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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)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**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.*

## THE FINANCIAL STATEMENTS

### Annual Results

The board of Directors (the “**Board**”) of Wan Leader International Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2021 together with the comparative audited figures for the previous year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2021*

		<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i> (Restated)
	<i>Notes</i>		
<b>Continuing operation</b>			
Revenue	4	<b>332,804</b>	177,959
Cost of services		<u><b>(302,047)</b></u>	<u>(165,867)</u>
<b>Gross profit</b>		<b>30,757</b>	12,092
Other income	5	<b>1,069</b>	95
Other gains and losses	6	<b>(1,004)</b>	(68)
Sales and marketing expenses		<b>(4,814)</b>	(4,095)
Administrative expenses		<b>(24,413)</b>	(25,642)
Impairment losses recognised on trade receivables, net		<b>(355)</b>	(239)
Impairment losses recognised on deposits and other receivables, net		<b>(188)</b>	–
Other expenses		<b>–</b>	(1,600)
Finance costs	7	<u><b>(129)</b></u>	<u>(97)</u>
<b>Profit (loss) before taxation</b>		<b>923</b>	(19,554)
Income tax (expense) credit	8	<u><b>(436)</b></u>	<u>272</u>
<b>Profit (loss) for the year from continuing operation</b>	9	<b>487</b>	(19,282)
<b>Discontinued operation</b>			
Profit (loss) for the year from discontinued operation	10	<u><b>3,693</b></u>	<u>(3,558)</u>
<b>Profit (loss) for the year</b>		<u><b>4,180</b></u>	<u>(22,840)</u>

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
<i>Note</i>		
<b>Other comprehensive income (expense) for the year</b>		
<i>Item that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising on translating of foreign operations	<u>420</u>	<u>(104)</u>
Other comprehensive income (expense) for the year	<u>420</u>	<u>(104)</u>
Total comprehensive income (expense) for the year	<u><b>4,600</b></u>	<u><b>(22,944)</b></u>
<b>Profit (loss) for the year attributable to:</b>		
Owners of the Company		
– from continuing operation	1,156	(18,439)
– from discontinued operation	<u>3,693</u>	<u>(3,558)</u>
	4,849	(21,997)
Non-controlling interests		
– from continuing operation	<u>(669)</u>	<u>(843)</u>
	<u><b>4,180</b></u>	<u><b>(22,840)</b></u>
<b>Total comprehensive income (expenses) for the year attributable to:</b>		
Owners of the Company		
– from continuing operation	1,576	(18,515)
– from discontinued operation	<u>3,693</u>	<u>(3,558)</u>
	5,269	(22,073)
Non-controlling interests		
– from continuing operation	<u>(669)</u>	<u>(871)</u>
	<u><b>4,600</b></u>	<u><b>(22,944)</b></u>
<b>Earnings (loss) per share</b>	12	
<i>From continuing and discontinued operations</i>		
Basic and diluted (HK\$ cents)	<u>0.58</u>	<u>(2.62)</u>
<i>From continuing operation</i>		
Basic and diluted (HK\$ cents)	<u>0.14</u>	<u>(2.20)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 March 2021*

	<i>Notes</i>	<b>2021 HK\$'000</b>	<b>2020 HK\$'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>3,916</b>	16,656
Intangible asset		–	–
Rental deposits		<b>172</b>	4,166
Pledged bank deposit		–	769
Deferred tax assets		<b>156</b>	1,595
		<b>4,244</b>	23,186
<b>CURRENT ASSETS</b>			
Trade and other receivables	13	<b>81,297</b>	48,362
Tax recoverable		<b>386</b>	594
Pledged bank deposits		<b>1,165</b>	2,042
Bank balances and cash		<b>26,694</b>	15,856
		<b>109,542</b>	66,854
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	<b>50,524</b>	29,225
Lease liabilities		<b>2,418</b>	6,527
Tax payable		<b>60</b>	–
Contract liabilities		<b>3,771</b>	221
Provisions		<b>545</b>	2,000
Bank borrowings	15	<b>3,630</b>	–
		<b>60,948</b>	37,973
<b>NET CURRENT ASSETS</b>		<b>48,594</b>	28,881
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>655</b>	4,105
Provisions		<b>94</b>	526
Deferred tax liabilities		<b>53</b>	–
		<b>802</b>	4,631
		<b>52,036</b>	47,436
<b>CAPITAL AND RESERVES</b>			
Share capital	16	<b>8,400</b>	8,400
Other reserves		<b>64,982</b>	64,562
Accumulated losses		<b>(20,946)</b>	(25,795)
<b>Equity attributable to owners of the Company</b>		<b>52,346</b>	47,167
Non-controlling interest		<b>(400)</b>	269
		<b>52,036</b>	47,436

