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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)

DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTION

ENTRUSTED MANAGEMENT AGREEMENT

The Board announces that on 1 September 2021 (after trading hours), the Entrusted Company entered into the Entrusted Management Agreement with Zhongshan Wan Leader, pursuant to which Zhongshan Wan Leader agreed to provide management services to the Entrusted Company for a term of one year commencing from 1 September 2021 to 31 August 2022.

IMPLICATION ON THE GEM LISTING RULES

Zhongshan Wan Leader is a wholly-owned subsidiary of the Company as at the date of this announcement. Since Mr. Liao Daichun is the chief executive officer and a substantial shareholder of the Company and is a legal representative, a director and a shareholder of the Entrusted Company with 51% equity interest, the Entrusted Company is a connected person of the Company. Accordingly, the Entrusted Management Agreement and the transaction contemplated thereunder constitute continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the transaction contemplated is more than 5% but is less than 25% and the Entrusted Management Fee is HK\$8,160,000 which is less than HK\$10,000,000, such transaction contemplated constitutes (i) discloseable transaction of the Company subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules; and (ii) continuing connected transaction of the Company and is subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirements pursuant to Rule 20.74(2) of the GEM Listing Rules.

INTRODUCTION

On 1 September 2021, the Entrusted Company entered into the Entrusted Management Agreement with Zhongshan Wan Leader, a wholly owned subsidiary of the Company pursuant to which Zhongshan Wan Leader agreed to provide management services to the Entrusted Company for a term of one year from 1 September 2021 to 31 August 2022.

ENTRUSTED MANAGEMENT AGREEMENT

Date:

1 September 2021

Parties:

1. the Entrusted Company; and
2. Zhongshan Wan Leader

Scope of Services:

Pursuant to the Entrusted Management Agreement, Zhongshan Wan Leader agrees to provide management services to the Entrusted Company and act as the manager of the Entrusted Company for operating an online e-commerce platform for one year ending on 31 August 2022:

1. providing guidance and management of the personnel allocation towards the existing management team of the Entrusted Company, including management of the personnel structure, position setting and personnel allocation;

2. providing compliance guidance and management to the Entrusted Company, so that the any business to be developed and operation of the Entrusted Company is in compliance with the applicable local laws and regulation;
3. providing management and support towards the overseas business of the Entrusted Company, including but not limited to overseas logistics deployment, overseas business operational supervision and operational management etc, so that the Entrusted Company can successfully develop its overseas business;
4. providing training on management and skills to the Entrusted Company's senior management and other employees in need; and
5. providing other necessary management services which assists the business development and operation of the Entrusted Company.

Zhongshan Wan Leader shall set up a management team to conduct the above work scope of which the Entrusted Company shall implement and cooperate.

In the event that Zhongshan Wan Leader intends to continue its management service with the Entrusted Company upon the expiry of the Entrusted Management Agreement, the Entrusted Company shall engage Zhongshan Wan Leader over others under the same conditions and shall renew this Entrusted Management Agreement.

Management Fees:

The aggregate management fees under the Entrusted Management Agreement (the “**Entrusted Management Fee**”) are calculated on an annual basis, which shall consist of HK\$8,160,000 by way of 12 monthly instalments as the annual management service fee (the “**Fixed Management Service Fee**”) for one year ending on 31 August 2022. Such Fixed Management Service Fee is determined based on the estimated potential business to be achieved by Zhongshan Wan Leader in the coming months.

In case the Entrusted Company decides to pay the Fixed Management Service Fee in full instead of monthly instalments, Fixed Management Service Fee shall be reduced by five percent to HK\$7,752,000.

