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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8482)

**ANNOUNCEMENT OF THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2020**

**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 2020 (the “**Review Period**”), together with the unaudited comparative figures for the nine months ended 31 December 2019 (the “**Previous Period**”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue	4	109,972	63,755	274,563	156,967
Cost of services		(101,059)	(59,592)	(247,121)	(144,938)
Gross profit		8,913	4,163	27,442	12,029
Other income	6	27	49	2,679	132
Other gains and losses	6	(560)	34	(836)	9
Sales and marketing expenses		(1,171)	(1,248)	(3,171)	(3,367)
Administrative expenses		(7,615)	(9,409)	(22,335)	(23,751)
Impairment losses recognised on trade receivables under expected credit loss model, net of reversal		(122)	(16)	(43)	(110)
Other expense		-	(362)	1,227	(1,087)
Finance costs	6	(108)	(151)	(335)	(429)
(Loss) profit before taxation		(636)	(6,940)	4,628	(16,574)
Income tax (expense) credit	5	(7)	179	(309)	708
(Loss) profit for the period		(643)	(6,761)	4,319	(15,866)

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Note	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other comprehensive income				
<i>Item that may be reclassified</i>				
<i>subsequently to profit or loss:</i>				
Exchange difference on				
translation of foreign				
operations	<u>458</u>	<u>159</u>	<u>931</u>	<u>32</u>
Other comprehensive				
income for the period	<u>458</u>	<u>159</u>	<u>931</u>	<u>32</u>
Total comprehensive				
(expense) income				
for the period	<u>(185)</u>	<u>(6,602)</u>	<u>5,250</u>	<u>(15,834)</u>
(Loss) profit for the				
period attributable to:				
Owners of the Company	<u>(452)</u>	<u>(6,477)</u>	<u>4,771</u>	<u>(15,217)</u>
Non-controlling interest	<u>(191)</u>	<u>(284)</u>	<u>(452)</u>	<u>(649)</u>
	<u>(643)</u>	<u>(6,761)</u>	<u>4,319</u>	<u>(15,866)</u>
Total comprehensive				
(expense) income for the				
period attributable to:				
Owners of the Company	<u>6</u>	<u>(6,332)</u>	<u>5,702</u>	<u>(15,165)</u>
Non-controlling interest	<u>(191)</u>	<u>(270)</u>	<u>(452)</u>	<u>(669)</u>
	<u>(185)</u>	<u>(6,602)</u>	<u>5,250</u>	<u>(15,834)</u>
(Loss) earnings per share				
Basic and diluted (HK cents)	8			
	<u>(0.05)</u>	<u>(0.77)</u>	<u>0.57</u>	<u>(1.81)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

	Attributable to owners of the Company						Total	Non-controlling interest	Total
	Share capital	Share premium	Other reserve	Merger reserve	Exchange reserve	Accumulated losses			
	HK\$'000	HK\$'000	(Note (i)) HK\$'000	(Note (ii)) HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
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
At 1 April 2020 (audited)	8,400	49,429	14,118	1,091	(76)	(25,795)	47,167	269	47,436
Profit (loss) for the period	-	-	-	-	-	4,771	4,771	(452)	4,319
Exchange difference on translation of foreign operations	-	-	-	-	931	-	931	-	931
Total comprehensive income (expenses) for the period	-	-	-	-	931	4,771	5,702	(452)	5,250
At 31 December 2020 (unaudited)	8,400	49,429	14,118	1,091	855	(21,024)	52,869	(183)	52,686

Notes:

- (i) Other reserve represents the (i) deemed contribution by a non-controlling shareholder through the 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 the 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 (“**Mr. Thomas Loy**”) both before and after the combination and the control is not transitory.

1. GENERAL INFORMATION

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. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally involved 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 2020 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 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 2020 for the preparation of the Group’s condensed consolidated financial statements:

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

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

4. REVENUE AND SEGMENT INFORMATION

The Group's 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 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.

