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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 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.*

## 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 2021 (the “**Review Period**”), together with the unaudited comparative figures for the nine months ended 31 December 2020 (the “**Previous Period**”), as follows:

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

FOR THE NINE MONTHS ENDED 31 DECEMBER 2021

		Three months ended 31 December		Nine months ended 31 December	
		2021	2020	2021	2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Notes		(unaudited)	(unaudited) (restated)	(unaudited)	(unaudited) (restated)
<b>Continuing operations</b>					
Revenue	4	238,756	98,066	548,186	241,504
Cost of services		(219,940)	(91,509)	(506,137)	(220,099)
<b>Gross profit</b>		<b>18,816</b>	6,557	<b>42,049</b>	21,405
Other income	6	171	10	343	1,066
Other gains and losses	6	(41)	(560)	975	(844)
Sales and marketing expenses		(2,172)	(993)	(6,023)	(2,821)
Administrative expenses		(4,867)	(5,954)	(15,578)	(17,233)
Impairment losses recognised on trade receivables, net		(1,375)	(114)	(2,479)	(38)
Impairment losses reversed on deposits and other receivables, net		212	–	132	–
Finance costs	6	(48)	(36)	(139)	(92)
<b>Profit (loss) before taxation</b>	6	<b>10,696</b>	(1,090)	<b>19,280</b>	1,443
Income tax expenses	5	(1,766)	(35)	(3,349)	(23)
Profit (loss) for the period from continuing operations		<b>8,930</b>	(1,125)	<b>15,931</b>	1,420
<b>Discontinued operation</b>					
Profit for the period from discontinued operation	7	–	482	–	2,899
Profit (loss) for the period		<b>8,930</b>	(643)	<b>15,931</b>	4,319

	Three months ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(restated)		(restated)
<b>Other comprehensive income (expenses) for the period</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange difference on translation of foreign operations	21	458	537	931
Release of exchange reserve upon disposal of subsidiaries	—	—	(909)	—
Other comprehensive income (expenses) for the period	21	458	(372)	931
<b>Total comprehensive income (expenses) for the period</b>	<b>8,951</b>	<b>(185)</b>	<b>15,559</b>	<b>5,250</b>
<b>Profit (loss) for the period attributable to:</b>				
Owners of the Company				
– from continuing operations	8,930	(934)	15,940	1,872
– from discontinued operation	—	482	—	2,899
	8,930	(452)	15,940	4,771
Non-controlling interest				
– from continuing operations	—	(191)	(9)	(452)
	8,930	(643)	15,931	4,319

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Notes</i>	(unaudited)	(unaudited) (restated)	(unaudited)	(unaudited) (restated)
<b>Total comprehensive income</b>				
<b>(expense) for the period</b>				
<b>attributable to:</b>				
Owners of the Company				
– from continuing operations	<b>8,951</b>	(476)	<b>15,617</b>	2,803
– from discontinued operation	<u>–</u>	<u>482</u>	<u>–</u>	<u>2,899</u>
	<b>8,951</b>	6	<b>15,617</b>	5,702
Non-controlling interest				
– from continuing operations	<u>–</u>	<u>(191)</u>	<u>(58)</u>	<u>(452)</u>
	<b>8,951</b>	(185)	<b>15,559</b>	5,250
<b>Earnings (loss) per share</b>	9			
From continuing and discontinued operations				
Basic and diluted (HK cents)	<u><b>1.06</b></u>	<u>(0.05)</u>	<u><b>1.90</b></u>	<u>0.57</u>
From continuing operations				
Basic and diluted (HK cents)	<u><b>1.06</b></u>	<u>(0.11)</u>	<u><b>1.90</b></u>	<u>0.22</u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Attributable to owners of the Company						Non-controlling interest	Total
	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		
At 1 April 2020 (audited)	8,400	49,429	14,118	1,091	(76)	(25,795)	269	47,436
Profit (loss) for the period	-	-	-	-	-	4,771	(452)	4,319
Exchange difference on translation of foreign operations	-	-	-	-	931	-	-	931
<b>Total comprehensive income (expenses) for the period</b>	-	-	-	-	931	4,771	(452)	5,250
At 31 December 2020 (unaudited)	8,400	49,429	14,118	1,091	855	(21,024)	(183)	52,686