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

	Share capital HK\$'000	Share premium HK\$'000	Other reserve (note i) HK\$'000	Merger reserve (note ii) HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1 April 2019	8,400	49,429	14,118	1,091	-	(3,798)	69,240	-	69,240
Loss for the year	-	-	-	-	-	(21,997)	(21,997)	(843)	(22,840)
- Exchange differences arising on translating of foreign operations	-	-	-	-	(76)	-	(76)	(28)	(104)
<b>Total comprehensive (expense) income for the year</b>	-	-	-	-	(76)	(21,997)	(22,073)	(871)	(22,944)
Contribution from a non-controlling interest of a newly incorporated subsidiary	-	-	-	-	-	-	-	1,140	1,140
<b>At 31 March 2020</b>	<b>8,400</b>	<b>49,429</b>	<b>14,118</b>	<b>1,091</b>	<b>(76)</b>	<b>(25,795)</b>	<b>47,167</b>	<b>269</b>	<b>47,436</b>
At 1 April 2020	8,400	49,429	14,118	1,091	(76)	(25,795)	47,167	269	47,436
Profit for the year	-	-	-	-	-	4,849	4,849	(669)	4,180
- Exchange differences arising on translating of foreign operations	-	-	-	-	420	-	420	-	420
<b>Total comprehensive income (expense) for the year</b>	-	-	-	-	420	4,849	5,269	(669)	4,600
<b>At 31 March 2021</b>	<b>8,400</b>	<b>49,429</b>	<b>14,118</b>	<b>1,091</b>	<b>344</b>	<b>(20,946)</b>	<b>52,436</b>	<b>(400)</b>	<b>52,036</b>

Notes:

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2021*

## 1. GENERAL

Wan Leader International Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 5 September 2018. The immediate and ultimate holding company is Ho Tat Limited (“**Ho Tat**”), a company incorporated in the British Virgin Islands (the “**BVI**”). Its ultimate controlling party is Mr. Loy Hak Yu Thomas (“**Mr. Thomas Loy**”), who is also the Chairman of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” to the annual report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”), are principally engaged in freight forwarding and related logistics services. Before the disposal of a subsidiary mentioned in note 10 of this announcement, the Group also provided warehousing and related value-added services.

On 31 March 2021, the Group has completed a disposal of subsidiary related to the whole warehousing and related value-added services segment. The financial results of the warehousing and related value-added services for the year ended 31 March 2021 were presented as discontinued operation and comparative figures for the year ended 31 March 2020 have been restated accordingly.

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

## 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the ended of each reporting date. The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**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 consolidated financial statements for the year ended 31 March 2021 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 March 2020.

### 3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the Amendments to References to the Conceptual Framework in HKFRSs and the following amendments to HKFRSs and Hong Kong Accounting Standards (“HKASs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning 1 April 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRSs and the amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

#### New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKASs and HKFRSs and Interpretation that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and related Amendments <sup>4</sup>
Amendments to HKFRS 3	Reference to Conceptual Framework <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>4</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>4</sup>
Amendments to HKAS 16	Property, plant and Equipment: Proceeds before Intended Use <sup>3</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>3</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>4</sup>
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle <sup>3</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>4</sup>
Amendment to HKFRS 16	COVID-19-Related Rent Concessions <sup>5</sup>
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 <sup>6</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>5</sup> Effective for annual periods beginning on or after 1 June 2020.

<sup>6</sup> Effective for annual periods beginning on or after 1 April 2021.

The directors of the Company anticipate that, the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

#### 4. REVENUE AND SEGMENT INFORMATION

Revenue represents provision of (i) freight forwarding and related logistics services and (ii) warehousing and related value-added services. Revenue is recognised when or as the service is transferred to customers.

The Group's revenue from freight forwarding and related logistics services and warehousing and related value-added services is recognised over time when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, using output method.

The Group's operating segments are determined based on information reported to the chief operating decision maker (the "CODM") of the Group, being Mr. Thomas Loy, for the purpose of resource allocation and performance assessment focuses on the different types of services. The directors of the Company 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 and segment liabilities is presented as such information is not regularly provided to the CODM in current or prior year.

An operating segment regarding the warehousing and related value-added services was discontinued in the current year after the disposal of a subsidiary which detailed in note 10 of this announcement. As such, no analysis of the remaining single operating segment is presented.

An analysis of the Group's revenue from continuing operation for the year is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Revenue from contracts with customers within the scope of HKFRS 15		
Freight forwarding and related logistics services		
– Air freight	299,940	169,599
– Sea freight	32,864	8,360
	<u>332,804</u>	<u>177,959</u>

During the years ended 31 March 2021 and 2020, all performance obligations for freight forwarding and related logistics services are for period of less than one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied/partially unsatisfied performance obligations as at 31 March 2021 and 31 March 2020 are not disclosed.

#### Geographic information

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Hong Kong (place of domicile)	236,144	156,921
The People's Republic of China (the "PRC")	891	1,245
Taiwan	95,769	19,793
Total	<u>332,804</u>	<u>177,959</u>



## 5. OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Continuing operation		
Interest income		
– Bank deposits	35	82
– Rental deposits ( <i>note i</i> )	8	7
Government grants ( <i>note ii</i> )	1,026	–
Sundry income	–	6
	<u>1,069</u>	<u>95</u>

### Notes:

- (i) During the years ended 31 March 2021 and 2020, the amount represents the imputed interest income arises from the deposits placed in respect of the lease entered which is over one year.
- (ii) During the year ended 31 March 2021, government grants are related to Employment Support Scheme provided by The Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

## 6. OTHER GAINS AND LOSSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Continuing operation		
Exchange loss	(1,097)	(100)
Gain on disposals of property, plant and equipment	93	32
	<u>(1,004)</u>	<u>(68)</u>

## 7. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Continuing operation		
Interests on:		
– bank borrowings	26	–
– lease liabilities	103	97
	<u>129</u>	<u>97</u>

## 8. INCOME TAX EXPENSE (CREDIT)

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Continuing operation		
The charge (credit) comprises:		
Current tax:		
– Hong Kong Profits Tax	146	–
– Taiwan Corporate Income Tax	<u>36</u>	<u>–</u>
	182	–
Under provision in prior year	–	116
Deferred taxation	<u>254</u>	<u>(388)</u>
	<u><b>436</b></u>	<u><b>(272)</b></u>

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 qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the years ended 31 March 2021 and 31 March 2020, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. No provision for Hong Kong Profits Tax has been provided as there is no assessable profit arose in 2020.