For the nine months ended 31 December 2020

	Freight forwarding and related logistics services <i>HK\$'000</i> (unaudited)	Warehousing and related value-added services <i>HK\$'000</i> (unaudited)	Segment Total <i>HK\$'000</i> (unaudited)	Elimination <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Revenue					
External sales	241,504	33,059	274,563	-	274,563
Inter-segment sales	<u>16</u>	<u>4,216</u>	<u>4,232</u>	<u>(4,232)</u>	<u>-</u>
Segment revenue	<u>241,520</u>	<u>37,275</u>	<u>278,795</u>	<u>(4,232)</u>	<u>274,563</u>
Result					
Segment results	<u>4,757</u>	<u>2,665</u>	<u>7,422</u>	<u>-</u>	<u>7,422</u>
Central administrative expenses					<u>(2,794)</u>
Profit before taxation					<u>4,628</u>

For the nine months ended 31 December 2019

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

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

Segment result represents (loss) profit before taxation from each segment without allocation of certain central administrative expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Geographical information

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

For the period ended 31 December 2020

	Freight forwarding and related logistics service <i>HK\$'000</i> (unaudited)	Warehousing and related value-added services <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Hong Kong (place of domicile)	171,889	33,059	204,948
The People's Republic of China (the "PRC")	674	–	674
Taiwan	68,941	–	68,941
Total	<u>241,504</u>	<u>33,059</u>	<u>274,563</u>

For the period ended 31 December 2019

	Freight forwarding and related logistics service <i>HK\$'000</i> (unaudited)	Warehousing and related value-added services <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Hong Kong (place of domicile)	123,021	23,759	146,780
The PRC	1,034	–	1,034
Taiwan	9,153	–	9,153
Total	<u>133,208</u>	<u>23,759</u>	<u>156,967</u>

5. INCOME TAX EXPENSE (CREDIT)

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
The charge (credit) comprises:				
Hong Kong Profits Tax – current tax	49	21	99	21
Deferred tax	<u>(42)</u>	<u>(200)</u>	<u>210</u>	<u>(729)</u>
	<u>7</u>	<u>(179)</u>	<u>309</u>	<u>(708)</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 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 nine months ended 31 December 2020.

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 2020.

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

6. (LOSS) PROFIT BEFORE TAXATION

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

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	2,599	2,385	7,778	6,629
Expenses related to short-term leases	243	214	724	557
Amortisation of intangible asset	–	–	–	316
Exchange loss (gain)	560	(3)	944	29
Gain on disposal of/written off of property, plant and equipment	–	(31)	(108)	(38)
Total other gains and losses	560	(34)	836	(9)
Interest income on bank deposits	(9)	(29)	(35)	(77)
Interest income on rental deposits	(17)	(18)	(51)	(50)
Subsidies received from Hong Kong Government “Employment Support Scheme”	–	–	(2,592)	–
Others	(1)	(2)	(1)	(5)
Total other income	(27)	(49)	(2,679)	(132)
Interest expenses on lease liabilities	87	151	310	429
Interest expenses on bank borrowings	21	–	25	–
Total finance costs	108	151	335	429

7. DIVIDENDS

The Board does not recommend payment of interim dividend for the nine months ended 31 December 2020 (for the Previous Period: nil).

8. (LOSS) EARNINGS PER SHARE

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
(Loss) earnings:				
(Loss) earnings for the period attributable to owners of the Company for the purpose of calculating basic (loss) earnings per share	<u>(452)</u>	<u>(6,477)</u>	<u>4,771</u>	<u>(15,217)</u>
	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	<u>840,000,000</u>	<u>840,000,000</u>	<u>840,000,000</u>	<u>840,000,000</u>

No ordinary shares were issued during the Review Period. Therefore, the number of shares for the purpose of calculating the basic (loss) earnings per share for Review Period equalled to the number of shares issued as at 31 March 2020 – 840,000,000 (for the Previous Period: 840,000,000).

Diluted (loss) earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. No potential ordinary shares in issue during the Review Period and the Previous Period. Accordingly, no diluted (loss) earnings per share was presented.

BUSINESS REVIEW

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

The services of the Company and its subsidiaries (the “**Group**”) mainly include (a) the provision of freight forwarding and related logistics services, which include reselling cargo space the Group purchases from airlines, airlines’ general sales agent(s), shipping liners and other freight forwarders to direct shippers or respective freight forwarders, which act on behalf of their shipper customers and eventually deliver the goods to the destinations; and (b) the provision of warehousing and related value-added services, which include labelling services, packaging services and security screening services.