	Attributable to owners of the Company						Non-controlling interest	Total
	Share capital HK\$'000	Share premium HK\$'000	Other reserve (Note (i)) HK\$'000	Merger reserve (Note (ii)) HK\$'000	Exchange reserve HK\$'000	Statutory reserve (Note (iii)) HK\$'000		
At 1 April 2021 (audited)	8,400	49,429	14,118	1,091	344	-	(400)	52,036
Profit (loss) for the period	-	-	-	-	-	-	(9)	15,931
Exchange difference on translation of foreign operations	-	-	-	-	586	-	(49)	537
Release of exchange reserve upon disposal of subsidiaries	-	-	-	-	(909)	-	-	(909)
<b>Total comprehensive (expenses) income for the period</b>	-	-	-	-	(323)	15,940	(58)	15,559
Derecognition of non-controlling interest upon disposal of a subsidiary	-	-	-	-	-	-	458	458
Transfer to statutory reserve	-	-	-	-	-	198	-	-
At 31 December 2021 (unaudited)	8,400	49,429	14,118	1,091	21	198	-	68,053

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.

- (iii) In accordance with relevant regulations of the People’s Republic of China (the “**PRC**”), one subsidiary of the Company is required to appropriate not less than 10% of its profits after tax to the respective statutory reserves, until the respective balances of the fund reach 50% of the respective registered capitals. Subject to certain restrictions as set out in the relevant PRC regulations, these statutory reserves may be used to offset against their respective accumulated losses, if any.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 31 December 2021*

## 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 entrusted management services for operating an online e-commerce platform.

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 2021 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 March 2021.

### 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 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16	Interest Rate Benchmark Reform – Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concession

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 revenue from freight forwarding and related logistics services and entrusted management service for operating an online e-commerce platform are 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 regularly review revenue and results analysis by (i) freight forwarding and related logistics services and (ii) entrusted management service for operating an online e-commerce platform during the Review Period. No analysis of segment assets and segment liabilities is presented as such information is not regularly provided to the CODM in current or prior period.

An operating segment regarding the warehousing and related value-added services was discontinued after the disposal of a subsidiary during year ended 31 March 2021. As such, no analysis of the remaining single operating segment is presented for the Previous Period.

An analysis of the Group's revenue from continuing operations for the Review Period is as follows:

	<b>Three months ended 31 December</b>		<b>Nine months ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>(restated)</b>		<b>(restated)</b>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>				
Freight forwarding and related logistics services				
– Air freight	<b>197,079</b>	93,693	<b>438,379</b>	228,905
– Sea freight	<b>39,770</b>	4,373	<b>107,260</b>	12,599
	<b>236,849</b>	98,066	<b>545,639</b>	241,504
Entrusted management services for operating an online e-commerce platform	<b>1,907</b>	–	<b>2,547</b>	–
Total	<b>238,756</b>	98,066	<b>548,186</b>	241,504

**For the nine months ended 31 December 2021**

	<b>Freight forwarding and related logistics services HK\$'000 (unaudited)</b>	<b>Entrusted management services for operating an online e-commerce platform HK\$'000 (unaudited)</b>	<b>Total HK\$'000 (unaudited)</b>
<b>Revenue</b>			
Segment revenue	<b>545,639</b>	<b>2,547</b>	<b>548,186</b>
<b>Result</b>			
Segment results	<b>23,184</b>	<b>2,071</b>	<b>25,255</b>
Central administrative expenses			<b>(5,975)</b>
<b>Profit before taxation</b>			<b>19,280</b>

During the Review Period and Previous Period, all performance obligations for freight forwarding and related logistics services and entrusted management services for operating an online e-commerce platform are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied/partially unsatisfied performance obligations as at 31 December 2021 and 31 December 2020 are not disclosed.