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. No provision for PRC Enterprise Income Tax has been provided as there is no assessable profit arose in 2020 and 2021.

Under the Income Tax Act of the Taiwan area, the corporate income tax rate of the Group’s Taiwan branch is 20%. No provision for the Taiwan Corporate Income Tax has been provided as there is no assessable profit arose in 2020.

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

## 9. PROFIT (LOSS) FOR THE YEAR

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Continuing operation		
Profit (loss) for the year has been arrived at after charging:		
Staff cost, excluding directors' emoluments:		
– Salaries, bonus and other benefits	10,590	8,730
– Contributions to retirement benefits scheme	<u>399</u>	<u>394</u>
Total staff costs excluding directors' emoluments	<u>10,989</u>	<u>9,124</u>
Auditors' remuneration	605	1,156
Depreciation of property, plant and equipment	2,371	1,801
Legal and professional fees (included in other expenses)	–	1,600
Amortisation of intangible assets	<u>–</u>	<u>316</u>

## 10. DISCONTINUED OPERATION

On 22 March 2021, the Group entered into a sale and purchase agreement with an independent third party (the “**Purchaser**”), to dispose of a subsidiary, Fu Yo with total consideration of approximately HK\$13,310,000. Fu Yo carried out all of the Group's warehousing and related value-added services operations. The disposal was effected in order to generate cash flows for the expansion of the Group's other businesses. The disposal was completed on 31 March 2021, on which date control of Fu Yo passed to the Purchaser. This disposal transaction resulted gain on disposal with approximately of HK\$2,092,000, which has been recognised in profit or loss during the year ended 31 March 2021. Details are set out in announcement dated on 22 March 2021.

The profit (loss) for the year from discontinued warehousing and related value-added services operation is analysed as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit (loss) for the year	1,601	(3,558)
Gain on disposal of a subsidiary	<u>2,092</u>	<u>–</u>
	<u>3,693</u>	<u>(3,558)</u>

The results of the warehousing and related value-added services segment for the years were as follows:

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Revenue	<b>43,021</b>	33,052
Cost of services	<b>(35,870)</b>	(28,560)
Gross profit	<b>7,151</b>	4,492
Other income	<b>1,629</b>	67
Other gains and losses	<b>8</b>	7
Sales and marketing expenses	<b>(412)</b>	(164)
Administrative expenses	<b>(7,281)</b>	(6,730)
Impairment losses recognised on trade receivables, net	<b>(47)</b>	(23)
(Reversal of) provision for compensation	<b>1,227</b>	(2,000)
Finance costs	<b>(302)</b>	(462)
Profit (loss) before taxation	<b>1,973</b>	(4,813)
Income tax (expense) credit	<b>(372)</b>	1,255
Profit (loss) for the year	<b>1,601</b>	(3,558)

## 11. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2021, nor has any dividend been proposed since the end of the reporting period (2020: nil).

## 12. EARNINGS (LOSS) PER SHARE

For continuing operation

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

### (a) Basic

	2021 HK\$'000	2020 HK\$'000 (Restated)
Profit (loss) for the year attributable to the owners of the Company	4,849	(21,997)
(Less) add: (profit) loss for the year from discontinued operation	<u>(3,693)</u>	<u>3,558</u>
Profit (loss) for the purpose of basic earnings (loss) per share from continuing operation	<u>1,156</u>	<u>(18,439)</u>
	2021 '000	2020 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	<u>840,000</u>	<u>840,000</u>

### (b) Diluted

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potential ordinary shares in issue for the year ended 31 March 2021 and 2020.

For discontinued operation

Basic and diluted earnings (loss) per share for the discontinued operation is HK\$0.44 cents per share (2020: HK\$(0.42) cents per share), based on the profit (loss) for the year from the discontinued operation of HK\$3,693,000 (2020: HK\$(3,558,000)) and the denominators detailed above for both basic and diluted earnings (loss) per share.

### 13. TRADE AND OTHER RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Receivables at amortised cost comprise:		
Trade receivables	66,700	44,999
Less: allowances for impairment of trade receivables	<u>(918)</u>	<u>(610)</u>
	65,782	44,389
Prepayment, deposits and other receivables comprise:		
– Rental deposits	3,789	124
– Deposits and prepayment ( <i>note i</i> )	2,674	3,849
– Other receivables ( <i>note ii</i> )	9,240	–
Less: allowances for impairment of deposits and other receivables	<u>(188)</u>	<u>–</u>
Prepayment, deposits and other receivables	<u>15,515</u>	<u>3,973</u>
	<u>81,297</u>	<u>48,362</u>

#### Notes:

- (i) Included in deposits and prepayment, amount of HK\$2,000,000 represented the refundable deposits for securing the transactions with airlines as at 31 March 2021 (2020: HK\$1,950,000).
- (ii) Included in other receivables, amount of approximately HK\$8,810,000 represented the consideration receivables in relation to the disposal of a subsidiary as at 31 March 2021 (2020: N/A). The balance is expected to be collected within one year from the end of the reporting date.

The Group allows credit periods ranging from 0 to 90 days to its customers.

