萬勵達
WAN LEADER

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 THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

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.*

THIRD QUARTERLY RESULTS

The board (the "**Board**") of directors of the Company hereby announces the unaudited consolidated third quarterly results of the Company and its subsidiaries (collectively, the "**Group**") for the nine months ended 31 December 2019 (the "**Review Period**"), together with the unaudited comparative figures for the nine months ended 31 December 2018 (the "**Previous Period**"), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

		Three months ended 31 December		Nine months ended 31 December	
		2019	2018	**2019**	2018
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	Notes	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Revenue	*4*	**63,755**	68,554	**156,967**	153,205
Cost of services		**(59,592)**	(61,457)	**(144,938)**	(131,297)
Gross profit		**4,163**	7,097	**12,029**	21,908
Other income	*6*	**49**	66	**132**	70
Other gains and losses	*6*	**34**	(80)	**9**	(509)
Marketing expenses		**(1,248)**	(891)	**(3,367)**	(3,338)
Administrative and operating expenses		**(9,771)**	(9,197)	**(24,838)**	(18,704)
Impairment losses recognised on trade receivables, net		**(16)**	(132)	**(110)**	(1,032)
Listing expenses		**–**	–	**–**	(9,513)
Finance costs	*6*	**(151)**	(5)	**(429)**	(154)
Loss before taxation		**(6,940)**	(3,142)	**(16,574)**	(11,272)
Income tax credit (expense)	*5*	**179**	34	**708**	(869)
Loss for the period		**(6,761)**	(3,108)	**(15,866)**	(12,141)

	Note	Three months ended 31 December		Nine months ended 31 December	
		2019	2018	**2019**	2018
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	Note	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Other Comprehensive income					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of foreign operations		**159**	–	**32**	–
Other comprehensive income for the period		**159**	–	**32**	–
Total comprehensive expense for the period		**(6,602)**	(3,108)	**(15,834)**	(12,141)
Loss for the period attributable to:					
Owners of the Company		**(6,477)**	(3,108)	**(15,217)**	(12,141)
Non-controlling interest		**(284)**	–	**(649)**	–
		(6,761)	(3,108)	**(15,866)**	(12,141)
Total comprehensive expense for the period attributable to:					
Owners of the Company		**(6,332)**	(3,108)	**(15,165)**	(12,141)
Non-controlling interest		**(270)**	–	**(669)**	–
		(6,602)	(3,108)	**(15,834)**	(12,141)
Loss per share					
Basic and diluted (HK cents)	*8*	**(0.77)**	(0.37)	**(1.81)**	(1.74)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

	Attributable to owners of the Company								
	Share capital *HK$'000*	Share premium *HK$'000*	Other reserve *(Note(i))* *HK$'000*	Merger reserve *(Note(ii))* *HK$'000*	Exchange reserve *HK$'000*	Retained profits/ (accumulated losses) *HK$'000*	Total *HK$'000*	Non-controlling interest *HK$'000*	Total *HK$'000*
At 1 April 2018 (audited)	1,417	–	14,118	(326)	–	12,397	27,606	–	27,606
Adjustment *(Note (iii))*	–	–	–	–	–	(224)	(224)	–	(224)
At 1 April 2018 (restated)	1,417	–	14,118	(326)	–	12,173	27,382	–	27,382
Loss and other comprehensive expense for the period	–	–	–	–	–	(12,141)	(12,141)	–	(12,141)
Effect of reorganisation	(1,417)	–	–	1,417	–	–	–	–	–
Capitalisation issue	5,880	(5,880)	–	–	–	–	–	–	–
Issue of new shares upon listing	2,520	66,780	–	–	–	–	69,300	–	69,300
Cost of issuance of new shares	–	(11,471)	–	–	–	–	(11,471)	–	(11,471)
At 31 December 2018 (unaudited)	8,400	49,429	14,118	1,091	–	32	73,070	–	73,070
At 1 April 2019 (audited)	**8,400**	**49,429**	**14,118**	**1,091**	**-**	**(3,798)**	**69,240**	**-**	**69,240**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(15,217)**	**(15,217)**	**(649)**	**(15,866)**
Exchange difference on translation of foreign operations	**-**	**-**	**-**	**-**	**52**	**-**	**52**	**(20)**	**32**
Total comprehensive income/ (expenses) for the period	**-**	**-**	**-**	**-**	**52**	**(15,217)**	**(15,165)**	**(669)**	**(15,834)**
Capital contributed by non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,140**	**1,140**
At 31 December 2019 (unaudited)	**8,400**	**49,429**	**14,118**	**1,091**	**52**	**(19,015)**	**54,075**	**471**	**54,546**

