

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **World-Link Logistics (Asia) Holding Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

WORLD-LINK LOGISTICS (ASIA) HOLDING LIMITED

環宇物流(亞洲)控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6083)

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

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 4 to 9 of this circular.

The transactions being the subject matter of this circular have been approved by written shareholder's approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

References to time and dates in this circular are to Hong Kong time and dates.

26 July 2024

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I — Financial Information of the Group	I-1
Appendix II — Valuation Report	II-1
Appendix III — General Information	III-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 20 June 2024 in relation to the renewal of the Tenancy Agreements
“Board”	board of Directors
“Company”	World-Link Logistics (Asia) Holding Limited, a company incorporated in Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 6083)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Existing Tenancy Agreements”	the tenancy agreements dated 11 June 2021 entered into between the Tenant and the Landlord in respect of the lease of the Premises
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third party(ies)”	the independent third party(ies) who is/are, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Landlord”	San Pack Properties Limited, which is a subsidiary of Allied Group Limited, a company listed on the Stock Exchange (Stock Code: 373) and is principally engaged in property holding business
“Latest Practicable Date”	22 July 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Offer Letters”	the offer letters signed and issued by the Tenant on 20 June 2024 in respect of the renewal of Existing Tenancy Agreement
“Offer to Renewal of Existing Tenancy Agreements”	the offer to renew the Existing Tenancy Agreements as contemplated under the Offer Letters
“Premises”	means collectively the Premises A, Premises B and Premises C
“Premises A”	Portion of G/F, 2-6/F and 4 lorry parking spaces of Allied Cargo Centre located at Nos. 150-164 Texaco Road, Tsuen Wan, New Territories, Hong Kong
“Premises B”	14-19/F, 21-22/F and 24/F of Allied Cargo Centre located at Nos. 150-164 Texaco Road, Tsuen Wan, New Territories, Hong Kong
“Premises C”	23/F of Allied Cargo Centre located at Nos. 150-164 Texaco Road, Tsuen Wan, New Territories, Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) in the Company
“Shareholder(s)”	holders of the Shares from time to time
“Shareholder Group”	means the following Shareholders: <ul style="list-style-type: none">(i) Orange Blossom International Limited, which is wholly owned by Mr. Yeung Kwong Fat, an executive Director, holding 82,088,000 Shares, representing approximately 16.36% of the total number of issued capital of the Company;(ii) Mr. Yeung Kwong Fat, an executive Director, holding 15,112,000 Shares, representing approximately 3.01% of the total number of issued capital of the Company;

DEFINITIONS

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

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

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Tenancy Agreements”

means the tenancy agreements dated 15 July 2024 entered into between the Landlord and the Tenant in respect of the Premises

“Tenant”

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

“%”

per cent.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Yeung Kwong Fat (*Chairman and CEO*)
Mr. Lee Kam Hung
Mr. Luk Yau Chi, Desmond

Independent Non-executive Directors:

Mr. How Sze Ming
Mr. Jung Chi Pan, Peter
Mr. Mak Tung Sang

Registered Office:

Windward 3
Regatta Office Park
Grand Cayman KY1-1108
Cayman Islands

*Head Office and Principal Place
of Business:*

3/F., Allied Cargo Centre
150-164 Texaco Road
Tsuen Wan
New Territories
Hong Kong

26 July 2024

To the Shareholders,

Dear Sirs and Madams,

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

INTRODUCTION

Reference is made to the announcement of the Company dated 20 June 2024 in relation to, among other things, the renewal of the Tenancy Agreements.

The Tenant, being an indirect wholly-owned subsidiary of the Company, as tenant and the Landlord as landlord entered into the Offer letters on 20 June 2024, and Tenancy Agreements on 15 July 2024, in respect of the renewal of the existing tenancy of the Premises for a term of two years commencing from 1 July 2024 and ending on 30 June 2026 (both dates inclusive).

The purpose of this circular is to provide you with, among other things, (i) details of the Tenancy Agreements (including the Offer Letters); and (ii) other information required under the Listing Rules.