Despite the global volatile and challenging environment in 2020, the Group made encouraging progress during the nine months ended 31 December 2020 (the “**Review Period**”), which has been reflected in its financial results. The Group’s total revenue increased by approximately 74.9% to approximately HK\$274.6 million in the Review Period, compared with approximately HK\$157.0 million in the nine months ended 31 December 2019 (the “**Previous Period**”). Gross profit increased by approximately 128.3% to approximately HK\$27.4 million in the Review Period, compared with HK\$12.0 million in the Previous Period. The Group turned around from a net loss of approximately HK\$15.9 million in the Previous Period to a net profit of approximately HK\$4.3 million in the Review Period.

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 Review Period, the Group obtained new orders from multinational companies for shipment from South East Asia to the USA. Such new business strengthened the Group’s networking in South East 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 management was 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. They have less demand for air freight forwarding and related logistics services. 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 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 74.9% from approximately HK\$157.0 million for the Previous Period to approximately HK\$274.6 million for the Review Period.

Revenue generated from air freight forwarding and related logistics services for the Review Period amounted to approximately HK\$228.9 million (Previous Period: approximately HK\$126.3 million), accounting for approximately 83.4% of the Group's total revenue (Previous Period: approximately 80.4%). 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 Review Period.

Revenue generated from sea freight forwarding and related logistics services for the Review Period amounted to approximately HK\$12.6 million (Previous Period: approximately HK\$6.9 million), accounting for approximately 4.6% of the Group's total revenue (Previous Period: approximately 4.4%). 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 increased significantly, (i) due to the resumption of the river sand shipment (the delivery of river sand for its customer from overseas to the PRC) and (ii) more orders received from existing customers in Taipei branch.

Revenue generated from warehousing and related value-added services for the Review Period amounted to approximately HK\$33.1 million (Previous Period: approximately HK\$23.8 million), accounting for approximately 12.0% of the Group's total revenue (Previous Period: approximately 15.2%). The revenue from this segment increased as (i) the Group offered security screening services during the Review Period (which were available for only five months in the Previous Period); (ii) the Group was engaged for a few special projects in connection to palletisation services during the Review Period; and (iii) a long-term existing customer placed more orders to the Group.

Cost of services and gross profit

The Group's cost of services increased by approximately 70.5% from approximately HK\$144.9 million for the Previous Period to approximately HK\$247.1 million for the Review Period. This increase was mainly attributable to (i) increase in the acquisition cost of air cargo space due to the increase in unit costs and limited supply in air cargo spaces and (ii) increase in subcontracting charges paid to suppliers for warehousing and related value-added services.

The Group's gross profit increased by approximately 128.3% from approximately HK\$12.0 million for the Previous Period to approximately HK\$27.4 million for the Review Period. Gross profit margin increased from approximately 7.7% for the Previous Period to approximately 10.0% for the Review Period. Such increases were mainly due to the increases 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 increased slightly during the Review Period mainly because (i) the security screening services brought in additional revenue to the Group; (ii) special projects were obtained from an existing customer for palletisation services; and (iii) the transaction volume from a long-term customer increased. As for air freight forwarding and related logistics services, the main reason for increase in gross profit margin was due to (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 Review Period, 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 mainly included bank interest income from fixed deposits, other interest income from refundable rental deposits and government subsidies.

The Group applied for the Employment Support Scheme launched by the Hong Kong Government and approximately HK\$2.6 million (Previous Period: nil) of grants were obtained during the Review Period.

Other gains and losses

Other gains and losses included foreign exchange (loss) gain and gain on disposal of property, plant and equipment. The Group recorded a net losses in other gains and losses during the Review Period, which was primarily attributable to the exchange losses of approximately HK\$0.9 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 amount remained stable during the Review Period.

Administrative expenses

The Group’s administrative expenses decreased slightly to approximately HK\$22.3 million for the Review Period from approximately HK\$23.8 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 decrease was mainly due to the decrease in legal and compliance costs and professional fee of approximately HK\$1.5 million.

Impairment losses recognised on trade receivables, under expected credit loss model, net of reversal

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 individually assessed provision matrix to calculate ECL. During the Review Period, a reversal of an amount of approximately HK\$0.6 million (Previous Period: approximately HK\$0.3 million) was recognised while additional approximately HK\$0.7 million (Previous Period: approximately HK\$0.5 million) was further provided from new financial assets originated.

