

# Wine's Link International Holdings Limited

## 威揚酒業國際控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8509)**

### **ANNOUNCEMENT OF THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 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.**

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*This announcement, for which the directors (the “Directors”) of Wine's Link International Holdings 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 purposes 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 announcement 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 announcement misleading.*

The board of Directors (the “Board”) hereby presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the nine months ended 31 December 2022 (the “Period”), together with the comparative unaudited figures for the corresponding period in 2021, as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 DECEMBER 2022*

		Three months ended 31 December		Nine months ended 31 December	
	NOTES	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	4	54,170	72,424	115,367	181,166
Cost of sales		(33,715)	(52,265)	(71,893)	(136,509)
Gross profit		20,455	20,159	43,474	44,657
Other income		(96)	103	571	3,313
Other gains and losses, net	5	(49)	475	(54)	(12)
Selling and distribution expenses		(2,592)	(5,244)	(9,542)	(13,563)
Administrative expenses		(5,403)	(4,255)	(16,316)	(15,922)
Finance costs	6	(1,724)	(445)	(3,886)	(1,855)
Profit before tax	7	10,591	10,793	14,247	16,618
Income tax expense	8	(2,265)	(1,912)	(3,582)	(4,526)
Total comprehensive income for the period		8,326	8,881	10,665	12,092
Profit and total comprehensive income for the period attributable to					
– Owners of the Company		8,389	9,054	10,898	12,588
– Non-controlling interests		(63)	(173)	(233)	(496)
		8,326	8,881	10,665	12,092
Earnings per share		HK2.10	HK2.26	HK2.72	HK3.14
– Basic and diluted	9	cents	cents	cents	cents

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

	Attributable to owners of the Company				Total	Non- controlling interests	Total equity	
	Share capital	Share premium	Other reserve	Accumulated profits				Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(Note)</i>	<i>HK\$'000</i>				<i>HK\$'000</i>
At 1 April 2022 (audited)	4,000	76,298	27,458	140,261	248,017	(1,069)	246,948	
Profit and total comprehensive income for the Period (unaudited)	-	-	-	10,898	10,898	(233)	10,665	
At 31 December 2022 (unaudited)	<b>4,000</b>	<b>76,298</b>	<b>27,458</b>	<b>151,159</b>	<b>258,915</b>	<b>(1,302)</b>	<b>257,613</b>	
At 1 April 2021 (audited)	4,000	76,298	27,458	119,017	226,773	(402)	226,371	
Profit and total comprehensive income for the Period (unaudited)	-	-	-	12,588	12,588	(496)	12,092	
At 31 December 2021 (unaudited)	4,000	76,298	27,458	131,605	239,361	(898)	238,463	

*Note:*

Other reserve represents the balance of HK\$7,458,000 in relation to the shareholder's contribution in relation to derivative financial instruments entered between Mr. Ting Chi Wai Roy ("Mr. Roy Ting"), deemed to be one of the beneficiary owners of the Company, and the Group during the year ended 31 March 2016 and the effect of reorganisation of HK\$20,000,000 during the year ended 31 March 2016.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

### 1. GENERAL

The Company was incorporated in Cayman Islands and registered as an exempted company with limited liability under the Cayman Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 22 September 2016 and the shares of the Company (the “Shares”) have been listed on GEM of the Stock Exchange. The address of the Company’s registered office and the principal place of business are PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and 26th Floor, AIA Financial Centre, 712 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong respectively.

The controlling shareholders of the Company are Shirz Limited, a limited company incorporated in the British Virgin Islands (the “BVI”) which holds 70% equity interests in the Company and wholly owned by Ms. Wong Chi Lou Shirley (“Ms. Shirley Wong”).

The Company is an investment holding company. Wine’s Link Limited (“Wine’s Link”), being its major operating subsidiary, is primarily engaged in the wholesale and retail of a wide spectrum of wine products and other alcoholic beverages in Hong Kong.

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

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2022 have been prepared in accordance with the applicable of Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

### 3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the consolidated financial statements for the nine months ended 31 December 2022 are consistent with those applied to the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2022. And the Group has adopted, for the first time, the following amendments to HKFRSs issued by the HKICPA which were effective for the Group’s financial year beginning on 1 April 2022.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>

The amendments did not have a material impact on how the Group's results and financial position for the current or prior periods have been presented in this unaudited condensed consolidated interim financial information. The Group has not applied any other new standard or interpretation that is not yet effective for the current accounting period.