The Entrusted Management Fees are determined after arm's length negotiation and in the ordinary usual course of business between the Entrusted Company and Zhongshan Wan Leader with reference to potential business turnover to be generated by the Entrusted Company and the high level and professional guidance and supervision by the senior management of Zhongshan Wan Leader to enhance the business operation and administration of the Entrusted Company in particular the development of its overseas business.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ENTRUSTED MANAGEMENT AGREEMENT

As the Entrusted Company continues to grow its business, the pressure on its management and personnels to look for overseas markets is on the rise. In view of the extensive experience and expertise of the management of the Group who is familiar with the nature of the international freight forwarding and related logistics services and has in-depth know-how about the tariffs for different cargo across different countries based on various free trade agreements, these invaluable experience are considered by the Entrusted Company to be essential factors to the success of an online e-commerce platform which targets overseas business.

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 logistics forwarder to a technology solution provider through innovation, cloud platforms, big data etc. By taking advantage of our professional skills, knowhow and experience in logistics, this transaction contemplated 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.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the Entrusted Management Agreement are normal commercial terms and this transaction contemplated thereunder is fair and reasonable, and is in the interest of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP, ZHONGSHAN WAN LEADER AND THE ENTRUSTED COMPANY

The Group provides logistics services in and to customers located in Hong Kong, the PRC, Taiwan and Vietnam, with the cargo destinations covering the United States of America, Europe, Asia and other regions. The services provided by the Group as at the date of this announcement mainly include 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.

Zhongshan Wan Leader is a wholly owned subsidiary of the Company which is newly set up in May 2021 for the purpose of providing management services.

The Entrusted Company is principally engaged in operating its self-owned e-commerce platform through which manufacturers can build their own brands. As of the date of this announcement, the Entrusted Company has business relationships with over 200 enterprises.

IMPLICATION ON THE GEM LISTING RULES

Zhongshan Wan Leader is a wholly-owned subsidiary of the Company as at the date of this announcement. Since Mr. Liao Daichun is the chief executive officer and a substantial shareholder of the Company and is a legal representative, a director and a shareholder of the Entrusted Company with 51% equity interest, the Entrusted Company is a connected person of the Company. Accordingly, the Entrusted Management Agreement and the transaction contemplated thereunder constitute continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the transaction contemplated is more than 5% but is less than 25% and the Entrusted Management Fee is HK\$8,160,000 which is less than HK\$10,000,000, such transaction contemplated constitutes (i) discloseable transaction of the Company subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules; and (ii) continuing connected transaction of the Company subject to the reporting and announcement requirements but exempt from independent Shareholders' approval pursuant to Rule 20.74(2) of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Director
“Business Day(s)”	means a day (other than a Saturday, Sunday or public holiday or days on which a typhoon signal No. 8 or above or black rainstorm warning is hosted or announcement on extreme conditions is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed bank are generally open for general banking business in Hong Kong throughout their normal business hours
“Company”	Wan Leader International Limited (萬勵達國際有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM of the Stock Exchange (Stock Code: 8482)
“connected person(s)”	the meaning ascribed to it in the GEM Listing Rules
“Directors”	the directors of the Company
“Entrusted Company”	Guangdong Jiyueke Brand Management Co., Ltd.* (廣東集約客品牌管理有限公司), a company incorporated in the PRC of which Mr. Liao Daichun is a legal representative, a director and a shareholder
“Entrusted Management Agreement”	the entrusted management agreement dated 1 September 2021 between the Entrusted Company and Zhongshan Wan Leader in respect of the provision of the management services to the Entrusted Company by Zhongshan Wan Leader for a term of one year ending 31 August 2022
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“PRC”	the People’s Republic of China, other than the regions of Hong Kong, Macau and Taiwan
“Share(s)”	ordinary shares with a nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhongshan Wan Leader”	Zhongshan Wan Leader Enterprise Management Co., Ltd.* (中山萬勵達企業管理有限公司), a company incorporated in the PRC and is a wholly-owned subsidiary of the Company

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

Hong Kong, 1 September 2021

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. Chow Ming Po Aaron, Mr. Ho Yuk Ming Hugo, Mr. Chow Chi Wing and Mr. Liao Dongqiang.

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.

* For identification purposes only