Other expense

During the Review Period, the Group recorded a reversal of such expenses amounted to HK\$1.2 million (Previous Period: approximately HK\$1.1 million charged, representing professional fee paid).

Finance costs

Finance costs for the Review Period represented interest expenses on leases liabilities and bank borrowings. Finance costs decreased from HK\$429,000 for the Previous Period to HK\$335,000 for the Review Period, which caused by the decrease in interest on lease liabilities.

Income tax (expense) credit

The Group's income tax (expense) credit primarily included provisions for Hong Kong profits tax and deferred income tax expenses. A profit before taxation of approximately HK\$4.6 million for the Review Period was recorded, an income tax expense of approximately HK\$0.3 million was incurred for the Review Period (Previous Period: income tax credit of approximately HK\$0.7 million) as there was deferred tax impact on the unused tax losses.

(Loss) profit for the period

The Group recorded a profit before taxation of approximately HK\$4.6 million for the Review Period (Previous Period: loss before taxation of approximately HK\$16.6 million). The profit was mainly due to the effects of (i) increase in the gross profit of the Group of approximately HK\$15.4 million; (ii) government subsidies of approximately HK\$2.6 million received during the Review Period; and (iii) decrease in legal and compliance cost and professional fee of approximately HK\$1.5 million.

DIVIDEND

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The board (“**Board**”) of directors (“**Director**”) 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 to 31 December 2020 (the “**Review Period**”), the Company complied with the code provisions prescribed in the establishment and implementation of the corporate governance guidelines containing principles and code provisions of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix 15 of The Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 Review Period.

DIRECTOR'S INTEREST IN COMPETING INTERESTS

The Directors, controlling shareholders and their respective 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 2020, the following Director and chief executive of the Company (the "Chief Executive") had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules:

(i) Long position in shares of the Company

Name of Director	Capacity/Nature of interests	Interest in Shares	Approximate percentage of the Company's issued share capital
Mr. Thomas Loy	Interest in a controlled corporation, parties acting in concert (<i>Note 1</i>)	421,302,000	50.16%

(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%

Note:

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.

Save as disclosed above and below under the heading "Directors' Rights to Acquire Shares or Debentures", at 31 December 2020, 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 2020, 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)	421,302,000 (L)	50.16%
Mr. Thomas Loy	Interest in a controlled corporation, parties acting in concert (Note 1)	421,302,000 (L)	50.16%
Mr. HM Loy	Interest in a controlled corporation, parties acting in concert (Note 1)	421,302,000 (L)	50.16%
Ms. Kong Sau Ming	Interest of spouse (Note 2)	421,302,000 (L)	50.16%
Ms. Siu Pui Sum	Interest of spouse (Note 3)	421,302,000 (L)	50.16%
Mr. Liao Daichun	Beneficial owner	68,440,000 (L)	8.15%

Notes:

1. Ho Tat is wholly and beneficially owned by Mr. Thomas Loy. Mr. Thomas Loy and Mr. HM Loy are parties acting in concert pursuant to and subject to the terms and conditions of the Acting in Concert Confirmation dated 1 November 2017 upon the Share Offer becoming unconditional. By virtue of the SFO, Mr. Thomas Loy and Mr. HM Loy are deemed to be interested in all the shares held by Ho Tat.
2. Ms. Kong Sau Ming is the spouse of Mr. Thomas Loy, and is deemed to be interested in the Shares which are interested by Mr. Thomas Loy under the SFO.
3. Ms. Siu Pui Sum is the spouse of Mr. HM Loy, and is deemed to be interested in the Shares which are interested by Mr. HM Loy under the SFO.
4. The letter "L" denotes long position in the Shares.

Save as disclosed above at 31 December 2020, 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 the 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 2020 and at the date of this announcement.

COMPLIANCE ADVISER’S INTERESTS

As notified by Glory Sun Securities Limited (“**Glory Sun**”), the Company’s compliance adviser, at 31 December 2020, 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, 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.

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, 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, Chief Executive Officer and
Executive Director*

Hong Kong, 10 February 2021

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Loy Hak Yu Thomas and Mr. Zhang Pangfei; one non-executive Director, namely, 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.