Notes:

(i) Other reserves as at 31 December 2018 and 2019 represents:

(a) Ever Metro International Limited ("**Ever Metro**") acquired the entire issued shares of Orient Zen Logistics Service Limited ("**Orient Zen**") on 31 March 2017 (73% equity interests) and 28 July 2017 (27% equity interests), at a cash of HK$11,275,451 and issuing 18,493 shares as the consideration. The difference between the cash consideration and par value of the issued shares of Ever Metro and the fair value of net assets of Orient Zen acquired were recorded as other reserves.

(b) On 7 August and 13 October 2017, Ever Metro entered into four separate subscription agreements with four strategic investors and allotted and issued 33,050 shares in aggregate respectively to these investors at a cash consideration of HK$12,000,000 in aggregate. The difference between the par value of the issued shares of Ever Metro and the cash consideration received from strategic investors are recorded as other reserves.

(c) On 10 August 2018, the Company acquired the entire issued shares of Ever Metro by issuing of 9,900 shares of the Company as the consideration. The difference between the par value of the issued shares of the Company and the fair value of net assets of Ever Metro acquired are recorded as other reserves. After the exchange of shares and shares allotment pursuant to the reorganisation stated in the Company's Prospectus dated 24 August 2018 (the "**Prospectus**") in preparation of listing, the Company became the holding company of the subsidiaries now comprising the Group on 10 August 2018, the details of which are set out under the section headed "History, Reorganisation and Group Structure" in the Prospectus.

(ii) Merger reserves as at 31 December 2018 and 2019 represents:

On 28 July 2017, Ever Metro acquired the entire issued shares of Union Air Cargo Limited ("**Union Air**") and Fu Yo Warehouse Logistics Company Limited ("**Fu Yo**") from Mr. Loy Hak Yu Thomas ("**Mr. Thomas Loy**"), by issue of 80,237 shares of Ever Metro as the consideration. After the said transfers, Union Air and Fu Yo became wholly owned subsidiaries of Ever Metro. The acquisitions 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. Thomas Loy both before and after these acquisitions and the control is not transitory. The difference between the par value of the issued shares of Ever Metro and the fair value of net assets of Union Air and Fu Yo acquired are recorded as merger reserves.

(iii) Upon adoption of Hong Kong Financial Reporting Standard 9 "Financial instruments" on 1 April 2018, an additional impairment loss on financial assets recognised under expected credit loss model, net of associated deferred tax, amounting to HK$224,000 was recorded as an adjustment to retained profits at 1 April 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

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**") on 5 September 2018.

The Company is an investment holding company and its subsidiaries are principally involve in the provision of freight forwarding and related logistics services and provision of warehousing and related value-added services.

The condensed consolidated financial statements are presented in Hong Kong dollar ("**HK dollar**" or "**HK$**"), which is same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared on the historical cost basis. The condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**"). Other than changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the nine months ended 31 December 2019 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 March 2019.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

In the current period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, 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.

3.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases"

The Group has applied HKFRS 16 in the current period. HKFRS 16 superseded HKAS 17 "Leases" ("**HKAS 17**"), and the related interpretations.

3.1.1 Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office premises and motor vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, 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.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets in "property, plant and equipment", the same line item as that within which the corresponding underlying assets would be presented if they were owned.

Leasehold land and building

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 "Financial Instruments" ("**HKFRS 9**") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 “Income Taxes” requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

3.1.2 Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities of approximately HK$12,644,000 and right-of-use assets of approximately HK$13,223,000 at 1 April 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 4.38%.

