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WAN LEADER INTERNATIONAL LIMITED
萬勵達國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8482)

**ANNOUNCEMENT OF FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 30 JUNE 2022**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Wan Leader International Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FIRST QUARTERLY RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces the unaudited consolidated first quarterly results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 30 June 2022 (the “**Review Period**”), together with the unaudited comparative figures for the three months ended 30 June 2021 (the “**Previous Period**”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 JUNE 2022

	<i>Notes</i>	Three months ended 30 June	
		2022	2021
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited) (Restated)
Revenue	<i>4</i>	89,336	129,888
Cost of services		(87,089)	(118,293)
Gross profit		2,247	11,595
Other income		322	76
Other gains and losses		122	1,010
Sales and marketing expenses		(1,037)	(1,446)
Administrative expenses		(4,811)	(6,344)
Reversal of impairment losses/(impairment losses) recognised on trade receivables, net		422	(570)
Impairment losses recognised on deposits and other receivables, net		–	(292)
Finance costs		(46)	(49)
Share of result of an associate		(173)	–
(Loss)/profit before taxation		(2,954)	3,980
Income tax expense	<i>5</i>	(459)	(668)
(Loss)/profit for the period		(3,413)	3,312

	Three months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Notes</i>	(unaudited)	(unaudited) (Restated)
Other comprehensive (expenses)/income for the period		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of financial statements of foreign operations	<u>(94)</u>	<u>516</u>
Other comprehensive (expenses)/income for the period	<u>(94)</u>	<u>516</u>
Total comprehensive (expenses)/income for the period	<u>(3,507)</u>	<u>3,828</u>
(Loss)/profit for the period attributable to:		
Owners of the Company	<u>(3,413)</u>	<u>3,321</u>
Non-controlling interest	<u>–</u>	<u>(9)</u>
	<u>(3,413)</u>	<u>3,312</u>
Total comprehensive (expenses)/income for the period attributable to:		
Owners of the Company	<u>(3,507)</u>	<u>3,885</u>
Non-controlling interest	<u>–</u>	<u>(57)</u>
	<u>(3,507)</u>	<u>3,828</u>
(Loss)/earnings per share	8	
Basic and diluted (<i>HK\$ cents</i>)	<u>(0.41)</u>	<u>0.40</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2022

	Attributable to owners of the Company								
	Share Capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>(Note (i)) HK\$'000</i>	Merger reserve <i>(Note (ii)) HK\$'000</i>	Exchange reserve <i>HK\$'000</i> (Restated)	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i> (Restated)	Non- controlling interest <i>HK\$'000</i> (Restated)	
At 1 April 2021 (audited)	8,400	49,429	14,118	1,091	344	(20,946)	52,436	(400)	52,036
Profit/(loss) for the period	-	-	-	-	-	3,321	3,321	(9)	3,312
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	564	-	564	(48)	516
Total comprehensive income/ (expense) for the period	-	-	-	-	564	3,321	3,885	(57)	3,828
Disposal of subsidiaries	-	-	-	-	(908)	-	(908)	457	(451)
At 30 June 2021 (unaudited)	<u>8,400</u>	<u>49,429</u>	<u>14,118</u>	<u>1,091</u>	<u>-</u>	<u>(17,625)</u>	<u>55,413</u>	<u>-</u>	<u>55,413</u>

	Attributable to owners of the Company									
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>(note i) HK\$'000</i>	Merger reserve <i>(note ii) HK\$'000</i>	Statutory reserve <i>(note iii) HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>		Non- controlling interest <i>HK\$'000</i>
At 1 April 2022 (audited)	8,400	49,429	14,118	1,091	199	35	(11,907)	61,365	-	61,365
Loss for the period	-	-	-	-	-	-	(3,413)	(3,413)	-	(3,413)
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	(94)	-	(94)	-	(94)
Total comprehensive expense for the period	-	-	-	-	-	(94)	(3,413)	(3,507)	-	(3,507)
At 30 June 2022 (unaudited)	<u>8,400</u>	<u>49,429</u>	<u>14,118</u>	<u>1,091</u>	<u>199</u>	<u>(59)</u>	<u>(15,320)</u>	<u>57,858</u>	<u>-</u>	<u>57,858</u>

Notes:

- (i) Other reserve represents the (i) deemed contribution by a non-controlling shareholder through acquisition of Orient Zen Logistics Services Limited (“**Orient Zen**”), (ii) acquisition of additional interest of Orient Zen and (iii) allotment of shares of Ever Metro International Limited (“**Ever Metro**”) to strategic investors.
- (ii) Amount represents difference between the par value of the shares issued by Ever Metro for the combination of the entire equity interests in Union Air Cargo Limited (“**Union Air**”) and Fu Yo Warehouse Logistics Company Limited (“**Fu Yo**”) and the amount of share capital of Union Air and Fu Yo.