The following is an aging analysis of trade receivables net of allowance for credit losses, presented based on the invoice date at the reporting date:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
– Within 30 days	35,841	24,678
– More than 30 but within 60 days	19,811	11,243
– More than 60 but within 90 days	6,452	5,462
– More than 90 days	<u>3,678</u>	<u>3,006</u>
	<u>65,782</u>	<u>44,389</u>

#### 14. TRADE AND OTHER PAYABLES

	2021 HK\$'000	2020 HK\$'000
Trade payables	47,816	26,868
Other payables and accrued expenses	<u>2,708</u>	<u>2,357</u>
	<u>50,524</u>	<u>29,225</u>

The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2021 HK\$'000	2020 HK\$'000
Within 30 days	28,144	20,267
More than 30 but within 60 days	18,407	6,153
More than 60 but within 90 days	1,260	388
More than 90 but within 180 days	<u>5</u>	<u>60</u>
	<u>47,816</u>	<u>26,868</u>

The credit periods granted from the suppliers are ranging from 0 to 45 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

#### 15. BANK BORROWINGS

Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

	2021 HK\$'000
With one year	646
After one year but within two years	1,316
After two year but within five years	<u>1,668</u>
	<u>3,630</u>

**2021**  
**HK\$'000**

Carrying amount of bank loans that are not repayable on demand or within one year from the end of the reporting period but:  
– contain a repayment on demand clause

**3,630**

During the year, the Group obtained new bank loans of HK\$3,630,000 with fixed rate of 2.75% for 3 years to 5 years in Hong Kong (2020: N/A). The loans bear interest at market rates and will be repayable on demand and the balance has been classified as current liabilities. The proceeds were used for general working capital purpose.

## 16. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2019, 1 April 2020 and 31 March 2021	<u>10,000,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
At 1 April 2019, 1 April 2020 and 31 March 2021	<u>840,000,000</u>	<u>8,400,000</u>



## BUSINESS REVIEW

Despite the global volatile and challenging environment in 2020, the Group made encouraging progress during the year ended 31 March 2021 (the “**Year**”), which has been reflected in its financial results. The Group’s total revenue increased by approximately 87.0% to approximately HK\$332.8 million in the Year, compared with approximately HK\$178.0 million in the year ended 31 March 2020 (the “**Previous Year**”). Gross profit increased by approximately 156.2% to approximately HK\$31.0 million in the Year, compared with HK\$12.1 million in the Previous Year. The Group turned around from a net loss of approximately HK\$22.8 million in the Previous Year to a net profit of approximately HK\$4.2 million in the Year.

Benefiting from the opportunities of the increased demand in air cargo space amid the COVID-19 pandemic, the Group successfully secured air cargo spaces at compatible prices for its customers. The Group’s extensive network of airlines and other forwarders was able to meet the demands of its customers, particularly, the shipping of epidemic prevention supplies.

Looking forward to the future, the Group is cautious yet optimistic towards its business and development. The Group has implemented cost-control and operational efficiency measures and has explored other business collaboration opportunities in the market in order to maximise the profitability of the Group. During the Year, the Group obtained new orders from multinational companies for shipment from Southeast Asia to the United States of America (“**USA**”). Such new business strengthened the Group’s networking in Southeast Asia.

Due to the COVID-19 pandemic, it is estimated that there would be keen competition for air cargo space as passenger flight services have been largely suspended around the globe. The Group anticipates that the cost of air cargo space will fluctuate rapidly in the market. To maintain the profitability of the Group, the Group generally would not enter into any long term commitments with its customers, which would fix the selling price of air cargo space. The Group would continue to seek for entering into block space arrangement with airlines, the most influential suppliers of the Group, in the long run. During the Year, the Group successfully obtained one contract with an international airline.

The management is fully aware that the outbreak of COVID-19 has huge impact on the Group’s ultimate customers which majority of them are manufacturers of electronic products. The demand for their goods in overseas may move downward. Some manufacturers have already changed their production arrangement and schedule. In response to the unpredictable operating environment, the management will closely monitor the market situation, offer better services to its customers and continue to exercise careful cost controls to strengthen its competitiveness in the freight forwarding industry.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue was primarily derived from (i) air freight forwarding and related logistics services and (ii) sea freight forwarding and related logistics services.

Total revenue of the Group increased by approximately 87.0% from approximately HK\$178.0 million for the Previous Year to approximately HK\$332.8 million for the Year. The revenue of the Group increased significantly.

Revenue generated from air freight forwarding and related logistics services for the Year amounted to approximately HK\$299.9 million (Previous Year: approximately HK\$169.6 million), accounting for approximately 90.1% of the Group's total revenue (Previous Year: approximately 95.3%). The revenue from this segment remained as the major source of the revenue of the Group. The Taipei branch commenced business in October 2019 and contributed a significant portion of revenue to the air freight forwarding and related logistics services during the Year. The Group also solicited new customers from several multinationals during the Year which strengthened the customer bases.

Revenue generated from sea freight forwarding and related logistics services for the Year amounted to approximately HK\$32.9 million (Previous Year: approximately HK\$8.4 million), accounting for approximately 9.9% of the Group's total revenue (Previous Year: approximately 4.7%). Most of the Group's customers from this segment are direct shippers. The revenue from sea freight forwarding and related logistics services during the Year increased significantly, which was caused by (i) due to the resumption of the river sand shipment (the delivery of river sand for its customer from overseas to the People's Republic of China (the "PRC")) and (ii) more orders received from existing customers in Taipei branch and new customers in Vietnam.

