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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)

DISCLOSEABLE TRANSACTION – DISPOSAL OF SUBSIDIARY AND THE CORRESPONDING SHAREHOLDER’S LOAN

THE DISPOSAL

The Board is pleased to announce that on 30 April 2021 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor agreed to sell and assign, and the Purchaser agreed to purchase the Sale Shares and accept the assignment of the Shareholder’s Loan at a total consideration of HK\$10,000,000.

IMPLICATION ON THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 30 April 2021 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor agreed to sell and assign, and the Purchaser agreed to purchase the Sale Shares and accept the assignment of Shareholder's Loan at a total consideration of HK\$10,000,000.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follow:

Date : 30 April 2021

Parties : (i) the Vendor, a direct wholly-owned subsidiary of the Company
(ii) the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable requires, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Asset to be disposed

Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell and assign, and the Purchaser agreed to purchase the Sale Shares and accept the assignment of Shareholder's Loan.

Consideration and payment terms

The Consideration is HK\$10,000,000 which shall be apportioned as follows:

- (i) the consideration for the Sale Shares shall be in the sum of HK\$901,174; and
- (ii) the consideration of the Shareholder's Loan shall be in the sum of HK\$9,098,826.

The Consideration shall be paid in the following manner:

- (i) the sum of HK\$2,500,000 shall be payable to the Group in cashier's order upon Completion; and
- (ii) the remaining balance of the Consideration in the sum of HK\$7,500,000 shall be settled by three instalments, in the following manners:

Repayment Date	Repayment amount
Not later than 30 June 2021	HK\$2,500,000
Not later than 31 August 2021	HK\$2,500,000
Not later than 31 October 2021	HK\$2,500,000

Basis for determination of the Consideration

The Consideration was arrived at arm's length negotiation between the Vendor and the Purchaser with reference to, among other things: (i) the outlook and prospects of the Disposal Company; (ii) the net liabilities value of the Disposal Company as at 31 January 2021; and (iii) the value of the Shareholder's Loan on a dollar-to-dollar basis. The Directors consider that the Consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Completion

Completion shall immediately take place after the Vendor entered into the Sale and Purchase Agreement with the Purchaser.

INFORMATION ON THE DISPOSAL COMPANY

Fu Da

Fu Da, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company, has a branch in Taipei. It principally engages in provision of freight forwarding and related logistics services.

Set out below are the selected financial information of Fu Da for the year ended 31 March 2020 and for ten months ended 31 January 2021:

	For ten months ended 31 January 2021 <i>HK\$'000</i> (unaudited)	For the year ended 31 March 2020 <i>HK\$'000</i> (audited)
Revenue	77,187	19,805
Loss before taxation	(707)	(2,314)
Loss after taxation	(705)	(1,973)

The unaudited net liabilities value of Fu Da as at 31 January 2021 was approximately HK\$2,037,000.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

The macro-economic environment in midst of the COVID-19 pandemic continues to be highly uncertain and challenging. Airlines have barely maintained their skeleton networks and schedules. Despite airlines are operating more cargo-only passenger flights as well as chartered freighter flights, overall cargo capacity is constrained due to stringent crew quarantine requirements in Hong Kong. The revenue generated from the Disposal Company for the ten months ended 31 January 2021 has not reached the targets as expected and incurs losses to the Disposal Company. Under such circumstances, the Board considers the Group shall take prompt action to strip business with dim prospective and adopt a more prudent approach by re-focusing its operation fully in Hong Kong. Accordingly, the Disposal offers a prime opportunity for the Company to discontinue its branch operation in Taipei by disposing the Disposal Company at a premium to its net liabilities value and assign the Shareholder's Loan to the Purchaser on a dollar-to-dollar basis. It is also a simple way for the Group to realise its asset for cash and restore the financial position of the Group in a timely and appropriate manner to sustain its continued operation and business in Hong Kong.

The proceeds generated from the Disposal will be used as general working capital including but not limited to finance the cost of services related to freight forwarding and related logistics business and investing for future expansion of business in Hong Kong.