The combination of Union Air and Fu Yo by Ever Metro have been accounted for using the principles of merger accounting as Union Air, Fu Yo and Ever Metro are under the common control of Mr. Loy Hak Yu Thomas both before and after the combination and the control is not transitory.

- (iii) The statutory reserve represents the amount transferred from net profit for the year of the subsidiaries established in the People’s Republic of China (the “**PRC**”) (based on the subsidiaries’ PRC statutory financial statements) in accordance with the relevant PRC laws until the statutory reserve reaches 50% of the registered capital of the subsidiaries. The statutory reserve cannot be reduced except either in setting off the accumulated losses or increasing capital.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2022

1. GENERAL INFORMATION

Wan Leader International Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 5 September 2018. Its ultimate controlling party is Mr. Liao Daichun, who is also the chief executive officer of the Company. The registered office of the Company is situated at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. The principal place of business of the Company in Hong Kong is situated at Office Tower Unit 903, Hutchison Logistics Centre, Terminal 4, Kwai Chung Container Port, 18 Container Port Road South, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in provision of freight forwarding and related logistics services and provision of entrusted management services for operating an online e-commerce platform.

From the year ended 31 March 2022, the Group has commenced the provision of entrusted management services and therefore, a new segment has been set up accordingly.

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2022, except as described below.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

In the current period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are effective for the Group’s financial year beginning 1 April 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle

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

4. REVENUE AND SEGMENT INFORMATION

The Group’s revenue from provision of freight forwarding and related logistics services and entrusted management service for operating an online e-commerce platform is recognised over time when the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs, using output method.

The Group’s operating segments are determined based on information reported to the chief operating decision maker (the “**CODM**”) of the Group, being Mr. Thomas Loy, an executive director of the Group, for the purpose of resource allocation and performance assessment focuses on the different types of services. The CODM regularly review revenue and results analysis by (i) provision of freight forwarding and related logistics services and (ii) entrusted management service for operating an online e-commerce platform. No analysis of segment assets and segment liabilities is presented as such information is not regularly provided to the CODM in current or prior period.

During the period ended 30 June 2022, specifically, the Group’s reportable segments are as follows:

- i) Provision of freight forwarding and related logistics services
- ii) Entrusted management services for operating an online e-commerce platform

An operating segment regarding the warehousing and related value-added services was discontinued after the disposal of a subsidiary during year ended 31 March 2021. As such, no analysis of the remaining single operating segment, provision of freight forwarding and related logistics services, is presented for the period ended 30 June 2021.

From the year ended 31 March 2022, a new segment named “Entrusted management services for operating an online e-commerce platform” is introduced for entrusted management services provided in the PRC as a result of entering the management service agreement with the connected party.

An analysis of the Group's revenue for the Review Period is as follows:

	Three months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregate by major service lines		
Provision of freight forwarding and related logistics services		
– Air freight	74,763	106,151
– Sea freight	13,316	23,737
	<u>88,079</u>	<u>129,888</u>
Entrusted management services for operating an online e-commerce platform	<u>1,257</u>	–
	<u>89,336</u>	<u>129,888</u>

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

For the period ended 30 June 2022

	Freight forwarding and related logistics services	Entrusted management services for operating an online e-commerce platform	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)
REVENUE			
External revenue and segment revenue	<u>88,079</u>	<u>1,257</u>	<u>89,336</u>
RESULT			
Segment (loss)/profit	<u>(2,057)</u>	<u>851</u>	<u>(1,206)</u>
Other income			322
Corporate expenses			(1,851)
Finance costs			(46)
Share of result of an associate			<u>(173)</u>
Loss before tax			<u>(2,954)</u>

During the Review Period and Previous Period, all performance obligations for provision of freight forwarding and related logistics services and entrusted management services for operating an online e-commerce platform are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied/partially unsatisfied performance obligations as at 30 June 2022 and 30 June 2021 are not disclosed.