	Note	At 1 April 2019 *HK$'000*
Operating lease commitments disclosed as at 31 March 2019		13,024
Lease liabilities discounted at relevant incremental borrowing rates		12,426
Less: Recognition exemption – short-term leases		(106)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16		12,320
Add: Obligations under finance leases recognised at 31 March 2019	*(a)*	324
Lease liabilities as at 1 April 2019		12,644
Analysed as		
Current		5,524
Non-current		7,120
		12,644

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

	Notes	Right-of-use assets HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16		12,320
Amounts included in property, plant and equipment under HKAS 17		
– Assets previously under finance leases	(a)	512
– Restoration and reinstatement costs	(b)	256
Adjustments on rental deposits at 1 April 2019	(c)	135
		13,223
By class:		
Land and buildings		12,455
Leasehold improvements		256
Motor vehicles		512
		13,223

(a) In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under lease as at 1 April 2019 amounting to HK$512,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of approximately HK$228,000 and HK$96,000 to lease liabilities as current and non-current liabilities respectively at 1 April 2019.

(b) In relation to the leases of office premises that the Group acts as lessee, the carrying amount of the estimated costs of reinstating the rented premises previously included in property, plant and equipment amounting to HK$256,000 as at 1 April 2019 were included as right-of-use assets.

(c) Before the application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, HK$135,000 was adjusted to refundable rental deposits paid and right-of-use assets.

The transition to HKFRS16 has had no material impact on accumulated losses at 1 April 2019.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

	Notes	Carrying amounts previously reported at 31 March 2019	Adjustments	Carrying amounts under HKFRS16 at 1 April 2019
		HK$'000	*HK$'000*	*HK$'000*
Non-current assets				
Property, plant and equipment	*(a), (b)*	2,999	12,455	15,454
Rental deposits	*(c)*	3,794	(135)	3,659
Current liabilities				
Lease liabilities/obligations under finance leases	*(a)*	228	5,296	5,524
Non-current liabilities				
Lease liabilities/obligations under finance leases	*(a)*	96	7,024	7,120

4. REVENUE AND SEGMENT INFORMATION

The Group's operating segments are determined based on information reported to the chief operating decision maker (the "**CODM**") of the Group, for the purpose of resource allocation and performance assessment. With regard to the similar economic characteristics of subsidiaries and in view of the similarity of their services provided and customers served, their operations are aggregated as one single reportable segment as freight forwarding and related logistics services although their financial information is reported to the CODM separately. The directors regularly review revenue and results analysis by (i) freight forwarding and related logistics services and (ii) warehousing and related value-added services. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

For the nine months ended 31 December 2019

	Freight forwarding and related logistics services HK$'000 (unaudited)	Warehousing and related value-added services HK$'000 (unaudited)	Segment Total HK$'000 (unaudited)	Elimination HK$'000 (unaudited)	Total HK$'000 (unaudited)
Revenue					
External sales	**133,208**	**23,759**	**156,967**	**–**	**156,967**
Inter-segment sales	**–**	**4,493**	**4,493**	**(4,493)**	**–**
Segment revenue	**133,208**	**28,252**	**161,460**	**(4,493)**	**156,967**
Result					
Segment results	**(7,789)**	**(1,884)**	**(9,673)**	**–**	**(9,673)**
Central administrative expenses					**(6,901)**
Loss before taxation					**(16,574)**

For the nine months ended 31 December 2018

	Freight forwarding and related logistics services *HK$'000* (unaudited)	Warehousing and related value-added services *HK$'000* (unaudited)	Segment Total *HK$'000* (unaudited)	Elimination *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Revenue					
External sales	134,473	18,732	153,205	–	153,205
Inter-segment sales	–	3,832	3,832	(3,832)	–
Segment revenue	134,473	22,564	157,037	(3,832)	153,205
Result					
Segment results	4,328	(2,739)	1,589	–	1,589
Central administrative expenses					(3,348)
Listing expenses					(9,513)
Loss before taxation					(11,272)

Inter-segment sales are charged at prices mutually agreed by both parties.

5. INCOME TAX (CREDIT) EXPENSES

	Three months ended 31 December		Nine months ended 31 December	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
The (credit) charge comprises:				
Hong Kong Profits Tax – current tax	**21**	(163)	**21**	854
Deferred tax	**(200)**	129	**(729)**	15
	(179)	(34)	**(708)**	869

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**"), which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, 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.

Under the Law of the People's Republic of China ("**PRC**") on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the six months ended 31 December 2019.