## Geographical information

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

*For the period ended 31 December 2021*

	<b>Freight forwarding and related logistics service HK\$'000 (unaudited)</b>	<b>Entrusted management services for operating an online e-commerce platform HK\$'000 (unaudited)</b>	<b>Total HK\$'000 (unaudited)</b>
Hong Kong (place of domicile)	533,572	–	533,572
The People's Republic of China (the "PRC")	5	2,547	2,552
Taiwan	12,062	–	12,062
Total	<u>545,639</u>	<u>2,547</u>	<u>548,186</u>

*For the period ended 31 December 2020*

	<b>Freight forwarding and related logistics service HK\$'000 (unaudited)</b>	<b>Total HK\$'000 (unaudited) (restated)</b>
Hong Kong (place of domicile)	171,889	171,889
The PRC	674	674
Taiwan	68,941	68,941
Total	<u>241,504</u>	<u>241,504</u>

## 5. INCOME TAX EXPENSES

	Three months ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(restated)		(restated)
<b>Continuing operations</b>				
The charge (credit) comprises:				
Current tax	1,960	48	3,758	98
Deferred tax	(194)	(13)	(409)	(75)
	<u>1,766</u>	<u>35</u>	<u>3,349</u>	<u>23</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 PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the nine months ended 31 December 2021 and 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%. No provision for the Taiwan Corporate Income Tax has been provided as there was no assessable profit arose for the period ended 31 December 2020.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “**BVI**”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

## 6. PROFIT (LOSS) BEFORE TAXATION

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

	Three months ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (restated)	(unaudited)	(unaudited) (restated)
<b>Continuing operations</b>				
Depreciation of property, plant and equipment	150	575	2,008	1,707
Expenses related to short-term leases	74	119	140	350
Exchange loss	41	560	384	944
Loss (gain) on disposal of/written off of property, plant and equipment	–	–	36	(100)
Gain on disposal of subsidiaries	–	–	(850)	–
Reversal of provision for reinstatement cost	–	–	(545)	–
Total other gains and losses	41	560	(975)	844
Interest income on bank deposits	(1)	(9)	(2)	(35)
Interest income on rental deposits	–	–	(16)	(4)
Government grants	–	–	–	(1,026)
Sundry income	(170)	(1)	(325)	(1)
Total other income	(171)	(10)	(343)	(1,066)
Interest expenses on lease liabilities	34	24	75	78
Interest expenses on bank borrowings	14	12	64	14
Total finance costs	<u>48</u>	<u>36</u>	<u>139</u>	<u>92</u>

## 7. PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATION

During the year ended 31 March 2021, the Group disposed of the entire equity interest of a subsidiary, Fu Yo Warehouse Logistics Company Limited (“Fu Yo”). Fu Yo was engaged in warehousing and related value-added service operation. Accordingly, the business of Fu Yo regarded as a discontinued operation.

Profit for the period from discontinued operation has been arrived at after charging/(crediting):

	Three months ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Discontinued operation</b>				
Depreciation of property, plant and equipment	–	2,024	–	6,071
Expenses related to short-term leases	–	124	–	374
Reversal of provision for compensation	–	(1,227)	–	(1,227)
Interest income on rental deposits	–	(17)	–	(47)
Government grants	–	–	–	(1,566)
Total other income	–	(17)	–	(1,613)
Gain on disposals of property, plant and equipment	–	–	–	(8)
Total other gains and losses	–	–	–	(8)
Interest expenses on lease liabilities	–	63	–	232
Interest expenses on bank borrowings	–	9	–	11
Total finance costs	<u>–</u>	<u>72</u>	<u>–</u>	<u>243</u>

## 8. DIVIDENDS

The Board does not recommend payment of interim dividend for the nine months ended 31 December 2021 (for the Previous Period: nil).

## 9. EARNINGS (LOSS) PER SHARE

### (a) Basic

*For continuing operations*

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

	Three months ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (restated)	(unaudited)	(unaudited) (restated)
Profit (loss) for the period attributable to owners of the Company	8,930	(452)	15,940	4,771
Less:				
Profit for the period from discontinued operation	—	482	—	2,899
Profit (loss) for the period attributable to owners of the Company for the purpose of calculating basic earnings (loss) per share from continuing operations	<u>8,930</u>	<u>(934)</u>	<u>15,940</u>	<u>1,872</u>
	Three months ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic earnings (loss) per share	<u>840,000,000</u>	<u>840,000,000</u>	<u>840,000,000</u>	<u>840,000,000</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 during the nine months ended 31 December 2020 and 2021.

#### For discontinued operation

Basic and diluted earnings per share for the discontinued operation is HK0.35 cents per share for the period ended 31 December 2020 (31 December 2021: N/A), based on the profit for the period ended 31 December 2020 attributable to owners of the Company from the discontinued operation of HK\$2,899,000 and the denominators detailed above for both basic and diluted earnings per share.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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. It also provides entrusted management services for operating an online e-commerce platform in the PRC. 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 entrusted management services for operating an online e-commerce platform.