#### 4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable for goods sold by the Group to outside customers, less discount. The Group's operations are solely derived from sale and distribution of wine products, other alcoholic beverages and wine accessory products in Hong Kong. For the purposes of resources allocation and performance assessment, the chief executive of the Group reviews the overall results and financial position of the Group as a whole prepared in accordance with accounting policies which conform to HKFRSs. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

##### *Revenue from major products*

	Three months ended 31 December		Nine months ended 31 December	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Wine products	31,934	68,544	66,842	170,947
Other alcoholic beverages	22,152	3,766	48,082	9,287
Wine accessory products	84	114	443	932
	<b>54,170</b>	72,424	<b>115,367</b>	181,166

##### *Geographical information*

No geographical segment information is presented as the Group's revenue are all derived from Hong Kong based on the location of goods delivered and the Group's property and equipment are all located in Hong Kong by physical location of assets.

##### *Information about major customers*

No individual customer was accounted for over 10% of the Group's total revenue during both the Period and the nine months ended 31 December 2021.

## 5. OTHER INCOME/OTHER GAINS AND LOSSES, NET

### *Other income*

	Three months ended 31 December		Nine months ended 31 December	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Bank interest income	–	1	1	11
Others	(96)	102	570	3,302
	(96)	103	571	3,313

### *Other gains and losses, net*

	Three months ended 31 December		Nine months ended 31 December	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Net loss on disposals of property and equipment	–	–	(5)	(22)
Net exchange gains/(losses)	(353)	475	(49)	10
	(353)	475	(54)	(12)

## 6. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
The finance costs represent interest on:				
– bank borrowings	1,644	363	3,706	1,649
– lease liabilities	80	82	180	206
	1,724	445	3,886	1,855

## 7. PROFIT BEFORE TAXATION

	Three months ended 31 December		Nine months ended 31 December	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Profit before taxation has been arrived at after charging:				
Cost of inventories recognised as an expense	4,231	52,265	42,409	136,509
Depreciation of property and equipment	1,801	1,465	5,322	2,295
Depreciation of right-of-use assets	767	2,652	2,763	3,828
Directors' remuneration	399	345	1,197	981
Other staff costs				
Salaries and other benefits	2,100	3,029	8,083	9,449
Retirement benefits scheme contributions	98	139	347	407
Total staff costs	2,597	3,513	9,627	10,837

## 8. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Hong Kong Profits Tax:				
– Current tax	2,318	2,123	3,726	3,830
– Under provision in prior years	–	–	–	955
Deferred tax credit	(53)	(211)	(144)	(259)
	2,265	1,912	3,582	4,526

The Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for the qualifying group entity. The profits of the group entities not qualifying for the two-tiered profits tax regime will be taxed of a flat rate of 16.5%.

## 9. EARNINGS PER SHARE

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

	Three months ended 31 December		Nine months ended 31 December	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Earnings: Profit for the period attributable to the owners of the Company for the purposes of basic earnings per share	<b>8,389</b>	9,054	<b>10,898</b>	12,588

	Three months ended 31 December		Nine months ended 31 December	
	2022 <i>'000</i> (Unaudited)	2021 <i>'000</i> (Unaudited)	2022 <i>'000</i> (Unaudited)	2021 <i>'000</i> (Unaudited)
Number of shares: Number of ordinary shares for the purpose of basic earnings per share	<b>400,000</b>	400,000	<b>400,000</b>	400,000

No diluted earnings per share for the Period and the nine months ended 31 December 2021 was presented as there were no potential ordinary shares in issue during these periods.

## 10. DIVIDEND

No dividend was paid, declared or proposed for shareholders of the Company during the Period. The Board does not recommend the payment of any dividend for the Period (nine months ended 31 December 2021: nil).



## MANAGEMENT DISCUSSION AND ANALYSIS

### **Business Review**

The business of the Group primarily involve the wholesale and retail of a wide spectrum of wine products and other alcoholic beverages in Hong Kong. The Group has a comprehensive product portfolio consisting of (i) wine products such as premium collectible red wine, i.e. red wine with selling prices at HK\$1,000 or above per bottle (the “Premium Collectible Red Wine”), fine red wine and white wine; (ii) other alcoholic beverages such as champagne, whisky and sake; and (iii) wine accessory products such as wine decanters, wine glasses and wine openers, for customers’ selection. The Group also develops alcoholic beverages under its self-owned brands.