Geographical information

The Group's revenue by geographical market based on the location of operations:

For the period ended 30 June 2022

	Freight forwarding and related logistics service <i>HK\$'000</i> (unaudited)	Entrusted management services for operating an online e-commerce platform <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Hong Kong (place of domicile)	88,079	–	88,079
The People's Republic of China (the "PRC")	–	1,257	1,257
Total	88,079	1,257	89,336

For the period ended 30 June 2021

	Freight forwarding and related logistics service <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Hong Kong (place of domicile)	117,821	117,821
The PRC	5	5
Taiwan	12,062	12,062
Total	129,888	129,888

5. INCOME TAX EXPENSES

	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
		(Restated)
Current tax:		
– Hong Kong Profits Tax	116	708
– PRC Enterprise Income Tax (“EIT”)	278	–
– Taiwan Corporate Income Tax	–	117
	394	825
Deferred taxation	65	(157)
	459	668

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the period ended 30 June 2022 and 2021, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “**PRC EIT Law**”) and Implementation Regulation of the PRC EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. No provision for the PRC EIT has been provided for the period ended 30 June 2021 as there was no assessable profits arose in three months ended 30 June 2021. The Group provided PRC EIT for the period ended 30 June 2022 under the tax rate of 25%.

Under the Income Tax Act of the Taiwan area, the corporate income tax rate of the Group’s Taiwan branch for the period ended 30 June 2021 is 20%. As the Group disposed Taiwan operation in April 2021, no provision for corporate income tax for the period ended 30 June 2022.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

6. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging/(crediting):

	Three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Depreciation of property, plant and equipment	315	1,718
Expenses related to short-term leases	31	35
Interest income on bank deposits	(1)	–
Interest income on rental deposits	(1)	(16)
Government grants	(250)	–
Sundry income	(70)	(60)
Total other income	(322)	(76)
Exchange gain, net	(122)	(160)
Gain on disposal of subsidiaries	–	(850)
Total other gains and losses	(122)	(1,010)
Interest expenses on bank borrowings	20	25
Interest expenses on lease liabilities	26	24
Total finance costs	<u>46</u>	<u>49</u>

7. DIVIDENDS

The Board does not recommend payment of any dividend for the three months ended 30 June 2022 (30 June 2021: nil).

8. (LOSS)/EARNINGS PER SHARE

(a) Basic

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	Three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
(Loss)/earnings:		
(Loss)/profit for the period attributable to owners of the Company	<u>(3,413)</u>	<u>3,321</u>
(Loss)/profit for the purpose of basic earnings per share	<u>(3,413)</u>	<u>3,321</u>
	Three months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>840,000,000</u>	<u>840,000,000</u>

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potential ordinary shares in issue for the period ended 30 June 2022 and 2021.

9. EVENT AFTER THE REPORTING PERIOD

(a) Placing shares under general mandate

On 6 July 2022, the Company entered into an agreement with Silverbricks Securities Company Limited (“**Placing Agent**”), pursuant to which the Placing Agent agreed to place up to 150,000,000 placing shares (“**Placing Shares**”) at the placing price of HK\$0.186 per Placing Share, to not less than six persons or entities procured by the Placing Agent or its agents to subscribe for any Placing Shares, who and whose respective ultimate beneficial owners shall be independent third parties.

The placing was completed on 1 August 2022. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) is amounted to approximately HK\$27.3 million.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Wan Leader International Limited (the “**Company**”) is a company which provides logistics services to customers mostly located in Hong Kong, the People’s Republic of China (the “**PRC**”), Taiwan and Vietnam, with cargo destinations covering the United States of America (“**USA**”), Europe, Asia and other regions. It also provides entrusted management services in the PRC. The shares (the “**Shares**”) of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

The services of the Company and its subsidiaries (together, the “**Group**”) mainly include (a) the provision of freight forwarding and related logistics services, which include reselling cargo space the Group purchases from airlines, airlines’ general sales agent(s), shipping liners and other freight forwarders to direct shippers or respective freight forwarders, which act on behalf of their shipper customers and eventually deliver the goods to the destinations; and (b) the provision of entrusted management services for operating an online e-commerce platform.