Impacted by the COVID-19 in the period ended 31 December 2020 (“**Previous Period**”), the Group successfully achieved a positive results with a net profit of approximately HK\$4.3 million for the Previous Period. Despite the continuing weak economy in Hong Kong, the Group still recorded a dramatic increase in net profit to approximately HK\$15.9 million during the period ended 31 December 2021 (“**Review Period**”).

The management of the Group anticipates that the business from air freight forwarding and related logistics services will continue to grow in the upcoming months which is mainly driven by the services of consolidation and co-loading of air cargo space. The Group developed close connection with the suppliers in the past years and has stable supply of cargo space to facilitate consolidation and co-loading. The Group is well-positioned to collaborate with other suppliers to provide such services within prescribed timeframe. With the support of suppliers, the Group is able to deliver logistics services to a wider range of destinations in the long run.

The Group is cautiously positive to the future freight forwarding market in Hong Kong. With the introduction of vaccine and anti-COVID-19 pill, 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 are still in a rising trend. As such, the Group needs to retain more cash to settle the trade debts to suppliers. The businesses 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 prospects in Shenzhen and Taipei and adopted a more prudent approach by re-focusing its operation fully in Hong Kong. During the Review Period, 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.

Looking forwards, the Group has put an eye on expanding the existing cargo arrangements by entering into more block space agreements, or even formal agreements with the suppliers so as to secure cargo space in a more definite and cost-efficient way. This can help to cover a wider variety of cargo routes and boost the sales performance, and thus places the Group in a better position in the freight forwarding industry. The Group would continue to grasp the market potentials in penetrating into existing customers as well as enriching the customer portfolio in all dimensions and territories.

To broaden the revenue and expand the business, the Group entered into an entrusted management agreement (the “**Entrusted Management Agreement**”) with Guangdong Jiyueke Brand Management Co. Ltd\* on 1 September 2021. The agreement covers one year. It is expected that entering into the Entrusted Management Agreement will help the Group to gain practical knowledge on the operation of e-commerce platform and thereby reform its business model from a freight forwarder to a technology solution provider through innovation, cloud platforms, big data etc. By taking advantage of the Group’s professional skills, knowhow and experience in freight forwarding, this transaction can further help the Group to accumulate knowledge and understanding in relation to e-commerce by being participated in platform design, order processing and after-sales services that are closely interlinked and inseparable to such kind of business. It is hoped that the Group can ultimately provide one-stop technical consultancy services to other operators without a physical presence in the overseas markets.

Heading into the last quarter of financial year 2021-2022, the Group will continue to explore new elements to enrich its products offering through the online e-commerce platform which the Group is entrusted to operation. The Group makes a strategic step to introduce the potential sale of dental package cards. Details already set out in the announcement dated 20 January 2022.

\* *For identification purposes only*

## **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) entrusted management services for operating an online e-commerce platform.

Total revenue of the Group significantly increased by approximately 127.0% from approximately HK\$241.5 million for the Previous Period to approximately HK\$548.2 million for the Review Period.

Revenue generated from air freight forwarding and related logistics services for the Review Period amounted to approximately HK\$438.4 million (Previous Period: approximately HK\$228.9 million), accounting for approximately 80.0% of the Group's total revenue (Previous Period: approximately 94.8%). The revenue from this segment remained as the major source of the revenue of the Group. The Group further expanded its customer bases in Vietnam which brought the revenue of the Group to a higher level.

Revenue generated from sea freight forwarding and related logistics services for the Review Period amounted to approximately HK\$107.3 million (Previous Period: approximately HK\$12.6 million), accounting for approximately 19.6% of the Group's total revenue (Previous Period: approximately 5.2%). 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 due to more order received from customers in Vietnam.

Revenue generated from entrusted management services from operating an online e-commerce platform for the Review Period amounted to approximately HK\$2.5 million (Previous Period: nil), accounting for approximately 0.4% of the Group's total revenue (Previous Period: nil). This was a new business to the Group and the management expected that the market will be huge in the long run.