Under the Income Tax Act of the Taiwan area, the Corporate Income Tax rate of the Group's Taiwan Branch is 20% for the nine months ended 31 December 2019.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. LOSS BEFORE TAXATION

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

	Three months ended 31 December		Nine months ended 31 December	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Depreciation of property, plant and equipment	**2,385**	341	**6,629**	937
Operating lease rentals	**–**	1,448	**–**	4,959
Expenses related to short-term leases	**214**	–	**557**	–
Amortisation of intangible asset	**–**	238	**316**	712
Exchange (gain)/loss	**(3)**	25	**29**	(65)
(Gain)/loss on disposal of/written off of property, plant and equipment	**(31)**	55	**(38)**	574
Total other gains and losses	**(34)**	80	**(9)**	509
Bank interest income	**(29)**	(66)	**(77)**	(70)
Interest income on rental deposits	**(18)**	–	**(50)**	–
Others	**(2)**	–	**(5)**	–
Total other income	**(49)**	(66)	**(132)**	(70)
Interest expenses on finance leases	**–**	5	**–**	17
Interest expenses on lease liabilities	**151**	–	**429**	–
Interest expenses on bank borrowings	**–**	–	**–**	137
Total finance costs	**151**	5	**429**	154

7. DIVIDENDS

The Board does not recommend payment of interim dividend for the nine months ended 31 December 2019 (for the Previous Period: nil).

8. LOSS PER SHARE

	Three months ended 31 December		Nine months ended 31 December	
	2019	2018	**2019**	2018
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Loss:				
Loss for the period attributableto owners of the Company for the purpose of calculating basic loss per share	**(6,477)**	(3,108)	**(15,217)**	(12,141)

	Three months ended 31 December		Nine months ended 31 December	
	2019	2018	**2019**	2018
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**840,000,000**	840,000,000	**840,000,000**	696,130,909

The number of ordinary shares for the purpose of calculating basic loss per share for both periods has been determined on the assumption that the capitalisation issue had been effective on 1 April 2018.

On 5 September 2018, upon listing on the Stock Exchange, the Company issued an 252,000,000 additional ordinary shares.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company had the offer size adjustment option. As the Group incurred losses for the Previous Period, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. No potential ordinary shares in issue during the Review Period. Accordingly, no diluted loss per share was presented.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The services of the Company and its subsidiaries (the "**Group**") mainly include (a) the provision of freight forwarding and related logistics services, which include reselling cargo space the Group purchases from 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 warehousing and related value-added services, which include labelling services and packaging services.

The first nine months for the financial year ending 31 March 2020 was an exceptionally challenging period for the Hong Kong economy due to the increasing tensions resulting from the trade disputes between the People's Republic of China (the "**PRC**") and the United States of America (the "**USA**"), as well as other geopolitical developments around the world. While the PRC and the USA entered into the first phase of agreement in January 2020, in which the USA agreed to halve some of the new tariffs it had imposed to the PRC, it is expected that the negotiations between the two sides for further agreement would still be difficult. Uncertainties arising from the trade disputes still prevail and businesses of the Group's customers have been heavily affected. The recent outbreak of the novel coronavirus fuels uncertainty on the demand for air cargo flight and may have a direct impact on the businesses of the Group. The Directors expect that the economic and political challenges will continue to affect the business environment and have a rippling effect through the global supply chains. The Group will closely monitor the needs of the customers and react swiftly in a prudent manner.

Despite the challenges and uncertainties in Hong Kong economy ahead, the Group launched its security screening services in August 2019 to expand and diversify its services. Further to the Company's announcement dated 21 June 2019, Fu Yo Warehouse Logistics Company Limited ("**Fu Yo**"), an indirectly wholly-owned subsidiary of the Company, was registered with the Civil Aviation Department as a Regulated Air Cargo Screening Facility ("**Facility**"). Fu Yo has already entered into quotations with its customers during the Review Period and has been receiving commercial orders for security screening services at the Facility since August 2019. The Group is also committed to obtain approval from airlines to be their designated off-airport secured screening facilities service provider in Hong Kong. On 18 November 2019, the Facility was further certified as a facility in compliance with the EU RA3 Standard for third country EU aviation security validated regulated agents. The Directors expect that the security screening services will be one of the main drivers of the Group's revenue in the long run.