LETTER FROM THE BOARD

THE TENANCY AGREEMENTS

The Tenant and the Landlord entered into the Offer Letters on 20 June 2024 in respect of the renewal of the Existing Tenancy Agreement and subsequently entered into the Tenancy Agreements in the standard form prepared by the Landlord.

The principal terms of the Tenancy Agreements are identical except the details of the Premises and the considerations involved and the principal terms of the Tenancy Agreements are set out as follows:

- Date: 15 July 2024
- Parties: (1) San Pack Properties Limited as landlord; and
(2) World-Link Roadway System Company Limited, an indirect wholly-owned subsidiary of the Company as tenant.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties. For more information, please refer to the section headed "Information of the parties" below in this circular.

- Premises: (i) Portion of G/F, 2-6/F and 4 lorry parking spaces; (ii) 14-19/F, 21-22/F and 24/F; and (iii) 23/F of Allied Cargo Centre located at Nos. 150-164 Texaco Road, Tsuen Wan, New Territories, Hong Kong
- Term: Two years commencing from 1 July 2024 and expiring on 30 June 2026 (both dates inclusive)
- Rent: The total rent payable under the Tenancy Agreements with respect of (i) Premises A which is inclusive of management fee but exclusive of rates; (ii) Premises B which is inclusive of management fee and rates; and (iii) Premises C which is inclusive of management fee and rates, in aggregate, is approximately HK\$73,784,000. The monthly rent in aggregate from 1 July 2024 to 30 June 2026 is approximately HK\$3,074,000.

The rent is payable in advance on the 1st day of each and every calendar month. Any failure to pay the rent will entitle the Landlord to charge an interest of 2.0 % per month on the amount in arrears.

The rent was determined after arm's length negotiations between the parties with reference to the prevailing market rent for comparable premises in the vicinity of the Premises which is within the price range per square foot, based on the publicly available market information accessible by the Company.

LETTER FROM THE BOARD

Rental deposit:	Approximately HK\$6,149,000
Use of premises:	The Group intends to use the Premises as logistics center and office premises.
Stamp duty:	The stamp duty shall be borne equally by the Landlord and the Tenant.

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

EFFECT OF THE TENANCY AGREEMENTS ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

The unaudited value of the right-of-use asset recognised by the Company amounted to approximately HK\$69 million in aggregate which is calculated with reference to the present value of the aggregate lease payment under the Tenancy Agreements. The Group will depreciate the right-of-use assets over the estimated useful life of 24 months on a straight line-basis and a monthly depreciation amounting to approximately HK\$2.9 million will be charged to the consolidated statement of profit or loss and other comprehensive income. The unaudited value of the lease liabilities amounting to approximately HK\$69 million will be recognised by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the Landlord accordingly. Interest expenses on the lease liabilities will be recognised at the rate of 6.1% per annum. After the commencement date of the Tenancy Agreements, the lease liabilities are adjusted by interest accretion and lease payments.

INFORMATION OF THE PARTIES

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

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

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

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE RENEWAL OF THE TENANCY AGREEMENTS

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

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

In order to ensure that the rent is fair and reasonable and in line with prevailing market rate, we have based on the information sourced from Independent Third Parties and compared the rent for similar properties in the vicinity of the Premises, taking into account factors such as, (i) the similar nature, permitted industrial usage or facilities of these properties; (ii) the size of these properties, in terms of gross floor area, being above 20,000 per square foot; and (iii) these properties being located at Texaco Road in Tsuen Wan. Furthermore, the Group also takes into account the rent of the other premises rented by the Group, which are of similar nature, usage, facilities and gross floor area to those of the Premises, and also located at Texaco Road in Tsuen Wan. The rent of all these said properties in the vicinity of the Premises is within the price range per square foot, based on the publicly available market information accessible by the Company, the rent of the Premises under the Tenancy Agreements falls within the said range of the rent of these properties in the vicinity of the Premises. As such, the Board considers that the terms and conditions of the Tenancy Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreements. Therefore, the entering into of the Tenancy Agreements and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. The Directors consider that since all the Tenancy Agreements were entered into by the Tenant with the same Landlord within 12 months, the transactions contemplated under the Tenancy Agreements shall be aggregated under Rule 14.22 of the Listing Rules. The unaudited value of right-of-use asset recognised by the Company under the Tenancy Agreements amounted to approximately HK\$69 million.