### **Cost of services and gross profit**

The Group's cost of services increased by approximately 82.0% from approximately HK\$165.9 million for the Previous Year to approximately HK\$302.0 million for the Year. This increase was mainly attributable to increase in the acquisition cost of air cargo space due to the increase in unit costs and limited supply in air cargo spaces.

The Group's gross profit increased by approximately 154.5% from approximately HK\$12.1 million for the Previous Year to approximately HK\$30.8 million for the Year. Gross profit margin increased from approximately 6.8% for the Previous Year to approximately 9.3% for the Year. The main reason for the increase in gross profit margin was (i) the increase in the overall selling prices of air cargo spaces, which resulted from the limited supply of air cargo spaces, coupled with surging demand from customers during the Year, such that the Group could command higher selling prices which ultimately improved the gross profit of the freight-forwarding and related services segment and (ii) cessation of charter flight services which were of lower profit margin.

### **Other income**

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

The Group applied for the Employment Support Scheme launched by the Hong Kong Government and approximately HK\$1.0 million (Previous Year: nil) of grants were obtained during the Year.

### **Other gains and losses**

Other gains and losses included foreign exchange loss and gain on disposals/write-offs of property, plant and equipment. The Group recorded a net losses in other gains and losses during the Year, which was mainly attributable to the exchange losses of approximately HK\$1.1 million. As the Group received payments from some of its customers in United States Dollars ("USD"), the Group suffered from the depreciation in USD.

### **Sales and marketing expenses**

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

The marketing expenses increased slightly as the Taipei branch had full year operation during the Year (Previous Year: 6 months).

## **Administrative expenses**

The Group's administrative expenses decreased to approximately HK\$24.4 million for the Year from approximately HK\$25.6 million for the Previous Year. Such expenses mainly included staff costs and benefits, audit fee, legal and professional fee, depreciation, utilities and other expenses. The decrease was mainly due to the combined effect of (i) decrease in legal and compliance costs, professional fee and printing charges of approximately HK\$2.0 million and (ii) increase in staff costs from approximately HK\$13.5 million for the Previous Year to approximately HK\$14.3 million for the Year, which was caused by the Group's subsidiary in Shenzhen and branch in Taipei, both of which had full 12 months operations during the Year.

## **Impairment losses recognised on trade receivables, net**

Under the Hong Kong Financial Reporting Standard 9 "Financial Instruments", the management assesses the measurement of expected credit losses ("ECL") in relation to trade receivables and uses collectively assessed provision matrix to calculate ECL. During the Previous Year, an impairment loss of approximately HK\$0.2 million was recognised to reflect an increase in impairment allowance as a result of non-performing asset during the Previous Year. During the Year, a reversal of an amount of approximately HK\$0.2 million (Previous Year: approximately HK\$0.3 million) was recognised while additional approximately HK\$0.4 million (Previous Year: approximately HK\$0.2 million) was further provided from new financial assets originated.

## **Impairment losses recognised on deposits and other receivables, net**

During the Year, ECL of approximately HK\$0.2 million was recognised (Previous Year: nil) due to the significant increase in other receivables.

## **Other expenses**

Other expenses represented professional fee paid during the Previous Year.

## **Finance costs**

Finance costs for the Year represented interest expenses on leases liabilities and bank borrowings. Finance costs increased from approximately HK\$97,000 for the Previous Year to approximately HK\$129,000 for the Year, which caused by the increase in interest on bank borrowings.

**Income tax (expense) credit**

The Group's income tax (expense) credit primarily included provisions for profits tax and deferred income tax expense. As a profit before taxation (loss before taxation: approximately HK\$19.6 million) of approximately HK\$0.9 million for the Year was recorded, an income tax expenses of approximately HK\$0.4 million was recorded for the Year (Previous Year: income tax credit of approximately HK\$0.3 million).

**Profit (loss) from continuing operation for the year**

The Group recorded a profit from continuing operation for the year of approximately HK\$0.5 million for the Year, compared to a loss from continuing operation for the year of approximately HK\$19.3 million for the Previous Year. The turnaround was mainly due to the effects of (i) increase in the gross profit of the Group of approximately HK\$18.7 million; and (ii) government grants of approximately HK\$1.0 million received during the Year.

**Trade and other receivables**

Trade receivables (net of allowance for impairment of trade receivables) increased by 48.2% from approximately HK\$44.4 million at 31 March 2020 to approximately HK\$65.8 million at 31 March 2021. Such increase was primarily attributable to additional revenue of approximately HK\$23.2 million recorded in January, February and March 2021 when compared to the corresponding months in the Previous Year.

The Group's prepayment, deposits and other receivables increased at 31 March 2021 as the Group disposed a subsidiary and recorded receivables (net of allowance for impairment of other receivables) from the purchaser of approximately HK\$8.6 million.

**Trade and other payables**

Trade payables increased by 77.7% from approximately HK\$26.9 million at 31 March 2020 to approximately HK\$47.8 million at 31 March 2021. The increase was mainly due to the increase in cost of services of approximately HK\$18.6 million incurred in February and March 2021 when compared with that of Previous Year.

Other payables and accrued expenses increased by approximately 12.5% from approximately HK\$2.4 million at 31 March 2020 to approximately HK\$2.7 million at 31 March 2021. The change was mainly due to the (i) increase in accrued service charge of approximately HK\$0.8 million and (ii) decrease in accrued audit fee of approximately HK\$0.5 million.