The Group recorded a net loss of approximately HK\$3.4 million for the period ended 30 June 2022 (“**Review Period**”) as compared to a net profit of approximately HK\$3.3 million for the period ended 30 June 2021 (“**Previous Period**”). Furthermore, the recurring impact of the novel coronavirus pandemic (“**COVID-19**”) throughout the Review Period adversely affected the results of the Review Period.

At present, the situation of COVID-19 remains the most uncertain factor affecting the recovery and development of the logistics industry. With COVID-19 flaring up across the PRC since March 2022, more stringent preventive health measures and containment policies have been implemented across the country, including multiple rounds of city-wide testing and partial or complete city lockdowns. This led to the closure of factories by major manufacturers, port congestion and low demand for cargo space.

As the Group's ultimate customers, which the majority of them are manufacturers in the PRC, there is also continuing uncertainty over the extent and the timing of the re-opening of the border between Hong Kong and the PRC, and the customs clearance process between the PRC and Hong Kong freight has been hindered in response to the COVID-19 pandemic situation. The recovery of the efficiency of logistics flow has not yet shown any significant improvement. A high level of costs in logistics market is likely to persist. Therefore, the Company believes that the impact of the pandemic will be difficult to get rid of, but the Group will closely monitor the market situation, ensure in-depth cooperation with its suppliers, and offer better services to its customers to continuously strengthen its market position.

Looking forward, the Group is cautious yet optimistic towards its business and development, with a range of significant opportunities ahead. The Company will continue to pay attention to the situation of COVID-19 worldwide and closely monitor the changes in market demand, in order to implement stricter cost control measures to ensure a more robust operating cash flow, and actively respond to the risks and challenges brought by COVID-19 to the operations.

To broaden the revenue and expand the business, the Group entered into an entrusted management agreement (the “**Entrusted Management Agreement**”) with Guangdong Jiyueke Brand Management Co. Ltd* on 1 September 2021. The agreement covers one year. It is expected that entering into the Entrusted Management Agreement will help the Group to gain practical knowledge on the operation of e-commerce platform and thereby reform its business model from a freight forwarder to a technology solution provider through innovation, cloud platforms, big data etc. By taking advantage of the Group's professional skills, knowhow and experience in freight forwarding, this transaction can further help the Group to accumulate knowledge and understanding in relation to e-commerce by participating in platform design, order processing and after-sales services that are closely interlinked and inseparable to such kind of business. It is hoped that the Group can ultimately provide one-stop technical consultancy services to other operators without a physical presence in the overseas markets.

The Company always strives to improve the Group's business operations and financial position by proactively seeking potential investment opportunities that would diversify the Group's existing business portfolio, broaden its source of income and enhance the value to the Shareholders of the Company.

* *For identification purpose only*

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from (i) the provision of air freight forwarding and related logistics services; (ii) the provision of sea freight forwarding and related logistics services; and (iii) the provision of entrusted management services for operating an online e-commerce platform.

Total revenue of the Group decreased by approximately 31.2% from approximately HK\$129.9 million for the Previous Period to approximately HK\$89.3 million for the Review Period.

Revenue generated from the provision of air freight forwarding and related logistics services for the Review Period amounted to approximately HK\$74.8 million (Previous Period: approximately HK\$106.2 million), accounting for approximately 83.7% of the Group's total revenue (Previous Period: approximately 81.8%). The revenue from this segment remained as the major source of revenue of the Group.

Revenue generated from the provision of sea freight forwarding and related logistics services for the Review Period amounted to approximately HK\$13.3 million (Previous Period: approximately HK\$23.7 million), accounting for approximately 14.9% of the Group's total revenue (Previous Period: approximately 18.2%). Most of the Group's customers from this segment are direct shippers.

Revenue generated from the provision of entrusted management services from operating an online e-commerce platform for the Review Period amounted to approximately HK\$1.3 million (Previous Period: nil), accounting for approximately 1.41% of the Group's total revenue (Previous Period: nil). This was a new business to the Group and the management expected that the market will be huge in the long run.

Cost of services and gross profit

The Group's cost of services decreased by approximately 26.4% from approximately HK\$118.3 million (restated) for the Previous Period to approximately HK\$87.1 million for the Review Period.