Despite the weak economy, the Group is still optimistic about its air freight forwarding business in the long run. During the nine months from 1 April 2019 to 31 December 2019 (the "**Review Period**"), the Group set up a subsidiary in Shenzhen and a branch in Taipei, whereas both of them have recorded sales.

To control cost, the Company regularly reviews its operation efficiency and expenses, including the remuneration packages of its Directors and senior management. On 8 November 2019, upon the recommendation of the remuneration committee of the Board, the Board resolved to reduce the director's fees and salaries of all three executive Directors and two members of the senior management.

During the Review Period, the performance of the Group was affected by (i) increase in purchase costs for air and sea cargo space; (ii) increase in legal and compliance costs, professional fees and printing charges incurred after the listing of the Company's shares on GEM; and (iii) increase in warehousing services related cost, including subcontracting charges such as palletisation and trucking services, and depreciation. The Group anticipates that these factors will continue to affect the operation and financial performance of the Group in the next quarter.

To mitigate the possible negative impact on our businesses from the challenging business environment, the Group will further enhance its service capabilities and operational flexibility, offer better and more diverse services to its customers and continue to exercise careful cost controls to strengthen its competitiveness in the logistics industry.

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from (i) air freight forwarding and related logistics services; (ii) sea freight forwarding and related logistics services; and (iii) warehousing and related value-added services.

Total revenue of the Group increased by approximately 2.5% from approximately HK$153.2 million for the nine months ended 31 December 2018 (the "**Previous Period**") to approximately HK$157.0 million for the Review Period.

Revenue generated from air freight forwarding and related logistics services for the Review Period amounted to approximately HK$126.3 million (Previous Period: approximately HK$121.0 million), accounting for approximately 80.4% of the Group's total revenue (Previous Period: approximately 79.0%). The revenue from this segment remained as the major source of the revenue of the Group. As stated in the Company's announcement dated 3 October 2019, two new subsidiaries were incorporated to provide new lines of freight forwarding and related logistics services to the existing and new customers, which focus on, but are not limited to, the online retail markets respectively in the USA and Southeast Asia. As such, there is an increase in the revenue from air freight forwarding and related logistics services.

Revenue generated from sea freight forwarding and related logistics services for the Review Period amounted to approximately HK$6.9 million (Previous Period: approximately HK$13.5 million), accounting for approximately 4.4% of the Group's total revenue (Previous Period: approximately 8.8%). Most of the Group's customers from this segment are direct shippers. The revenue from sea freight forwarding and related logistics services during the Review Period decreased significantly, which was caused by (i) fewer sales orders from one customer in Taiwan and (ii) the change in the business operation of one customer in the PRC, such that it did not require the Group's services during the Review Period. To maintain the Group's revenue in the long run, the Group has been exploring new business opportunity, such as river sand shipment, which the Group would deliver river sand for its customer from overseas to the PRC and Hong Kong; the Group successfully completed its first transaction in October 2019.

Revenue generated from warehousing and related value-added services for the Review Period amounted to approximately HK$23.8 million (Previous Period: approximately HK$18.7 million), accounting for approximately 15.2% of the Group's total revenue (Previous Period: approximately 12.2%). The increase was mainly due to the commencement of security screening services during the Review Period. This new service also boosted up the revenue obtained from palletisation services as well.

Cost of services and gross profit

The Group's cost of services increased by approximately 10.4% from approximately HK$131.3 million for the Previous Period to approximately HK$144.9 million for the Review Period. This increase was mainly attributable to (i) increase in the acquisition cost of air and sea cargo space and (ii) higher subcontracting charges incurred for warehousing and related value-added services.

The Group's gross profit decreased by approximately 45.2% from approximately HK$21.9 million for the Previous Period to approximately HK$12.0 million for the Review Period. Gross profit margin decreased from approximately 14.3% for the Previous Period to approximately 7.7% for the Review Period. Such decreases were mainly due to the decreases in gross profit and gross profit margin from the air freight forwarding and related logistics services and the warehousing and related value-added services. The gross profit margin from warehousing and related value-added services decreased slighty during the Review Period mainly because (i) the rates for transportation and palletisation charged by subcontractors increased; (ii) the increase in depreciation charge in connection to additional warehouse information system, leasehold improvement and machineries; and (iii) increase in material cost. As for air freight forwarding and related logistics services, the main reason for decrease in gross profit margin was due to (i) the increase in the cost of services for cargo routes to North America and Europe; and (ii) lower profit margin obtained through charter flight services and block space arrangement with other local freight forwarder.