LETTER FROM THE BOARD

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

The Shareholder Group comprises of (i) Mr. Yeung Kwong Fat (“**Mr. Yeung**”) and his 100% controlled entity, Orange Blossom International Limited, (ii) Mr. Lee Kam Hung (“**Mr. Lee**”) and his 100% controlled entity, Best Matrix Global Limited, and (iii) Mr. Luk Yau Chi, Desmond (“**Mr. Luk**”) and his 100% controlled entity, Leader Speed Limited. The Shareholder Group in aggregate hold 326,876,000 Shares (representing approximately 65.14% of the total number of entire issued share capital of the Company). The Directors consider that the Shareholder Group as a closely allied group of Shareholders under Rule 14.44 and 14.45 of the Listing Rules taking into account, among others: (i) Mr. Yeung and Mr. Lee were the founders of the Group's business in October 1990 and subsequently, Mr. Luk joined the Group in July 2009; (ii) each of Mr. Yeung, Mr. Lee and Mr. Luk have remained as the Shareholders after the listing of the Shares in August 2015 and they remained as the executive Director of the Company since then; and (iii) each of Mr. Yeung and Mr. Lee and Mr. Luk entered into a concert parties confirmatory deed in August 2015. Although the parties terminated the acting in concert arrangement in July 2018 for the purpose of family wealth and estate planning regarding their respective interests in the Company, the Shareholder Group have voted in substantially the same way on most shareholders resolutions of the Company, except for cases (if any) in which any of them was absent from the general meetings.

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

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Tenancy Agreements (including the corresponding Offer Letters) are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Although a general meeting will not be convened by the Company to approve the Tenancy Agreements (including the corresponding Offer Letters) and the transactions contemplated therein, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolutions to approve, confirm and ratify the Tenancy Agreements (including the corresponding Offer Letters) and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the years ended 31 December 2021, 2022 and 2023 is disclosed in the following documents which are published on both the websites of the Stock Exchange and the Company. Please refer to the hyperlinks as stated below:

- annual report of the Company for the year ended 31 December 2021 (pages 35 to 83)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0422/2022042201854.pdf>
- annual report of the Company for the year ended 31 December 2022 (pages 38 to 85)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042704011.pdf>
- annual report of the Company for the year ended 31 December 2023 (pages 36 to 83)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603769.pdf>

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 May 2024, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Group's indebtedness are as follows:

Bank borrowings

As at 31 May 2024, the Group had aggregate outstanding bank borrowings of approximately HK\$2.0 million, which are unsecured but co-guaranteed by the Group and non-controlling interests.

Lease liabilities

As at 31 May 2024, the Group had unsecured and unguaranteed lease liabilities with outstanding carrying amount of approximately HK\$6.7 million.

Amounts due to non-controlling interests

As at 31 May 2024, the Group had amounts due to non-controlling interests of approximately HK\$0.5 million, which are unsecured, unguaranteed, interest-free and payable on demand.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, as at the close of business on 31 May 2024, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, and term loans, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other contingent liabilities.

3. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Group, including the internally generated funds, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, which is for at least the next 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECT OF THE GROUP

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.

Although the tourism industry has recovered gradually in Hong Kong and Macau, the consumption pattern of travelers has changed from offline to online shopping, which brings signature adverse impact to the retailer business. During 2023, despite the storage volume of our customers has reduced, the Group continued to provide its customers with quality supply chain management services. It maintained a close relationship with its business partners to overcome this transition period. The growth in the full service distribution business will continue. In the coming years, The Group will continue the strategic move as a fourth party logistics (“**4PL**”) service provider to achieve an organic growth in both Hong Kong and Macau, and to maximise the synergy of logistics backbone and distribution networking.

There are challenges and opportunities in 2024. The uncertainty of the global economy influences the customers’ consumption desire. However, the potential of business opportunities still exists in the market. The weaker market players may pull out and create chances for the Group. The Group will continue to adopt a cautious approach to manage its operation and to expand the business and market share. The Group believe that its high quality service and professional team will be able to continue to provide its customers with good quality services and create value for them. The Group will continue to optimize the services quality and technology to upgrade itself to cater for future development and growth, as well as implement stringent cost control measures to enhance our cost efficiency. The Group believe that our strategic move as a 4PL services provider is our key successful road in the future.