The Directors believe that the terms of the Sale and Purchase Agreement are fair and reasonable and entering into the Sale and Purchase Agreement is in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

As the Group will dispose of the Disposal Company at a premium to its net liabilities value and assign the Shareholder's Loan to the Purchaser on a dollar-to-dollar basis, the Group is expected to recognise an estimated unaudited gain of approximately HK\$2,762,000 from the Disposal, which is calculated based on the difference between the Consideration and (i) the Shareholder's Loan, (ii) the net liabilities value of Disposal Company, and (iii) the expenses associated with the Disposal.

Shareholders should note that the financial effects set out above is for illustrative purpose only, which will have to be ascertained at the time of preparation of the Company's consolidated financial statements with reference to, among other things, the actual costs and expenses associated with the Disposal, and is subject to audit.

Immediately after Completion, the Group will cease to have any branch in Taipei, as the Disposal Company will no longer consider to be a subsidiary of the Company and the financial results of the Disposal Company will thereby not be consolidated in the Group's consolidated financial statement.

INFORMATION ON THE GROUP AND THE VENDOR

The Group provides logistics services in and to customers located in Hong Kong, the PRC, Taiwan and Vietnam, with the cargo destinations covering the United States of America, Europe, Asia and other regions. The services provided by the Group as at the date of this announcement mainly include 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.

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is directly wholly-owned by the Company. The principal business activity of the Vendor is investment holding and management services.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands. The principal business activity of the Purchaser is investment holding. The ultimate beneficial owner of the Purchaser is Mr. Yip, Ho Ming who has been working and investing in the freight forwarding for over 20 years in Hong Kong and has business dealing with the Group for more than five years.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and Mr. Yip are independent third parties of the Company and its connected persons.

IMPLICATION ON THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Director
“Business Day(s)”	means a day (other than a Saturday, Sunday or public holiday or days on which a typhoon signal No. 8 or above or black rainstorm warning is hosted or announcement on extreme conditions is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed bank are generally open for general banking business in Hong Kong throughout their normal business hours
“Company”	Wan Leader International Limited (萬勵達國際有限公司), a company incorporated in the Cayman Islands with limited liability (Stock code: 8482)
“Completion”	completion of the Disposal immediately after the entering the Sale and Purchase Agreement
“connected person(s)”	the meaning ascribed to it in the GEM Listing Rules
“Consideration”	the total consideration of HK\$10,000,000 payable under the Disposal pursuant to the Sale and Purchase Agreement
“Directors”	the directors of the Company

“Disposal”	the disposal of the Sale Shares and the assignment of Shareholder’s Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“Fu Da” or “Disposal Company”	Fu Da Logistics Company Limited (富達集運有限公司), a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“PRC”	the People’s Republic of China, other than the regions of Hong Kong, Macau and Taiwan
“Purchaser”	Jet One Enterprises Limited, a company incorporated in British Virgin Islands with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 April 2021 entered into between the Purchaser and Vendor in relation to the Disposal
“Sale Shares”	100,000 ordinary shares of Fu Da, representing the entire issued and paid-up share capital of Fu Da
“Shareholder’s Loan”	all of the shareholder’s loan in the amount of HK\$9,098,826 owed by the Disposal Company to the Vendor as at the date of the Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”

Ever Metro International Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company

By Order of the Board
Wan Leader International Limited
Loy Hak Yu Thomas

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 April 2021

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Loy Hak Yu Thomas, Mr. Zhang Pangfei and Ms. Wu Yushan; two non-executive Directors, namely, Mr. Lo Wing Sang and Mr. Liao Daichun; and three independent non-executive Directors, namely, Mr. Ng Kam Tsun, Mr. Chow Ming Po Aaron and Mr. Ho Yuk Ming Hugo.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 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.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at <http://www.hkgem.com> for at least of 7 days from the date of its publication and on the Company’s website at www.wanleader.com.