Other income

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

Upon adoption of Hong Kong Financial Reporting Standard 16 Leases ("**HKFRS 16**") on 1 April 2019, the refundable rental deposits were adjusted to amortised cost and an additional other interest income of approximately HK$50,000 (Previous Period: nil) was recognised during the Review Period.

Other gains and losses

Other gains and losses included foreign exchange gain (loss) and gain (loss) on disposals of property, plant and equipment. The Group recorded a decrease in other gains and losses during the Review Period, which was primarily attributable to the decrease in loss on disposed of/ written off of property, plant and equipment. The Group recorded approximately HK$0.6 million losses in Previous Period but obtained a gain on disposal of property, plant and equipment of approximately HK$38,000 during the Review Period. As to foreign exchange, the Group recorded an exchange loss of approximately HK$29,000 during the Review Period (Previous Period: an exchange gain of approximately HK$65,000). The Group suffered loss from a deprecation in Renminbi ("**RMB**") to Hong Kong Dollars ("**HKD**").

Marketing expenses

Marketing expenses mainly included cost of business development and soliciting new customers. The balance increased slightly as the Taiwan branch just started business during the Review Period. Extra cost incurred in promoting the business.

Administrative and operating expenses

The Group's administrative and operating expenses increased to approximately HK$24.9 million for the Review Period from approximately HK$18.7 million for the Previous Period. Such expenses mainly included staff costs and benefits, audit fee, legal and professional fee, depreciation, utilities and other expenses. The increase was mainly due to the combined effect of (i) increase in legal and compliance costs, professional fee and printing charges of approximately HK$5.3 million incurred after the Listing; and (ii) increase in staff costs from approximately HK$11.2 million for the Previous Period to approximately HK$11.7 million for the Review Period, which was caused by raises in basic salaries and additional headcount, particularly for the Group's new subsidiary in Shenzhen, new branch office in Taipei and two new subsidiaries providing new lines of freight forwarding and related logistics services, all of which were established after the Previous Period.

Listing expenses

The Company was listed on GEM on 5 September 2018 and all listing expenses had been recognised before the Review Period. As such, there were no listing expenses incurred during the Review Period (Previous Period: HK$9.5 million).

Finance costs

Finance costs for the Review Period represented interest expenses on leases liabilities. Finance costs increased from HK$154,000 for the Previous Period to HK$429,000 for the Review Period. Upon adoption of HKFRS 16 on 1 April 2019, the lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liabilities are adjusted for interest and lease payments. As a result, an interest expense on lease liabilities of approximately HK$429,000 was recognised for the Review Period.

Income tax credit (expenses)

The Group's income tax expenses primarily included provisions for Hong Kong profits tax and deferred income tax expenses. As a loss before taxation of approximately HK$16.6 million for the Review Period was recorded, an income tax credit of approximately HK$0.7 million was recorded for the Review Period (Previous Period: income tax expenses of approximately HK$0.9 million) as there was deferred tax impact on the property, plant and equipment, the provision for bad debts and unused tax losses.

Loss for the period

The Group recorded a loss before tax of approximately HK$16.6 million for the Review Period (Previous Period: HK$11.3 million). The loss was mainly due to the effects of (i) increase in the acquisition cost of air and sea cargo space of approximately HK$8.8 million; (ii) increase in after listing compliance costs of approximately HK$5.3 million; and (iii) increase in warehousing services related cost including subcontracting charges such as palletisation and trucking services and depreciation of approximately HK$4.7 million (excluding the right-of-use assets depreciation charge recognised during the Review Period).

DIVIDEND

The Directors do not recommend the payment of interim dividend for the Review Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board 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. Throughout 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 GEM Listing Rules.

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 complied with the Required Standard of Dealings throughout the Review Period.

COMPETING INTERESTS

The Directors, controlling shareholders and their respective close associates (as defined in the GEM Listing Rules) are not 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 has purchased, sold or redeemed any of the Company's listed securities during the Review Period.