The following is the text of a report set out on pages II-1 to II-8, received from an independent professional valuer, Valplus Consulting Limited, for the purpose of incorporation in this circular.



Valplus Consulting Limited
Unit 907, 9/F, Houston Centre
63 Mody Road, Tsim Sha Tsui East
Hong Kong

26 July 2024

The Board of Directors,
World-Link Logistics (Asia) Holding Limited,
3/F, Allied Cargo Centre,
150-164 Texaco Road,
Tsuen Wan, Hong Kong

Dear Sirs/Madams,

Re : Valuation of right of use assets in relation to tenancy agreements entered into by World-Link Roadway System Company Limited

In accordance with the instructions from World-Link Logistics (Asia) Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), we have conducted a valuation of right of use assets (the “**ROU Assets**”) of World-Link Roadway System Company Limited (the “**Tenant**”), an indirect wholly-owned subsidiary of the Company, in relation to the offer to renew the existing tenancy agreements of property premises located at (i) portion of G/F, 2-6/F and 4 lorry parking spaces; (ii) 14-19/F, 21-22/F and 24/F; and (iii) 23/F of Allied Cargo Centre, Nos. 150 – 164 Texaco Road, Tsuen Wan, New Territories, Hong Kong (collectively, the “**Premises**”), as signed and issued by the Tenant on 20 June 2024. We confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the present value of the ROU Assets as at 20 June 2024 (the “**Valuation Date**”).

This report states the purpose of valuation and premise of value, sources of information, identifies the business valued, describes the methodology of our valuation, investigation and analysis, assumptions and limiting conditions, and presents our opinion on value.

1. PURPOSE OF VALUATION

This report is being solely prepared for the directors and management of the Company for reference and incorporation into a public circular of the Company in connection with the renewal of the tenancy agreements by the Group.

The renewal of the tenancy agreements, if approved and materialized, would be a commercial decision made by the transacting parties and the corresponding terms and conditions would be the result of negotiations between the transacting parties. The directors and management of the Company should be solely responsible for the renewal of the tenancy agreements, in which Valplus Consulting Limited (“**Valplus**”) is not involved in the negotiation and has no comment on the tenancy agreements.

Furthermore, this valuation report does not constitute an opinion on the commercial merits and structure of the tenancy agreements. We are not responsible for any unauthorized use of this report. Valplus assumes no responsibility whatsoever to any person other than the directors and management of the Company in respect of, or arising out of, the contents of this report. If others choose to rely in any way on the contents of this report, they do so entirely at their own risk.

2. BASIS AND PREMISE OF VALUE

Our valuation has been prepared in accordance with the International Valuation Standards (“**IVS**”) published by the International Valuation Standards Council.

According to the Hong Kong Financial Report Standards 16 (the “**HKFRS 16**”), a lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange of consideration. Lease liability is measured at the present value of the lease payments payable over the lease term at an appropriate discount rate.

3. SOURCES OF INFORMATION

We relied on the following major documents and information in our valuation analysis. Some of the information and materials are furnished by the management of the Group and their representatives (together, the “**Management**”). Other information is extracted from public sources such as government sources, HKEXnews, Bloomberg and Kroll, LLC, etc.

The major documents and information include the following:

- Signed offer letters issued by the Tenant on 20 June 2024 in respect of the renewal of the existing tenancy agreements (the “**Offer Letters**”);
- The renewed tenancy agreements of the Premises dated 15 July 2024 (the “**Tenancy Agreements**”);
- Unaudited management accounts of the Tenant; and
- Data concerning the equities and fixed income securities markets from Bloomberg and/or Moody’s.

In the course of our valuation, we had discussion with the Management on the Tenancy Agreements and the credit status of the Tenant. Furthermore, we have made reference to or reviewed the above information and data and assumed such information and data are true and accurate without independent verification except as expressly described herein. We consider that we have obtained adequate information from the sources described above to provide a reliable opinion on value.

We have no reason to believe that any material facts have been withheld from us, however, we do not warrant that our investigations have revealed all the matters which an audit or more extensive examination might disclose.