During the Period, the Group faced difficulties in operating its wine business under external challenges from (i) the global economic downturn; (ii) the tightening monetary policy executed worldwide; and (iii) the enforcement actions on various anti-epidemic measures due to the outbreak of the novel coronavirus (COVID-19) pandemic in both China and Hong Kong (altogether, the “External Challenges”). Although the demand in both premium collectible wine and fine wine segments were improved compared to the first half of the year, they were still weak compared to previous years and affected the Group’s revenue and gross profit. Therefore, the Group actively seeks to alter product segments with good potential and shifted our focus to develop products under its self-owned brands during the Period. The Board believes that the Group can seize the opportunity arising from the different trends in the wine industry in a long term.

### **Financial Review**

#### ***Revenue***

The revenue of the Group decreased by approximately 36.3% from approximately HK\$181.2 million for the nine months ended 31 December 2021 to approximately HK\$115.4 million for the Period. The decrease was primarily caused by the decrease in demand for our premium collectible wine and fine wine as affected by the External Challenges.

#### ***Cost of Sales***

The Group’s cost of sales consist of the procurement of wine products and other alcoholic beverages from the suppliers. The Group recognises the cost of sales upon the conclusion of a sales transaction. The cost of sales decreased by approximately 47.3% from approximately HK\$136.5 million for the nine months ended 31 December 2021 to approximately HK\$71.9 million for the Period. The decrease in cost of sales was directly correlated with the decrease in revenue for the Period.

### ***Gross Profit and Gross Profit Margin***

The gross profit represents revenue less cost of sales. For the Period, the gross profit of the Group slightly decreased by approximately 2.6% from approximately HK\$44.7 million for the nine months ended 31 December 2021 to approximately HK\$43.5 million for the Period.

The overall gross profit margin increased and amounted to approximately 24.6% and approximately 37.7% for the nine months ended 31 December 2021 and 2022, respectively. The Group recorded a relatively higher gross profit margin during the Period mainly due to the increase in gross profit margin on the sales of other alcoholic beverages of certain self-owned brands.

### ***Other Income***

Other income of the Group consisted primarily of (i) bank interest generated from the bank balances and (ii) sundry income. Other income decreased from HK\$3.3 million for the nine months ended 31 December 2021 to approximately HK\$0.6 million for the Period, which was mainly contributed by the decrease of income derived from the one-off provision of services during the Period compared with the nine months ended 31 December 2021.

### ***Other Gains and Losses, Net***

The Group recorded net losses of approximately HK\$54,000 and approximately HK\$12,000 for the nine months ended 31 December 2022 and 2021, respectively. The net gains or losses mainly consisted of the net exchange gains and losses arising from the foreign currency fluctuations in respect of the foreign currency denominated trust receipt loans for the settlement of wine product purchased from the overseas suppliers.

### ***Selling and Distribution Expenses***

Selling and distribution expenses of the Group decreased from approximately HK\$13.6 million for the nine months ended 31 December 2021 to approximately HK\$9.5 million for the Period. This decrease was primarily attributable to the decrease in expenses in relation to frontline sales and marketing activities during the Period.

### ***Administrative Expenses***

Administrative expenses of the Group slightly increased from approximately HK\$15.9 million for the nine months ended 31 December 2021 to approximately HK\$16.3 million for the Period. This increase was attributable to an offset between the decrease of legal and professional fees and the increase of expense and depreciation related to the property.

### ***Finance Costs***

Finance costs increased from approximately HK\$1.9 million for the nine months ended 31 December 2021 to approximately HK\$3.9 million for the Period. This increase was primarily attributable to the increase in the mortgage loans interests for the Period.

### ***Profit and Total Comprehensive Income for the Period***

For the reasons mentioned above, profit and total comprehensive income attributable to the owners of the Company for the Period amounted to approximately HK\$10.9 million (2021: approximately HK\$12.6 million).

### ***Dividend***

The Board does not recommend the payment of an interim dividend to the shareholders of the Company for the Period (2021: nil).