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

At 31 December 2019, the following Directors 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, parties acting in concert *(Note 1)*	481,101,600	57.28%
Mr. Loy Hak Moon ("**Mr. HM Loy**")	Interest in a controlled corporation, parties acting in concert *(Note 2)*	481,101,600	57.28%

(ii) Long position 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, parties acting in concert *(Note 1)*	1	100%
Mr. HM Loy	Yo Tat Limited ("**Yo Tat**") *(Note 2)*	Beneficial owner, parties acting in concert *(Note 2)*	1	100%

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. HM Loy are parties acting in concert pursuant to the Acting in Concert Confirmation dated 1 November 2017 (the "**Acting in Concert Confirmation**") upon the Share Offer becoming unconditional.

2. Yo Tat is wholly and beneficially owned by Mr. HM Loy. By virtue of the SFO, Mr. HM Loy is deemed to be interested in all the shares held by Yo Tat. Mr. Thomas Loy and Mr. HM Loy are parties acting in concert pursuant to the Acting in Concert Confirmation upon the Share Offer becoming unconditional.

Save as disclosed above and below under the heading "Directors' Rights to Acquire Shares or Debentures", at 31 December 2019, 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 31 December 2019, 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 5)*	**Approximate percentage of shareholding**
Ho Tat	Beneficial owner, parties acting in concert *(Note 1)*	481,101,600 (L)	57.28%
Yo Tat	Beneficial owner, parties acting in concert *(Note 2)*	481,101,600 (L)	57.28%
Mr. Thomas Loy	Interest in a controlled corporation, parties acting in concert *(Note 1)*	481,101,600 (L)	57.28%
Mr. HM Loy	Interest in a controlled corporation, parties acting in concert *(Note 2)*	481,101,600 (L)	57.28%

Name	Capacity/ Nature of interests	Number of Shares held/ interested *(Note 5)*	Approximate percentage of shareholding
Ms. Kong Sau Ming	Interest of spouse *(Note 3)*	481,101,600 (L)	57.28%
Ms. Siu Pui Sum	Interest of spouse *(Note 4)*	481,101,600 (L)	57.28%

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. HM Loy are parties acting in concert pursuant to the Acting in Concert Confirmation upon the Share Offer becoming unconditional.

2. Yo Tat is wholly and beneficially owned by Mr. HM Loy. By virtue of the SFO, Mr. HM Loy is deemed to be interested in all the shares held by Yo Tat. Mr. Thomas Loy and Mr. HM Loy are parties acting in concert pursuant to the Acting in Concert Confirmation upon the Share Offer becoming unconditional.

3. 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.

4. Ms. Siu Pui Sum is the spouse of Mr. HM Loy, and is deemed to be interested in the Shares which are interested by Mr. HM Loy under the SFO.

5. The letter “L” denotes long position in the Shares.

Save as disclosed above at 31 December 2019, 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 “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or 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 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 31 December 2019 and at the date of this announcement.

COMPLIANCE ADVISER'S INTERESTS

The Company appointed Glory Sun Securities Limited ("**Glory Sun**") as the compliance adviser of the Company on 30 May 2019.

As notified by Glory Sun, at 31 December 2019, save for the adviser agreement entered into between the Company and Glory Sun dated 30 May 2019, none of Glory Sun or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interest in the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CHANGE IN DIRECTORS' INFORMATION

Mr. Lo Wing Sang, an executive Director, has been appointed as the company secretary, authorized representative and financial controller of Century Group International Holdings Limited (Stock Code: 2113) with effect from 1 October 2019.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") 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. Ng Kam Tsun, Dr. Wu Ka Chee Davy and Mr. Chow Ming Po Aaron. Mr. Ng Kam Tsun 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, if prepared for publication, 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.

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
Loy Hak Yu Thomas
Chairman and Executive Director

Hong Kong, 10 February 2020

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Loy Hak Yu Thomas, Mr. Loy Hak Moon and Mr. Lo Wing Sang; and three independent non-executive Directors, namely, Mr. Ng Kam Tsun, Dr. Wu Ka Chee Davy and Mr. Chow Ming Po Aaron.

This announcement will remain on the GEM website of the Stock Exchange at www.hkgem.com and 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.