth and estate planning regarding their respective interests in the Company, they have on 9 July 2018 entered into a deed of termination (the “Termination Deed”) to terminate the acting in concert arrangement under the Confirmatory Deed. Please refer to the announcement published by the Company on 9 July 2018 for details.
- 97,200,000 Shares in which Mr. Yeung is interested consist of (i) 82,088,000 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, and (ii) 15,112,000 Shares are directly held by Mr. Yeung.

3. 147,764,000 Shares in which Mr. Lee is interested consist of (i) 143,796,000 Shares held by Best Matrix Global Limited, a company wholly owned by Mr. Lee, in which Mr. Lee is deemed to be interested under the SFO, and (ii) 3,968,000 Shares are directly held by Mr. Lee.
4. 81,912,000 Shares in which Mr. Luk is interested consist of (i) 76,060,000 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) 5,852,000 Shares are directly held by Mr. Luk.
5. 64,000 Shares are directly held by Mr. How.
6. 64,000 Shares are directly held by Mr. Jung.
7. 64,000 Shares are directly held by Mr. Mak.

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 2023, 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 2023, 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/ interested	Percentage of Company's issued share capital
Best Matrix Global Limited (<i>Note 1</i>)	Beneficial owner	143,796,000	28.65%
Leader Speed Limited (<i>Note 1</i>)	Beneficial owner	76,060,000	15.16%
Orange Blossom International Limited (<i>Note 1</i>)	Beneficial owner	82,088,000	16.36%
Ms. Law Wai Yee (<i>Note 2</i>)	Interest of spouse	97,200,000	19.37%
Ms. Chan Pik Shan (<i>Note 3</i>)	Interest of spouse	147,764,000	29.44%
Ms. Wong Soo Fung (<i>Note 4</i>)	Interest of spouse	81,912,000	16.32%
Ms. Hui Pui Shan (<i>Note 5</i>)	Interest of spouse	64,000	0.01%
Ms. Chan Ka Man (<i>Note 6</i>)	Interest of spouse	64,000	0.01%
Ms. Wong Shuk Ling Janine (<i>Note 7</i>)	Interest of spouse	64,000	0.01%

Notes:

- As Mr. Yeung, Mr. Lee and Mr. Luk no longer intend to be bound by the acting in concert arrangement with each other for the purpose of family wealth and estate planning regarding their respective interests in the Company, they have on 9 July 2018 entered into a deed of termination (the "**Termination Deed**") to terminate the acting in concert arrangement under the Confirmatory Deed. Please refer to the announcement published by the Company on 9 July 2018 for details.
- 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.
- 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.
5. Ms. Hui Pui Shan is the spouse of Mr. How and is deemed, or taken to be, interested in Shares in which Mr. How has interest under the SFO.
6. Ms. Chan Ka Man is the spouse of Mr. Jung and is deemed, or taken to be, interested in Shares in which Mr. Jung has interest under the SFO.
7. Ms. Wong Shuk Ling, Janine is the spouse of Mr. Mak and is deemed, or taken to be, interested in Shares in which Mr. Mak 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 2023.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2023 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 2023 or at any time during the year ended 31 December 2023.

COMPETING INTEREST

For the year ended 31 December 2023, the Directors are not aware of any business or interest of the Directors, the Controlling 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.

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 C1 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 C.2.1, the Company’s corporate governance practices have complied with the CG Code. CG Code provision C.2.1 stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yeung Kwong Fat (“**Mr. Yeung**”) 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 our 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 C.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 three 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. Jung Chi Pan Peter and Mr. Mak Tung Sang. Mr. How Sze Ming is the chairman of the Audit Committee. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2023.

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

Hong Kong, 25 March 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.