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

The Group's cost of services increased by approximately 129.9% from approximately HK\$220.1 million for the Previous Period to approximately HK\$506.1 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 the unit cost of direct booking charges from sea freight forwarding and related logistics services.

The Group's gross profit increased by approximately 96.3% from approximately HK\$21.4 million for the Previous Period to approximately HK\$42.0 million for the Review Period. Gross profit margin decreased from approximately 8.9% for the Previous Period to approximately 7.7% for the Review Period. Such decreases were mainly due to decrease in profit margin from air freight forwarding services to North America, Europe and East Asia.

## **Other income**

Other income mainly included bank interest income from bank deposits, other interest income from refundable rental deposits and sundry income.

The Group applied for the Employment Support Scheme launched by the Hong Kong Government during the Previous Period. No such grant has been received during the Review Period. As such, other income decreased.

## **Other gains and losses**

Other gains and losses included foreign exchange loss, (loss) gain on disposal of/write off of property, plant and equipment, gain on disposal of subsidiaries and reversal of provision for reinstatement cost. The Group recorded a net gain in other gains and losses during the Review Period, which was primarily attributable to the gain on disposal of subsidiaries.

### **Sales and marketing expenses**

Sales and marketing expenses mainly included cost of business development and soliciting new customers. The amount increased during the Review Period as service charge amounting to approximately HK\$3.6 million (Previous Period: approximately HK\$0.6 million) was paid/payable to a consultant whom assisted the Group to explore business in Vietnam and Taiwan.

### **Administrative expenses**

The Group's administrative expenses decreased slightly to approximately HK\$15.6 million for the Review Period from approximately HK\$17.2 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 staff cost of approximately HK\$1.6 million.

### **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 Review Period, an additional impairment loss of approximately HK\$2.5 million (Previous Period: approximately HK\$38,000) was recognised due to the increase in trade receivable balances and increase in the customer's past due ratio.

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

During the Review Period, ECL of approximately HK\$132,000 was reversed (Previous Period: nil) due to the significant decrease in other receivables.

### **Finance costs**

Finance costs for the Review Period represented interest expenses on leases liabilities and bank borrowings. Finance costs increased from approximately HK\$92,000 for the Previous Period to approximately HK\$139,000 for the Review Period, which caused by the increase in interest expenses on bank borrowings.

## **Income tax expenses**

The Group's income tax expenses primarily included provisions for Hong Kong Profits Tax, the PRC's Enterprise Income Tax, Taiwan Corporate Income Tax and deferred income tax expenses (credit). A profit before taxation of approximately HK\$19.3 million for the Review Period was recorded, an income tax expense of approximately HK\$3.3 million was incurred for the Review Period (Previous Period: approximately HK\$23,000).

## **Profit (loss) for the period from continuing operations**

The Group recorded a profit for the period from continuing operations of approximately HK\$15.9 million for the Review Period (Previous Period: approximately HK\$1.4 million). The profit was mainly due to the effects of (i) increase in the segment results from freight forwarding and related logistics services of approximately HK\$18.4 million; and (ii) the segment profit brought in by the entrusted management services for operating an online e-commerce platform of approximately HK\$2.1 million.

## **DIVIDEND**

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

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **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 2021 to 31 December 2021 (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 (i) A.2.1 of the CG Code which have already been resolved during the Review Period; and (ii) A.4.2 of the CG Code which have already been resolved with details set out in the circular and notice of extraordinary general meeting of the Company issued on 25 October 2021.

## **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. On 2 August 2021, the Board announced that Mr. Liao Daichun resigned as non-executive Director and was appointed as the chief executive officer with effect from 20 August 2021. As a result, Mr. Thomas Loy relinquished his role as the chief executive officer and remains as the chairman and an executive Director with effect from 20 August 2021. The Board considers that this change of structure will help to bring a balance of power and authority between the Directors and the management of the Company and thus results a better corporate governance.

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 BUSINESS**

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 2021, 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/ Chief Executive	Capacity/ Nature of interests	Interest in Shares	Approximate percentage of the Company's issued share capital
Mr. Thomas Loy	Interest in a controlled corporation ( <i>Note 1</i> )	126,652,000	15.08%
Mr. Liao Daichun (“ <b>Mr. Liao</b> ”)	Beneficial owner ( <i>Note 2</i> )	182,690,000	21.75%

(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 (Note 1)	1	100%

*Notes:*

1. Ho Tat is wholly and beneficially owned by Mr. Thomas Loy. By virtue of the SFO, Mr. Thomas Loy is deemed to be interested in all the shares held by Ho Tat.
2. Mr. Liao was appointed as a non-executive Director on 23 April 2021 and he resigned on 2 August 2021. Mr. Liao has been the Chief Executive Officer with effect from 20 August 2021.