### ***Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies***

During the Period and up to the date of this announcement, the Group did not have any acquisition or disposals of subsidiaries, associates or joint ventures.

### ***Future Prospects***

The Shares were successfully listed on GEM on 12 January 2018. The Board considers that such public listing status on the Stock Exchange is beneficial to the Company and the shareholders of the Company as a whole as the listing status on the Stock Exchange is a complementary way of advertising the Group which reinforces the corporate profile and market recognition. In addition, the creditworthiness will be enhanced from the suppliers' perspective, which may in turn allow the Group to have greater bargaining power over negotiations to bargain for longer trade and credit terms. It also enables the Group to gain direct access to the capital market to raise funds for future expansion.

During the Period, the Group has made steady progress in refining and expanding its business, putting more emphasis on diversifying and creating new sales channels and expanding its business geographically. Apart from trading wine products of well-known chateaus or wineries, the Group has developed its self-owned brands to diversify the Group's income streams as well as to achieve a synergy effect with its existing businesses. The Group believes that the aforesaid developments will optimise the business portfolio of the Group and bolster a sustainable and healthy performance of the Group in the long run.

The Group has been closely monitoring the development of the External Challenges and any further uncertainty may have, and will take a prudent approach and adjust its business strategies to accommodate the rapid changing environment.

## OTHER INFORMATION

### Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Specified Undertaking of the Company or any Other Associated Corporations

As at 31 December 2022, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of Director	Nature of interest	Number of Shares held <sup>(1)</sup>	Percentage of shareholding in the Company's issued share capital <sup>(3)</sup>
Ms. Shirley Wong <sup>(2)</sup>	Interest in controlled corporation	280,000,000 (L)	70%

*Notes:*

- (1) The letter "L" denotes a long position in the Shares.
- (2) Ms. Shirley Wong is the sole shareholder of Shirz Limited and she is therefore deemed to be interested in the Shares held by Shirz Limited.
- (3) The approximate percentage were calculated based on 400,000,000 Shares in issue as at 31 December 2022.

Save as disclosed above, as at 31 December 2022, none of the Directors nor chief executive of the Company has registered interests and 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) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

**Substantial Shareholders Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Specified Undertaking of the Company or any Other Associated Corporations**

So far as the Directors are aware, as at 31 December 2022, the following persons (not being Directors or chief executive of the Company) (i) which had or be deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) were recorded in the register required to be kept under Section 336 of the SFO:

<b>Name of shareholders</b>	<b>Nature of interests</b>	<b>Number of Shares held<sup>(1)</sup></b>	<b>Percentage of shareholding in the Company's issued share capital<sup>(3)</sup></b>
Shirz Limited	Beneficial owner	280,000,000 (L)	70%
Mr. Roy Ting <sup>(2)</sup>	Interest of spouse	280,000,000 (L)	70%

*Notes:*

- (1) The letter "L" denotes a long position in the Shares.
- (2) Mr. Roy Ting is the spouse of Ms. Shirley Wong and is therefore deemed to be interested in all the Shares that Ms. Shirley Wong is interested in pursuant to the SFO.
- (3) The approximate percentage were calculated based on 400,000,000 Shares in issue as at 31 December 2022.

Save as disclosed above, as at 31 December 2022, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept under Section 336 of the SFO.

## **Loan Agreement with Covenant Relating to Specific Performance of the Controlling Shareholders**

On 10 March 2021, Wine's Link Limited ("Wine's Link"), a wholly-owned subsidiary of the Company, as borrower; Hang Seng Bank Limited ("Lender A"), as lender; and the Company as guarantor, entered into a banking facility letter (the "Facility Letter A"). This Facility Letter A comprises a revolving loan facility, a credit facility and a corporate credit card, with a maximum facility of HK\$50,000,000, HK\$30,000,000 and HK\$100,000, respectively, which are agreed to be made available by the Lender A to Wine's Link on the terms and conditions contained therein and subject to, among others, review by the Lender A at any time and the Lender A's overriding right of repayment on demand, including the right to call for cash cover on demand for prospective and contingent liabilities.

Pursuant to the Facility Letter A, the Company shall procure Ms. Shirley Wong and Mr. Roy Ting to continue to be the single largest shareholder and jointly hold not less than 50% beneficial interest of the Company.