The Group's gross profit decreased by approximately 80.6% from approximately HK\$11.6 million (restated) for the Previous Period to approximately HK\$2.2 million for the Review Period. Gross profit margin decreased from approximately 8.9% for the Previous Period to approximately 2.5% for the Review Period. Such decrease was mainly attributable to (i) a decrease in turnover due to continuous impact of COVID-19, the customs clearance process between the PRC and Hong Kong freight has been hindered, and drops in demand of cargo spaces because of the worldwide economic downturn; (ii) the unit costs of air and sea cargo spaces remained in a high level; and (iii) an increase in storage costs when compared with the Previous Period.

Other income

Other income included bank interest income from bank deposits and other interest income from refundable rental deposits and sundry income.

The Group applied for the Employment Support Scheme launched by the Hong Kong Government and approximately HK\$0.25 million of grants were obtained in the Review Period (Previous Period: Nil).

Other gains and losses

The Group recorded a net gain in other gains and losses in the Review Period and the Previous Period, which was mainly attributable to the exchange gain in both Periods and gain on disposal of subsidiaries in the Previous Period.

Sales and marketing expenses

Sales and marketing expenses mainly included cost of business development and soliciting new customers.

The amount decreased during the Review Period as a service charge amounting to approximately HK\$1.0 million (Previous Period: approximately HK\$1.4 million) was paid/payable to a consultant who assisted the Group in exploring business in Vietnam and Taiwan.

Administrative expenses

The Group's administrative expenses decreased to approximately HK\$4.8 million for the Review Period from approximately HK\$6.3 million for the Previous Period. Such expenses mainly included staff costs and benefits, audit fees, legal and professional fees, depreciation, utilities and other expenses. The decrease was mainly due to the combined effect of (i) a decrease in legal and compliance costs, professional fees and printing charges of approximately HK\$0.3 million; (ii) a decrease in depreciation from approximately HK\$1.7 million for the Previous Period to approximately HK\$0.3 million for the Review Period, which was caused by the completion of tenancy for premises recognised as the right-of-use assets in a local subsidiary in July 2021, and the disposal of a subsidiary with branch in Taipei in April 2021.

Impairment losses reversed on trade receivables, net

Under the Hong Kong Financial Reporting Standard 9 "Financial Instruments", the management assessed the measurement of expected credit losses ("ECL") in relation to trade receivables and used a collectively assessed provision matrix to calculate ECL. During the Review Period, reversal in impairment loss of approximately HK\$0.4 million was recognised (Previous Period: additional impairment loss of approximately HK\$0.6 million was recognised) due to the decrease in trade receivable balances and decrease in the customer's past due ratio.

Impairment losses recognised on deposits and other receivables, net

During the Review Period, nil of impairment loss was recognised (Previous Period: additional impairment loss of approximately HK\$0.3 million was recognised) due to the insignificant change in balance of other receivables during the Review Period.

Finance costs

Finance costs for the Review Period represented interest expenses on lease liabilities and bank borrowings. Finance costs remained approximately HK\$0.1 million for the Review Period and Previous Period.

Income tax expense

The Group's income tax expense (credit) primarily included provisions for Hong Kong's Profits Tax, the PRC Enterprise Income Tax, Taiwan Corporate Income Tax and deferred income tax expense (credit). A loss before taxation (Previous Period: profit before taxation of approximately HK\$4 million) of approximately HK\$3 million for the Review Period was recorded, and an income tax expense of approximately HK\$0.5 million was recorded for the Review Period (Previous Period: approximately HK\$0.7 million).

Loss for the period

The Group recorded a loss for the period of approximately HK\$3.4 million for the Review Period, compared to a profit for the period of approximately HK\$3.3 million for the Previous Period. The loss was mainly due to the effects of (i) a decrease in turnover due to continuous impact of COVID-19, the customs clearance process between the PRC and Hong Kong freight has been hindered, and drops in demand of cargo spaces because of the worldwide economic downturn; (ii) the unit costs of air and sea cargo spaces remained in a high level; and (iii) an increase in storage costs when compared with the Previous Period.

DIVIDEND

The Directors do not recommend the payment of dividend for the period.

EVENT AFTER THE REPORTING PERIOD

Placing shares under general mandate

On 6 July 2022, the Company entered into an agreement with Silverbricks Securities Company Limited ("**Placing Agent**"), pursuant to which the Placing Agent agreed to place up to 150,000,000 placing shares ("**Placing Shares**") at the placing price of HK\$0.186 per Placing Share, to not less than six persons or entities procured by the Placing Agent or its agents to subscribe for any Placing Shares, who and whose respective ultimate beneficial owners shall be independent third parties.