## **DIVIDEND**

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

## **LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO**

The Group funded the liquidity and capital requirements for the Year primarily through internal resources and bank borrowings.

At 31 March 2021, the Group cash and cash equivalents of approximately HK\$26.7 million (at 31 March 2020: approximately HK\$15.9 million) and time deposits over three months of approximately HK\$1.2 million (at 31 March 2020: approximately HK\$2.8 million), most of which were either denominated in Hong Kong Dollars (“**HKD**”), USD or Renminbi (“**RMB**”).

At 31 March 2021, the Group had bank borrowings in the sum of approximately HK\$3.6 million (at 31 March 2020: nil). The Group had leases liabilities of approximately HK\$3.1 million at 31 March 2021 (at 31 March 2020: approximately HK\$10.6 million).

Gearing ratio is the current debt (including bank borrowings and leases liabilities) divided by total equity and multiplied by 100% at the year-end date. The gearing ratio of the Group at 31 March 2021 was approximately 8.2% (at 31 March 2020: approximately 13.8%). As a result of the decrease in lease liabilities and increase in total equity, the gearing ratio of the Group decreased as at the reporting date.

During the Year, the Group did not employ any financial instrument for hedging purpose.

The Directors are of the view that, at the date of this announcement, the Group’s financial resources are sufficient to support its business and operations.

## **CHARGE ON ASSETS**

At 31 March 2021, bank deposits of approximately HK\$1.2 million (at 31 March 2020: approximately HK\$2.8 million) was pledged to secure the guarantee facilities obtained by the Group and certain property, plant and equipment of the Group with a carrying amount of HK\$0.7 million (at 31 March 2020: nil) were held under finance lease. Save as disclosed, the Group did not have any charges on its assets.

## **FOREIGN EXCHANGE EXPOSURE**

During the Year, the Group received payments from the Group's customers in foreign currencies, such as USD, Euro ("EUR"), RMB and New Taiwan Dollars ("NTD"), and also settled some of its cost and expenses with suppliers in foreign currencies, such as in USD, EUR, RMB and NTD. The Group is exposed to certain foreign exchange risks in respect of depreciation or appreciation amongst those currencies. The Group's operating activities are mainly denominated in Hong Kong dollars and the Group is exposed to foreign exchange risks primarily arising from provisions of services to customers and payments of cost of services to suppliers whose operating activities are denominated in foreign currencies. Although the Group does not maintain any specific hedging policy or foreign currency forward contracts, the Group's management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should it become necessary.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

At 31 March 2021, the Group had no outstanding capital commitments (at 31 March 2020: nil) for the acquisition of property, plant and equipment. Save for the plans disclosed in the prospectus for the Listing (the "**Prospectus**"), the Company's announcement(s) or this announcement, the Group did not have any future plans for material investments or capital assets at 31 March 2021.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

Saved as disclosed in the announcements of the Company dated 22 March 2021, 24 March 2021 and 31 March 2021 in connection to the disposal of Fu Yo Warehouse Logistics Company Limited ("**Fu Yo**"), there were no material acquisitions and disposal of subsidiary by the Group during the Year.

## **SIGNIFICANT INVESTMENTS**

The Group did not hold any significant investments during the Year.

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities both at 31 March 2020 and at 31 March 2021.

## **OUTLOOK AND PROSPECTS**

The freight forwarding market in the financial year ended 31 March 2021 has been unpredictably challenging due to a slowdown in global economic activity, which was further amplified by the COVID-19 global pandemic. The Group's operations in Hong Kong was inevitably affected.

The Group is positive to the future freight forwarding market in Hong Kong. To focus on our core business, the Group disposed the warehousing and related value-added services during the Year. With the introduction of vaccine and further removal of the lockdown measures, the global economy would gradually recover. The Group believes that the demand for air cargo services would be huge when the economies in the USA and Europe recover after the pandemic.

The airfreight rates indicate a rising trend in the upcoming months. The Group needs to retain more cash to settle the trade debts to suppliers. The business in Shenzhen and Taipei recorded losses in the past year. Due to the credit limits obtained from suppliers, the Taipei branch demanded huge cash support from the Group. Under such circumstances, the Group took prompt action to strip businesses with dim prospective in Shenzhen and Taipei and adopted a more prudent approach by re-focusing its operation fully in Hong Kong. Subsequent to the year ended date 31 March 2021, the Group sold the operations in Shenzhen and Taipei to two independent third parties. It was 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 in order to sustain its continuing operation and business in Hong Kong.

The outlook in the upcoming year may not be as clear as the management expected. The management will continue to tighten the cost and monitor the needs of the customers carefully.

## **EMPLOYMENT AND REMUNERATION POLICY**

At 31 March 2021, the Group employed 19 staff in Hong Kong, 2 staff in the PRC and 9 staff in Taiwan (at 31 March 2020: 45 staff in Hong Kong, 7 staff in the PRC and 7 staff in Taiwan).



For the Year, the Group's total cost for employee compensation and benefits (including Director's emoluments) was approximately HK\$23.0 million (Previous Year: approximately HK\$21.1 million). Remuneration is determined with reference to market terms, industrial norms and the performance, qualifications and experience of the employees.

Apart from basic remuneration, share options may be granted by the Company to eligible employees by reference to the Group's performance as well as the individual's contribution. As disclosed in the Prospectus, the Company adopted a share option scheme on 14 August 2018 ("**Share Option Scheme**") to incentivize and retain staff members who have contributed to the development and success of the Group. The Directors believe that the compensation packages offered by the Group to its employees are competitive in comparison with market standard and practices.