4. TERMS OF THE TENANCY AGREEMENTS

The Tenancy Agreements relate to the right of use of the Premises located in Hong Kong for a tenor of two years. The information of the ROU Assets is summarized as follows:

Term	:	From 1 July 2024 and expiring on 30 June 2026 (both dates inclusive)
Monthly rent	:	Approximately HK\$3,074,000

Source: the Tenancy Agreements

5. GENERAL VALUATION APPROACHES AND METHODS

According to the HKFRS 16, a lessee shall measure the right-of-use asset at cost at the commencement date which includes the following:

- (i) The amount of the initial measurement of the lease liability;
- (ii) Any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) Any initial direct costs incurred by the lessee; and
- (iv) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying assets during a particular period.

The lease liability is measured at the present value of the lease payments that are not paid at that date and the lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined, or using the lessee's incremental borrowing rate if that rate cannot be readily determined. Therefore, income approach has been applied to measure the cost of the right-of-use asset by discounting the lease payments payable over the lease term at an appropriate discount rate.

Based on the information provided by the Management, the interest rate implicit in the Tenancy Agreements cannot be readily determined as the unguaranteed residual value and the lessor's initial direct cost is not accessible to the Tenant. Therefore, the incremental borrowing rates have been used as the discount rate to measure the present value of the lease payments.

The incremental borrowing rate is the rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The measurement basically involves 2 steps:

- (i) Determining an appropriate reference rate as a starting point based on some observable rates including but not limited to past borrowing rate, borrowing cost of market and property yield etc.; and
- (ii) Adjusting the reference rate, if applicable, including but not limited to credit standing of lessee, duration of lease, nature & quality of underlying asset, security pledged and economic environment etc.

The build-up method is used to derive the incremental borrowing rate from the reference rate determined in step (i) and premiums in step (ii) for further appropriate adjustment if necessary.

6. VALUATION ANALYSIS

Observable rates, including but not limited to the market risk-free rates are adopted as the base yields. Further adjustments have been made on credit spread, security pledging status, duration, country risk premium and liquidity risk premium for each of the ROU Assets, if applicable. The incremental borrowing rate of the ROU Assets as of the Valuation Date is calculated below:

1)	Discount rate	6.1%
2)	Base rate	4.1%
3)	Credit spread	1.2%
4)	Notching adjustment	-0.3%
5)	Country risk premium	0.9%
6)	Liquidity spread	0.2%

* *Figures above are subject to rounding.*

Notes:

- 1) This is the sum of base rate, credit spread, notching adjustment, country risk premium and liquidity spread.
- 2) This is referred to the yield of Hong Kong Government BVAL Curve with duration aligning with the remaining weighted average tenor of the ROU Assets.
- 3) This is referred to the incremental rate for additional risks associated with the lending and is based on option-adjusted spreads of corporate bonds with credit rating similar to the Tenant.
- 4) This is referred to specific factors associated with the lease arrangements which would impact the interest rates, including securities of the borrowings. As suggested by Moody's, the yield of a senior secured bond of a given credit rating is approximately equivalent to the yield of a senior unsecured bond with a credit rating that is one notch higher. Given that corporate yields observed were usually on an unsecured basis, the secured yield adjustments are adopted to reflect the yield differential between the two notches by making reference to the corporate yield curves that are one notch higher than the original unsecured credit rating of the Tenant.
- 5) This is the exchange rate risk associated with investing in a country with currency which is different from the denominated currency of the comparable bonds, which is sourced from Damodaran Online.
- 6) This is referred to adjustments for liquidity risk between publicly traded corporate bonds and private borrowing arrangements.

7. VALUATION ASSUMPTIONS

- The contractual parties of the Tenancy Agreements will act in accordance with the terms and conditions of the agreements and understandings between the parties;
- The audited/unaudited financial and operational information of the Tenant as supplied to us have been prepared in a manner which truly and accurately reflect the financial position of the Tenant as at the respective balance sheet dates; and
- There is no material observable change in future economic conditions, events and environments.

