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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)

VOLUNTARY ANNOUNCEMENT LETTER OF INTENT FOR COOPERATION ON WINE TRADING PROJECT

This announcement is made by Wan Leader International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) voluntarily, for the purpose of providing an update to its shareholders and potential investors in relation to the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 8 April 2021 (after trading hours), Wan Leader Biotechnology Engineering Limited (“**Wan Leader Biotechnology**”), a wholly owned subsidiary of the Company, and Million Wineries Alliance Limited (“**Million Wineries**”) entered into a non-binding letter of intent (the “**Cooperation LOI**”) for a period of one year, in relation to the possible cooperation on wine trading business.

THE COOPERATION LOI

Subject Matter

Pursuant to the Cooperation LOI, the parties (the “**Parties**”) have agreed to the following intentions in relation to, among other things, their cooperation:

1. Million Wineries shall be responsible for the planning of wine trading business of Wan Leader Biotechnology, and to prepare a detailed feasibility report focusing on the requirements proposed by Wan Leader Biotechnology, including the specific planning, fund requirement and competitive edge of the project. The Parties shall jointly complete the feasibility report on such basis;

2. The Parties shall conduct thorough communications and reach an agreement in relation to the future management philosophy and management regime;
3. Wan Leader Biotechnology shall evaluate various aspects such as finance, technology, assets, law and sales as proposed by Million Wineries;
4. The Parties shall jointly prepare the required legal documents, including but not limited to a formal cooperation agreement, brand royalty, freight forwarding, wine storage and delivery arrangement, and sales arrangement;
5. Wan Leader Biotechnology shall arrange the relevant procedures required for the cooperation of the Parties, including approval of the Board of the Company and general meeting (as necessary or appropriate) and compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), and Million Wineries shall ensure conditions precedent required for the cooperation to be satisfied in a timely manner, and provide assistance to Wan Leader Biotechnology as necessary;
6. The Parties discuss the above matters in relation to specific action plan and timetable.

The Parties agree that the Parties shall negotiate and finalise the details of the cooperation arrangement when entering into the formal cooperation agreement.

Exclusive Negotiation Right

Pursuant to the Cooperation LOI, within one year after the date of execution of the Cooperation LOI (the “**Exclusive Period**”), Million Wineries shall undertake that, before the expiry of the Exclusive Period, apart from the full effort in the cooperation work with Wan Leader Biotechnology, Million Wineries and relevant parties including its shareholders shall not negotiate any cooperation with any third party, except where prior disclosure is made to Wan Leader Biotechnology and approval is obtained from Wan Leader Biotechnology.

Information about Million Wineries

Million Wineries is a company incorporated in Hong Kong with limited liability, which is wholly owned by International Great Heroes Film Festival Limited, an independent third party. The ultimate beneficial owner of Million Wineries is Mr. Yan Jianguo.

Million Wineries is a company principally engaged in the business of liquor, collection, sales, trading, franchising, brand management, and organisation of conference activities. Million Wineries currently operates in China under the brand of “Million Wineries”, recruiting wine agents, brand positioning, establishing sales channels, and conducting sales and space management.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Million Wineries, International Great Heroes Film Festival Limited and its ultimate beneficial owner are third parties independent of the Company and its connected parties (as defined in the GEM Listing Rules).

Reasons of Entering into the Cooperation LOI

The Group is principally engaged in freight forwarding and related logistics services.

Due to the COVID-19 pandemic, airlines have drastically reduced their cargo networks and their cargo capacity in response to the weak demand, which has brought major challenges to the Group’s business, and its prospects are highly uncertain. The Group has therefore been reviewing its business and actively seeking potential investment opportunities to expand the Group’s existing business and diversify its business and income base, in order to maximise the overall interests of the Group and its shareholders.

Upon reviewing various feasible proposals, in considering the principal business of the Group is freight forwarding and related logistics services and wine delivery and storage both involve specific knowledge which are high-value logistic services, the Group believes that wine trading business is of the highest feasibility and can bring synergy to the existing businesses. Since the Hong Kong government has cancelled all import tariffs and administrative control measures on liquor in February 2008, Hong Kong has become a liquor trading and distribution hub to meet the growing demand in Asia. Meanwhile, in order to promote the import of wine into China via Hong Kong, the Hong Kong Customs and the General Administration of Customs of China signed the “Customs Facilitation Measures for Wine Entering the Mainland through Hong Kong” in 2010. According to relevant customs clearance tax facilitation measures, registered liquor companies are allowed to import liquors to designated ports in China in accordance with the strengthened customs clearance arrangements. The relevant arrangements include pre-assessment of liquors while they are still in Hong Kong and reduced time required for customs clearance at Chinese ports. Starting from November 2017, the customs clearance arrangement has been expanded from 5 customs areas to all 42 customs areas in China, which will further promote the re-export of alcoholic products to China.

In view of (i) the future prospects of the wine business; and (ii) the role of Hong Kong as a wine trading and distribution hub in the wine business, the Board believes that wine trading has promising prospects, and may provide an additional source of income for the Group. Taking into account the deep understanding of the wine industry of Million Wineries, the Board believes that the cooperation with Million Wineries helps the Group in deepening the understanding of the wine trading business, which enables the Group to further explore and expand new business areas, capture the growth potential of the wine trading business and possibly generate diversified income and additional cash flow, thereby enhancing the overall profitability of the Group's business.

The Board is of the view that the terms and conditions of the cooperation are fair and reasonable, on normal commercial terms, and in the interests of the Company and the shareholders as a whole.

Pursuant to the GEM Listing Rules, entering into the Cooperation LOI does not constitute a notifiable transaction of the Company.

The Board wishes to emphasise that the cooperation contemplated under the Cooperation LOI is subject to the execution of a definitive agreement by the Parties, therefore, it may or may not proceed. The Company will issue further announcements in relation to the possible cooperation in accordance with the GEM Listing Rules as appropriate. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 8 April 2021

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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