The placing was completed on 1 August 2022. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) is amounted to approximately HK\$27.3 million. (Please refer to the Company's announcement dated 6 July and 1 August 2022 for details.)

COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with Review Period presentation.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The board (“**Board**”) of directors (“**Directors**”) of the Company is committed to achieving good corporate governance practices and procedures. The Directors believe that good corporate governance practices are essential to enhance stakeholders’ confidence and support. From 1 April 2022 up to 30 June 2022 (the “**Review Period**”), the Company complied with the code provisions prescribed in the establishment and implementation of the corporate governance guidelines containing principles and code provisions of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix 15 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”).

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of shareholders and investors.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the “**Required Standard of Dealings**”).

Following specific enquiries to all of the Directors, each Director has confirmed that he or she complied with the Required Standard of Dealings throughout the Review Period.

DIRECTOR’S INTERESTS IN COMPETING INTERESTS

None of the Directors or controlling shareholders or their respective close associates (as defined in the GEM Listing Rules) are engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any competing business that they themselves are currently conducting or is being conducted by their connected or related parties during the Review Period.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities from 1 April 2022 up to 30 June 2022.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

At 30 June 2022, the following Director and chief executive of the Company (the “**Chief Executive**”) had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules:

(i) Long position in shares of the Company

Name of Director	Capacity/Nature of interests	Interest in Shares	Approximate percentage of the Company's issued share capital
Mr. Loy Hak Yu Thomas (“ Mr. Thomas Loy ”)	Interest in a controlled corporation (<i>Note 1</i>)	126,652,000	15.08%
Mr. Liao Daichun	Beneficial owner (<i>Note 2</i>)	182,690,000	21.75%

(ii) Long positions in shares of associated corporations:

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Interest in shares	Approximate percentage of the Company's issued share capital
Mr. Thomas Loy	Ho Tat Limited ("Ho Tat") (Note 1)	Beneficial owner (Note 1)	126,652,000	15.08%

Notes:

1. Ho Tat is wholly and beneficially owned by Mr. Thomas Loy. By virtue of the SFO, Mr. Thomas Loy is deemed to be interested in all the Shares held by Ho Tat.
2. Mr. Liao Daichun was appointed as a non-executive Director on 23 April 2021 and he resigned on 2 August 2021. Mr. Liao Daichun has been the chief executive officer with effect from 20 August 2021.

Save as disclosed above and below under the section headed "Directors' Rights to Acquire Shares or Debentures", at 30 June 2022, none of the Directors or the Chief Executive and/or any of their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this announcement, at no time during the Review Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

Save as disclosed in this announcement, at no time during the Review Period the Directors and the Chief Executive (including their spouses and children under 18 years of age) had any interest in, or been granted or exercised, any rights to subscribe for the shares (or warrants or debentures, as applicable) of the Company or any of its associated corporations (within the meaning of the SFO).

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

To the best knowledge of the Directors, at 30 June 2022, the substantial shareholders of the Company had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO as follows:

Name	Capacity/nature of interests	Number of Shares held/ interested (Note 7)	Approximate percentage of shareholding
Ho Tat	Beneficial owner (Note 1)	126,652,000 (L)	15.08%
Mr. Thomas Loy	Interest in a controlled corporation, parties acting in concert (Note 1)	126,652,000 (L)	15.08%
Mr. Loy Hak Moon	Parties acting in concert (Note 1)	126,652,000 (L)	15.08%
Ms. Kong Sau Ming	Interest of spouse (Note 2)	126,652,000 (L)	15.08%
Ms. Siu Pui Sum	Interest of spouse (Note 3)	126,652,000 (L)	15.08%
Mr. Liao Daichun	Beneficial owner (Note 4)	182,690,000 (L)	21.75%
Ms. Zhao Rongjing	Interest of spouse (Note 5)	182,690,000 (L)	21.75%
Mr. Luo Honghui	Beneficial owner, interest in a controlled corporation (Note 6)	90,160,000 (L)	10.73%
Zhongyuehui (Shenzhen) Holdings Group Limited	Beneficial owner (Note 6)	75,990,000 (L)	9.05%

Notes:

1. Ho Tat is wholly and beneficially owned by Mr. Thomas Loy. By virtue of the SFO, Mr. Thomas Loy is deemed to be interested in all the Shares held by Ho Tat. Mr. Thomas Loy and Mr. Loy Hak Moon are parties acting in concert pursuant to the Acting in Concert Confirmation (as defined in the Prospectus) upon the Share Offer becoming unconditional.
2. Ms. Kong Sau Ming is the spouse of Mr. Thomas Loy, and is deemed to be interested in the Shares which are interested by Mr. Thomas Loy under the SFO.
3. Ms. Siu Pui Sum is the spouse of Mr. Loy Hak Moon, and is deemed to be interested in the Shares which are interested by Mr. Loy Hak Moon under the SFO.
4. Mr. Liao Daichun was appointed as a non-executive Director on 23 April 2021 and he resigned on 2 August 2021. Mr. Liao Daichun has been the chief executive officer with effect from 20 August 2021.
5. Ms. Zhao Rongjing is the spouse of Mr. Liao Daichun, and is deemed to be interested in the shares which are interested by Mr. Liao Daichun under the SFO.
6. Mr. Luo Honghui (“**Mr. Luo**”) is personally interested in 14,170,000 Shares. Zhongyuehui (Shenzhen) Holdings Group Limited (a company 95% controlled by Mr. Luo) is interested in 75,990,000 Shares. Accordingly, Mr. Luo is deemed to be interested in 75,990,000 Shares owned by Zhongyuehui (Shenzhen) Holdings Group Limited by virtue of Part XV of the SFO.
7. The letter “L” denotes long position in the Shares.

Save as disclosed above, at 30 June 2022, the Directors are not aware of any interests and short positions owned by the chief executive of the Company, or any other parties. No person, other than the Directors, whose interests are set out in the section headed “Directors’ and Chief Executive’s Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and Any Associated Corporations” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 14 August 2018 (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to recognise the contribution of, and to provide an incentive to, key staff of the Group who have contributed or will contribute to the Group in order to motivate and retain them for the operation and development of the Group.

Up to the date of this announcement, no share option has been granted, exercised, lapsed or cancelled under the Share Option Scheme and there were no outstanding share options under the Share Option Scheme at 30 June 2022 and at the date of this announcement.

CHANGE IN DIRECTORS' INFORMATION

Mr. Ho Yuk Ming Hugo (“**Mr. Ho**”), an independent non-executive Director, retired as independent non-executive director of Wuxi Sunlit Science and Technology Company Limited* (stock code: 1289) with effect from 18 June 2021. Mr. Ho was appointed as the company secretary and authorised representative of Neo-Neon Holdings Limited (stock code: 1868) on 11 November 2021.

Mr. Yan Ximao, an executive Director, was appointed as a non-executive director of Goldway Education Group Limited (stock code: 8160) on 4 November 2021 and resigned on 27 May 2022.

Mr. Chow Chi Wing, an independent non-executive Director, was appointed as the company secretary and the authorised representative of Asia Television Holdings Limited (stock code: 707) on 16 April 2021 and resigned on 8 August 2022.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 14 August 2018 with specific written terms of reference formulated in accordance with the requirements of rules 5.28 to 5.29 of the GEM Listing Rules and the CG Code. The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. Ho Yuk Ming Hugo, Mr. Chow Chi Wing and Mr. Liao Dongqiang. Mr. Ho Yuk Ming Hugo is the chairman of the Audit Committee. The primary duties of the Audit Committee include, but are not limited to (i) making recommendations to the Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor and any questions of its resignation or dismissal; (ii) monitoring the integrity of the Company’s financial statements and reviewing the annual reports and accounts, half-year report and quarterly reports, and reviewing significant financial reporting judgements contained in them; and (iii) reviewing the financial reporting, financial controls, risk management and internal control systems of the Group.

* *For identification purpose only*

The Audit Committee has reviewed the unaudited consolidated results of the Group for the Review Period.

By Order of the Board
Wan Leader International Limited
Zhang Pangfei
Executive Director

Hong Kong, 12 August 2022

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Loy Hak Yu Thomas, Mr. Zhang Pangfei, Ms. Wu Yushan and Mr. Yan Ximao; and four independent non-executive Directors, namely, Mr. Ho Yuk Ming Hugo, Mr. Chow Chi Wing, Mr. Liao Dongqiang and Mr. Zhang Quanhui.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at www.wanleader.com.