8. LIMITING CONDITIONS

Our conclusion of the value is derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

Our work in connection with this engagement is of a different nature to that of a formal audit or a review of information, as those terms are understood in applicable to relevant auditing and accounting standards. We do not, as part of this exercise, perform an audit, review, or examination of any of the historical, present or prospective financial information used and therefore, do not express any opinions with regard to it.

This valuation reflects facts and conditions existing as at the Valuation Date. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

To the best of our knowledge, all data set forth in this report is reasonable and accurately determined. The data, opinions, or estimates as identified or being furnished by others, which have been used in formulating this analysis, are gathered from reliable sources, however, no guarantee is made, nor liability assumed for their accuracy. The value might be adjusted should more specific and update information of the valuation subject is made available to us.

We have made reference to the information provided by the Management in arriving at our opinion on value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and that any material facts have been omitted from the information provided. No responsibility for the operational and financial information that have not been provided to us is accepted.

We accept no responsibility for the realisation and completeness of any estimated data, or estimates furnished by or sourced from any third parties which we have used in connection with this report. We assumed that financial and other information provided to us are accurate and complete.

We have not investigated the title to or any legal liabilities against the Tenant. We have assumed no responsibility for the title to the Tenant.

In accordance with our standard practices, we must state that this report is for the exclusive use of the party to whom it is addressed and for the specific purpose stated above. Furthermore, the report and conclusion of value(s) are not intended by the author, and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of value(s) represents the consideration based on information furnished by the Company/engagement parties and other sources. No responsibility is accepted to any third party for the whole or any part of its contents.

Actual transactions involving the subject assets/business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

9. REMARKS

The Management has reviewed and agreed on the report and confirmed the factual content of the report.

We hereby confirm that we have neither present nor prospective interests in the ROU Assets, the Group or the value reported herein.

10. OPINION ON VALUE

Based on the investigation and analysis stated above and on the valuation methods employed, we are of the opinion that the present value of the ROU Assets as at the Valuation Date was in the sum of **HK\$69,604,000 (HONG KONG DOLLARS SIXTY-NINE MILLION SIX HUNDRED AND FOUR THOUSAND ONLY)**.

Respectfully submitted,
For and on behalf of
VALPLUS CONSULTING LIMITED

Damon S.T. Wan, *CFA, FRM, MRICS*
Founding Partner

Analysed and reported by:

Alfred Y.M. Wong, *CPA (Aust.)*
Assistant Manager

Jason Soong
Analyst

ADDENDUM I – STAFF BIOGRAPHY

Damon S.T. Wan, *CFA, FRM, MRICS*
Founding Partner

Mr. Damon S.T. Wan is a CFA Charterholder, a Certified FRM and a member of Royal Institution of Chartered Surveyors. Mr. Wan has been working in the professional valuation field since 2008. He is experienced and specialized in performing financial instruments, intangible assets and business valuations for the purposes of corporate advisory, merger & acquisition and public listing.

Alfred Y.M. Wong, *CPA (Aust.)*
Assistant Manager

Mr. Alfred Y.M. Wong is a member of CPA Australia and has been working in the corporate finance industry since 2015. He possesses experience in the aspects of corporate finance advisory, corporate credit risk and business valuation.

Jason Soong
Analyst

Mr. Jason Soong had previously worked in the accounting and advisory fields following his Mathematical Sciences academic discipline. He possesses experience in business valuation, data analysis and project management.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS IN SECURITIES

(A) Directors' and chief executives' interests and short position in shares, underlying shares and debentures of the Company and its associated corporations

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which, (a) were required to be notified to the Company and the Stock Exchange pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors have taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(a) *Interests in the Company*

Name of Directors	Capacity/ Nature of interest	Total number of Shares and underlying Shares	Approximate percentage of issued share capital of the Company
Mr. Yeung Kwong Fat ("Mr. Yeung") (Note 1)	Interest in a controlled corporation; and beneficial owner	97,200,000	19.37%
Mr. Lee Kam Hung ("Mr. Lee") (Note 2)	Interest in a controlled corporation; and beneficial owner	147,764,000	29.44%