During the Year, the Group's employees attended trainings in relation to air cargo operations and safety, listing rules, tax and accounting.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has in all material respects complied with all relevant laws, rules and regulations that have a significant impact on the Group and its operations.

## **USE OF PROCEEDS FROM SHARE OFFER**

The Shares of the Company were successfully listed on GEM of the Stock Exchange on 5 September 2018 (the "**Listing**"). The total net proceeds (the "**Net Proceeds**") from the Listing of the Company amounted to approximately HK\$40.0 million. On 23 August 2019, the Board resolved to change the use of the Net Proceeds in connection to developing the Group's own trucking fleet to general working capital (the "**Change in Use of Proceeds**"). Details of the Change in Use of Proceeds are set out in the Company's announcements dated 23 August 2019 and 3 October 2019 (collectively the "**UOP Announcements**"). On 27 May 2020, the Board further resolved effect a sum of approximately HK\$13.5 million would be utilised to further expanding the warehouse in Hong Kong (the "**Change in Use of Proceeds 2020**"). Details are set out in the Company's announcement dated 27 May 2020 (the "**UOP Announcement 2020**"). On 22 March 2021, the Board resolved to dispose the entire equity of Fu Yo. As such, the Group discontinued its operations in warehousing and related value-added services on 31 March 2021. The Board then further resolved that the remaining Net Proceeds of approximately HK\$12.1 million would be applied to general working of the Group (the "**Change in Use of Proceeds 2021**"). Details are set out in the Company's announcement dated 22 March 2021 (the "**UOP Announcement 2021**").

Details of the application of the Net Proceeds from the Listing till 31 March 2021 are as set out below:

Use of the Net Proceeds	Amount of the Net Proceeds adjusted in the manner as stated in the Prospectus prior to the Change in Use of Proceeds Announcements HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2020 HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2020 HK\$'000	Use of Net Proceeds subsequent to the Change in Use of Proceeds and Change in Use of Proceeds 2020 HK\$'000	Amount of the Net Proceeds utilised from the Listing Date to 22 March 2021 HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2021 HK\$'000	Use of Net Proceeds subsequent to the Change in Use of Proceeds 2021 HK\$'000	Amount not yet utilised at 31 March 2021 HK\$'000	Expected timelines for the intended use	Actual business progress up to 31 March 2021
Further expanding the warehouses in Hong Kong										The Groups already updated the implementation plan and signed a logistic service agreement with a supplier for the provision of warehousing and related services to the Group which included storage service in a warehousing facility, equipment at the warehouse facility and drayage service on May 2020 (Note).
Settling commission, deposits and rental payments of new warehouses	10,956	N/A	(10,956)	-	-	N/A	-	-	N/A	The Group resolved not to rent a new warehouse.
Conducting renovation work	1,231	N/A	(1,139)	92	92	-	-	-	-	The Group already completed renovation work.

Use of the Net Proceeds	Amount of the Net Proceeds adjusted in the manner as stated in the Prospectus prior to the Change in Use of Proceeds Announcements HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2020 HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2020 HK\$'000	Use of Net Proceeds subsequent to the Change in Use of Proceeds and Change in Use of Proceeds 2020 HK\$'000	Amount of the Net Proceeds utilised from the Listing Date to 22 March 2021 HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2021 HK\$'000	Use of Net Proceeds subsequent to the Change in Use of Proceeds 2021 HK\$'000	Amount not yet utilised at 31 March 2021 HK\$'000	Expected timelines for the intended use	Actual business progress up to 31 March 2021
Installing anti-theft system	152	N/A	(97)	55	53	(2)	–	–	N/A	The Group already installed anti-theft system (Note).
Purchasing burglary, flood and fire insurance	229	N/A	8	237	34	(203)	–	–	N/A	The Group already entered into agreements with the insurance providers (Note).
Purchasing forklift trucks and scales	943	N/A	(943)	–	–	N/A	–	–	N/A	The Group resolved not to purchase forklift trucks and scales.
Leasing forklift trucks	N/A	N/A	611	611	159	(452)	–	–	N/A	The Group already rented two forklift trucks, settled the deposits and paid the rental on monthly basis (Note).
Settling deposits, utilities and services fees for warehousing and related services	N/A	N/A	12,516	12,516	2,563	(9,953)	–	–	N/A	The Group already paid the deposits and settled the utilities and service fees (Note).

Use of the Net Proceeds	Amount of the Net Proceeds adjusted in the manner as stated in the Prospectus prior to the Change in Use of Proceeds Announcements HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2020 HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2020 HK\$'000	Use of Net Proceeds subsequent to the Change in Use of Proceeds and Change in Use of Proceeds 2020 HK\$'000	Amount of the Net Proceeds utilised from the Listing Date to 22 March 2021 HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2021 HK\$'000	Use of Net Proceeds subsequent to the Change in Use of Proceeds 2021 HK\$'000	Amount not yet utilised at 31 March 2021 HK\$'000	Expected timelines for the intended use	Actual business progress up to 31 March 2021
Attracting and retaining talented and experienced personnel	14,727	(8,573)	–	6,154	4,701	(1,453)	–	–	N/A	The Group recruited two sales staff, acquired medical insurance and provided training to the staff. The Group resolved not to employ truck drivers as a result of not developing its own trucking fleet. The Group already hired of warehouse staff (Note).
Developing the trucking fleet	8,075	(8,075)	N/A	–	–	N/A	–	–	N/A	The Group resolved not to implement the plan of developing its own trucking fleet.