As at the date of this announcement, Ms. Shirley Wong and Mr. Roy Ting, by virtual of their spousal relationship, together hold 70% interest of the Company.

Please refer to the announcement of the Company dated 12 March 2021 for more details.

On 26 November 2021, Wine's Link, as borrower; Chong Hing Bank Limited ("Lender B"), as lender; and the Company as guarantor, entered into a banking facility letter (the "Facility Letter B") to renew the banking facilities granted by the Lender B on 12 March 2021. This Facility Letter B comprises of a trade facility, a term loan and an overdraft facility, with a maximum facility of HK\$48,000,000, HK\$20,000,000 and HK\$3,000,000, respectively, which are agreed to be made available by Lender B to Wine's Link on the terms and conditions contained therein and subject to, among others, review by the Lender B from time to time and the Lender B's overriding right of repayment on demand.

Pursuant to Facility Letter B, the Company shall procure Mr. Shirley Wong and Mr. Roy Ting, the controlling shareholders of the Company continue to be the single largest shareholder and jointly hold not less than 50% beneficial interest of the Company.

As at the date of this announcement, Ms. Shirley Wong and Mr. Roy Ting, by virtual of their spousal relationship, together hold 70% interest of the Company.

Please refer to the announcements of the Company dated 12 March 2021 and 26 November 2021 for more details.

## **Share Option Scheme**

The Company's share option scheme (the "Share Option Scheme") was adopted by the Company on 18 December 2017. The terms of the Share Option Scheme are in accordance with the provisions of chapter 23 of the GEM Listing Rules.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption and there are no outstanding share option at the end of the Period.

## **Purchase, Sale or Redemption of Listed Securities of the Company**

During the Period and up to the date of this announcement, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any listed securities of the Company.

## **Directors' Interests in Competing Business**

During the Period and up to the date of this announcement, none of the Directors or their respective associates had any interest apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group and which requires disclosure pursuant to Rule 11.04 of the GEM Listing Rules.

## **Deed of Non-competition**

A deed of non-competition dated 18 December 2017 (the "Deed of Non-competition") was entered into by Ms. Shirley Wong, Mr. Roy Ting, Shirz Limited and Sunshine Consultancy in favour of the Company (for the Company and for the benefit of its subsidiaries) regarding certain non-competition undertakings. The Company confirms that, as at the date of this announcement, the Deed of Non-competition has been fully complied and enforced during the Period. Details of the Deed of Non-competition were disclosed in the section headed "Relationship with Controlling Shareholders – Non-competition undertaking" to the Prospectus.

## **Code of Conduct Regarding Securities Transactions by Directors**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Code on Securities Dealings"). The Company, having made specific enquiry of all the Directors, confirmed that all the Directors have complied with the required standard of dealings as set out in the Code on Securities Dealings for the Period and up to the date of this announcement.

## Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company has adopted the principles and code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules as its corporate governance practices.

The Company complied with all code provisions in the CG Code during the Period except for the code provision C.1.8. The Company has not arranged appropriate insurance cover in respect of legal action against the Directors during the Period. The Company has arranged the Directors’ and officers’ liability insurance in accordance with the requirement under the CG Code on 25 July 2022.

## Audit Committee

The audit committee of the Company (the “Audit Committee”) was established on 18 December 2017 with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control systems of the Group.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Wong Hin Wing, Ms. Chan Man Ki Maggie and Mr. Chan Cham Man Simon, of whom Mr. Wong Hin Wing has been appointed as the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the Period and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board

**Wine’s Link International Holdings Limited**

**Yeung Chi Hung**

*Chairman and non-executive Director*

Hong Kong, 6 February 2023

*As at the date of this announcement, the executive Directors are Ms. Wong Chi Lou Shirley and Mr. Chan Sze Tung; the non-executive Director is Ms. Yeung Chi Hung, S.B.S., B.B.S., J.P. and the independent non-executive Directors are Ms. Chan Man Ki Maggie, M.H., J.P., Mr. Chan Cham Man Simon and Mr. Wong Hin Wing, M.H..*

*This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange website ([www.hkex.com.hk](http://www.hkex.com.hk)) for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company ([www.wines-link.com](http://www.wines-link.com)).*