Name of Directors	Capacity/ Nature of interest	Total number of Shares and underlying Shares	Approximate percentage of issued share capital of the Company
Mr. Luk Yau Chi, Desmond ("Mr. Luk") (Note 3)	Interest in a controlled corporation; and beneficial owner	81,912,000	16.32%
Mr. How Sze Ming ("Mr. How") (Note 4)	Beneficial owner	64,000	0.01%
Mr. Jung Chi Pan, Peter ("Mr. Jung") (Note 4)	Beneficial owner	64,000	0.01%
Mr. Mak Tung Sang ("Mr. Mak") (Note 4)	Beneficial owner	64,000	0.01%

Notes:

- 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 directly held by Mr. Yeung.
- 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 directly held by Mr. Lee.
- 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 directly held by Mr. Luk.
- 64,000 Shares are directly held by Mr. How, Mr. Jung and Mr. Mak, respectively.

(b) Interests in Associated Corporation(s) of the Company

Name of Directors	Name of associated corporation	Capacity/ Nature of interest	Total 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%

(B) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:

Name of Shareholder	Capacity	Number of Shares/ underlying Shares held/ interested	Approximate percentage of issued share capital of the Company
Best Matrix Global Limited (<i>Note 1</i>)	Beneficial owner	143,796,000	28.65%
Leader Speed Limited (<i>Note 2</i>)	Beneficial owner	76,060,000	15.16%
Orange Blossom International Limited (<i>Note 3</i>)	Beneficial owner	82,088,000	16.36%
Ms. Law Wai Yee (<i>Note 4</i>)	Interest of spouse	97,200,000	19.37%
Ms. Chan Pik Shan (<i>Note 5</i>)	Interest of spouse	147,764,000	29.44%
Ms. Wong Soo Fung (<i>Note 6</i>)	Interest of spouse	81,912,000	16.32%
Ms. Hui Pui Shan (<i>Note 7</i>)	Interest of spouse	64,000	0.01%
Ms. Chan Ka Man (<i>Note 8</i>)	Interest of spouse	64,000	0.01%
Ms. Wong Shuk Ling Janine (<i>Note 9</i>)	Interest of spouse	64,000	0.01%

Notes:

1. Best Matrix Global Limited is wholly owned by Mr. Lee who held shares in capacity as beneficial owner of these shares.
2. Leader Speed Limited is wholly owned by Mr. Luk who held shares in capacity as beneficial owner of these shares.
3. Orange Blossom International Limited is wholly owned by Mr. Yeung who held shares in capacity as beneficial owner of these shares.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business which competed, or might compete, either directly or indirectly, with the business of the Group pursuant to Rule 8.10 of the Listing Rules.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date and which was significant in relation to the business of the Group; and none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up.

6. MATERIAL CONTRACTS

As at the Latest Practicable Date, no material contracts (not being contracts entered into in the ordinary course of business) has been entered into by members of the Group within the two years preceding the issue of this circular.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Valplus Consulting Limited	Independent property valuer

As at the Latest Practicable Date, the above expert:

- (a) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter or opinions or advice and references to its name, in the form and context in which they appear;
- (b) did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made.

The letter given by Valplus Consulting Limited is given as of the date of this circular for incorporation.

10. GENERAL

- (1) The registered office of the Company is Windward 3, Regatta Office Park, Grand Cayman KYI-1108, Cayman Islands.
- (2) The principal place of business of the Company is 3/F, Allied Cargo Centre, 150-164 Texaco Road, Tsuen Wan, New Territories, Hong Kong.
- (3) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (4) The secretary of the Company is Mr. Cheng Sing Yuen who is a Certified Public Accountant (practicing) in Hong Kong.
- (5) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the Stock Exchange website (www.hkexnews.hk) and the Company's website (www.world-linkasia.com) for a period of 14 days from the date of this circular (both days inclusive):

- (1) the Offer Letters and the Tenancy Agreements;
- (2) the annual report of the Company for the year ended 31 December 2021;
- (3) the annual report of the Company for the year ended 31 December 2022;
- (4) the annual report of the Company for the year ended 31 December 2023;
- (5) the valuation report prepared by Valplus Consulting Limited, the text of which is set out in Appendix II to this circular;
- (6) the written consent referred to in the section headed "9. Expert and consent" in this appendix; and
- (7) this circular.