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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)

CHANGE IN USE OF PROCEEDS FROM THE LISTING

Reference is made to the prospectus of Wan Leader International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 24 August 2018 relating to the listing (the “**Listing**”) of the Company’s shares on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 5 September 2018 and the 2018-2019 annual report of the Company for the year ended 31 March 2019 (the “**Annual Report**”) in relation to the use of proceeds from the Listing.

PLANNED USE OF PROCEEDS

The total net proceeds (the “**Net Proceeds**”) from the Listing (after deducting the underwriting fees and other Listing expenses) amounted to approximately HK\$40.0 million. As disclosed in the Prospectus, the Net Proceeds would be applied to (i) expand our warehouses, (ii) attract and retain talented and experienced personnel, (iii) develop our trucking fleet, (iv) further enhance our information technology systems and (v) be used as general working capital. As at 31 July 2019, according to the unaudited management accounts of the Group, the Group had used approximately HK\$3.9 million, representing approximately 9.75% of the Net Proceeds, and the remaining balance of the Net Proceeds was approximately HK\$36.1 million.

CHANGE IN USE OF PROCEEDS

Having carefully considered the current business environment and development needs of the Group, the board (the “**Board**”) of directors (the “**Directors**”) of the Company has reviewed the utilisation of the Net Proceeds and resolved not to implement the plan of developing our own trucking fleet.

As disclosed in the Annual Report, the recent global political unstableness has greatly influenced the export market and consumer sentiment, the Directors consider that the Group should maintain an operation model with higher flexibility in this business environment, such that the Group would be able to adopt to any sudden changes in the market more effectively. The Directors consider that continuing to engage contractors to provide trucking services, rather than developing our own trucking fleet, would reduce the Group's asset investments and headcount and provide greater operational flexibility to the Group. Moreover, we have engaged an additional contractor to provide delivery service to the Group earlier this year and have since then improved the stability of our delivery service, lowered our reliance over our original contractors and strengthened our quality control over our delivery service; as such, the Directors consider that some of the objectives of our original plan to develop our own trucking fleet may nevertheless be achievable. In view of the above, the Board is of the view that the Group does not have any urgent need to implement the plan of developing our own trucking fleet.

According to the originally planned use of the Net Proceeds, a sum of approximately HK\$17,190,000 would be utilised in relation to developing the trucking fleet, including (i) the development of the proposed trucking fleet (approximately HK\$8,075,000), (ii) the attracting and retaining of the talented and experienced personnel related to the proposed trucking fleet (approximately HK\$8,573,000) and (iii) the enhancement of information technology systems for the proposed trucking fleet (approximately HK\$542,000). As such, in order to utilise the remaining balance of the Net Proceeds in a more effective way, the Board has also resolved to change the use of the said sum to general working capital.

Particularly, the unutilised Net Proceeds will be applied as follows:

	Planned use of the Net Proceeds as stated in the Prospectus (approximately) HK\$ '000	Actual use of the Net Proceeds up to 31 July 2019 (approximately) HK\$ '000	Unutilised Net Proceeds as at 31 July 2019 (approximately) HK\$ '000	Changed use of the unutilised Net Proceeds (approximately) HK\$ '000
Further expanding the warehouses in Hong Kong	13,511	–	13,511	13,511
Attracting and retaining talented and experienced personnel	14,727	858	13,869	5,296
Developing the trucking fleet	8,075	–	8,075	–
Further enhancing the information technology systems	2,442	1,799	643	101
Working capital	1,258	1,258	–	17,190
	40,013	3,915	36,098	36,098

THE BOARD'S VIEWS

The Board considers that the change in the use of the Net Proceeds is fair and reasonable, which allows the Group to meet its financial needs more efficiently and flexibly. The Board is of the view that the change in use of the Net Proceeds is in line with the business strategy of the Group and will not materially adversely affect the operation and business of the Group and is in the best interest of the Company and the Shareholders as a whole.

The Directors will continuously assess the plans for the use of the Net Proceeds as set out in the Prospectus, the Annual Report and above, and may revise or amend such plans where necessary, to cope with the changing market conditions and strive for better business performance for the Group.

The Board confirms that, save as disclosed in this announcement, there are no other changes to the use of Net Proceeds.

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

Hong Kong, 23 August 2019

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

This announcement, for which the Directors 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 of Hong Kong Limited 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.

This announcement will remain on the GEM website of the Stock Exchange at <http://www.hkgem.com> and the "Latest Company Announcement" page of 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.