Save as disclosed above and below under the heading "Directors' Rights to Acquire Shares or Debentures", at 31 December 2021, 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 2021, 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:

### Long Positions

Name	Capacity/ nature of interests	Number of shares held/ interested (Note 5)	Approximate percentage of shareholding
Ho Tat	Beneficial owner (Note 1)	126,652,000 (L)	15.08%
Mr. Thomas Loy	Interest in a controlled corporation, parties acting in concert (Note 1)	126,652,000 (L)	15.08%
Mr. HM Loy	Parties acting in concert (Note 1)	126,652,000 (L)	15.08%
Ms. Kong Sau Ming	Interest of spouse (Note 2)	126,652,000 (L)	15.08%
Ms. Siu Pui Sum	Interest of spouse (Note 3)	126,652,000 (L)	15.08%
Mr. Liao Daichun	Beneficial owner (Note 4)	182,690,000 (L)	21.75%
Ms. Zhao Rongjing	Interest of spouse (Note 5)	182,690,000 (L)	21.75%
Mr. Luo Honghui	Beneficial owner, interest in a controlled corporation (Note 6)	90,160,000 (L)	10.73%
Zhongyuehui (Shenzhen) Holdings Group Limited	Beneficial owner	75,990,000 (L)	9.05%

*Notes:*

1. Ho Tat is wholly and beneficially owned by Mr. Thomas Loy. By virtue of the SFO, Mr. Thomas Loy is deemed to be interested in all the shares held by Ho Tat. Mr. Thomas Loy and Mr. HM Loy are parties acting in concert pursuant to and subject to the terms and conditions of the Acting in Concert Confirmation upon (as defined in the prospectus of the Company dated 24 August 2018) 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. Mr. Liao Daichun was appointed as a non-executive Director on 23 April 2021 and he resigned on 2 August 2021. Mr. Liao has been the Chief Executive Officer with effect from 20 August 2021.
5. Ms. Zhao Rongjing is the spouse of Mr. Liao Daichun, and is deemed to be interested in the shares which are interested by Mr. Liao Daichun under the SFO.
6. Mr. Luo Honghui (“**Mr. Luo**”) is personally interested in 14,170,000 Shares. Zhongyuehui (Shenzhen) Holdings Group Limited (a company 95% controlled by Mr. Luo) is interested in 75,990,000 Shares. Accordingly, Mr. Luo is deemed to be interested in 75,990,000 Shares owned by Zhongyuehui (Shenzhen) Holdings Group Limited by virtue of Part XV of the SFO.
7. The letter “L” denotes long position in the Shares.

Save as disclosed above, at 31 December 2021, 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 2021 and at the date of this announcement.

## CHANGE IN DIRECTORS' INFORMATION

Mr. Lo Wing Sang, a non-executive Director up to 31 August 2021, 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 up to 30 September 2021, 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 (“**Mr. Ho**”), an independent non-executive Director, retired as independent non-executive director of Wuxi Sunlit Science and Technology Company Limited\* (stock code: 1289) with effect from 18 June 2021. Mr. Ho was appointed as the company secretary and authorised representative of Neo-Neon Holdings Limited (stock code: 1868) on 11 November 2021.

Mr. Yan Ximao, an executive Director, was appointed as a non-executive director of Goldway Education Group Limited (stock code: 8160) on 4 November 2021.

\* *For identification purposes only*

## 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. Ho Yuk Ming Hugo, Mr. Chow Chi Wing and Mr. Liao Dongqiang. Mr. Ho Yuk Ming Hugo 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 and Executive Director*

Hong Kong, 11 February 2022

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Loy Hak Yu Thomas, Mr. Zhang Pangfei, Ms. Wu Yushan and Mr. Yan Ximao; and four independent non-executive Directors, namely, Mr. Ho Yuk Ming Hugo, Mr. Chow Chi Wing, Mr. Liao Dongqiang and Mr. Zhang Quanhui.*

*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).*