Use of the Net Proceeds	Amount of the Net Proceeds adjusted in the manner as stated in the Prospectus prior to the Change in Use of Proceeds Announcements HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2020 HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2020 HK\$'000	Use of Net Proceeds subsequent to the Change in Use of Proceeds and Change in Use of Proceeds 2020 HK\$'000	Amount of the Net Proceeds utilised from the Listing Date to 22 March 2021 HK\$'000	The Change in Use of Proceeds according to the UOP Announcement 2021 HK\$'000	Use of Net Proceeds subsequent to the Change in Use of Proceeds 2021 HK\$'000	Amount not yet utilised at 31 March 2021 HK\$'000	Expected timelines for the intended use	Actual business progress up to 31 March 2021
Further enhancing the information technology systems	2,442	(542)	N/A	1,900	1,900	N/A	–	–	–	The Group finished upgrading the warehouse management system, installing new servers and strengthening firewalls and personal computers. As the Group resolved not to develop its own trucking fleet, it would not be necessary to develop and install the corresponding GPS system.
General working capital	1,258	17,190	N/A	18,448	18,448	12,063	2,277	9,786	By 31 July 2021	The Group already utilised part of the general working capital to finance its cost of services, in particular in air freight forwarding and related logistic business. The Group will continue to settle the air cargo space acquisition cost in the upcoming months.
	<u>40,013</u>			<u>40,013</u>	<u>27,950</u>			<u>9,786</u>		

*Note:* The Group further resolved to discontinue the warehousing and related value-added services.

## 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. From 1 April 2020 up to 31 March 2021, 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 except for the deviation from the code provision of A.2.1. of the CG code.

### Chairman and Chief Executive Officer

Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Upon the resignation of Mr. Loy Hak Moon (“**Mr. HM Loy**”) as the Chief Executive Officer on 16 November 2020, Mr. Loy Hak Yu Thomas (“**Mr. Thomas Loy**”) acts as both the chairman and the chief executive officer of the Company. As of the date of this announcement, the roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Thomas Loy. The Company is in the process of identifying a suitable person to act as the chief executive officer and shall make the announcement as and when appropriate. Since the Directors meet regularly to consider major matters affecting the operations of the Company, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Company and believe that this structure will enable the Company to make and implement decisions promptly and efficiently.

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

### DIRECTORS' SECURITIES TRANSACTIONS

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

Following specific enquiries to all of the Directors, each Director has confirmed that he complied with the Required Standard of Dealings throughout the period from 1 April 2020 up to 31 March 2021.

## **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 Year.

## **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. Further details of the Share Option Scheme are disclosed in the section headed “Statutory and General Information – D. Share Option Scheme” in Appendix IV of the Prospectus.

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 March 2021 and at the date of this announcement.

## **INTERESTS OF COMPLIANCE ADVISER**

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 March 2021, save for the compliance 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) has 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, a non-executive Director, being the executive director, company secretary and authorised representative of China Trustful Group Limited (stock code: 8265) has resigned from the aforesaid positions on 30 July 2020.

He also resigned as the company secretary and authorised representative of Century Group International Holdings Limited (stock code: 2113) on 28 May 2021.

Mr. Chow Ming Po Aaron, an independent non-executive director, was appointed as an independent non-executive director of Grand Brilliance Group Holdings Limited (stock code: 8372) on 18 June 2021.

Mr. Ho Yuk Ming Hugo, an independent non-executive director, retired as an independent non-executive director of Wuxi Sunlit Science and Technology Company Limited (stock code: 1289) with effect from 18 June 2021.

## **EVENTS AFTER THE YEAR ENDED 31 MARCH 2021**

Subsequent to the end of reporting period, the Group entered into a sales and purchase agreement with an independent third party in which the Group agreed to dispose the entire equity interest of a wholly owned subsidiary, Hangda International Limited and its subsidiaries with cash consideration of HK\$280,000. The disposal has been completed before the date of this announcement.

Subsequent to the end of reporting period, the Group entered into a sales and purchase agreement with an independent third party in which the Group agreed to dispose the entire equity interest of a wholly owned subsidiary, Fu Da Logistics Company Limited, with total consideration HK\$10,000,000. The disposal has been completed before the date of this announcement. For details of the disposal, please refer to the announcement of the Company dated 30 April 2021.

## **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, Mr. Chow Ming Po Aaron and Mr. Ho Yuk Ming Hugo. 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, 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 accounting principles and practices adopted by the Group and the consolidated financial statements for the Year.



## **ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS**

The annual general meeting (“AGM”) of the Company will be held on Friday, 27 August 2021. The transfer books and register of members of the Company will be closed from Tuesday, 24 August 2021 to Friday, 27 August 2021, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificate(s) must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Monday, 23 August 2021.

## **SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in the preliminary announcement have been agreed by the Group’s auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary announcement.

By order of the Board  
**Wan Leader International Limited**  
**Loy Hak Yu Thomas**  
*Chairman, Chief Executive Officer and  
Executive Director*

Hong Kong, 25 June 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 will remain on the GEM website of the Stock Exchange at [www.hkgem.com](http://www.hkgem.com) and the Stock Exchange’s website at [www.hkexnews.hk](http://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](http://www.wanleader.com).*