

Wine's Link International Holdings Limited

威揚酒業國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8509)

ANNOUNCEMENT OF THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2021

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This announcement, for which the directors (the "Directors") of Wine's Link International Holdings 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 purposes 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.

The board of Directors (the “Board”) hereby presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the nine months ended 31 December 2021 (the “Period”), together with the comparative unaudited figures for the corresponding period in 2020, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 DECEMBER 2021

		Three months ended 31 December		Nine months ended 31 December	
	NOTES	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	4	72,424	90,165	181,166	204,341
Cost of sales		(52,265)	(63,426)	(136,509)	(154,999)
Gross profit		20,159	26,739	44,657	49,342
Other income	5	103	797	3,313	2,567
Other gains and losses, net	5	475	(2,044)	(12)	(3,492)
Selling and distribution expenses		(5,244)	(4,061)	(13,563)	(11,547)
Administrative expenses		(4,255)	(4,810)	(15,922)	(11,881)
Finance costs	6	(445)	(1,304)	(1,855)	(4,204)
Profit before tax	7	10,793	15,317	16,618	20,785
Income tax expense	8	(1,912)	(2,875)	(4,526)	(3,867)
Total comprehensive income for the period		8,881	12,442	12,092	16,918
Profit and total comprehensive income for the period attributable to					
– Owners of the Company		9,054	12,596	12,588	17,118
– Non-controlling interests		(173)	(154)	(496)	(200)
		8,881	12,442	12,092	16,918
Earnings per share		HK2.26		HK3.14	
– Basic and diluted	9	cents	HK3.15 cents	cents	HK4.28 cents

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 DECEMBER 2021

	Attributable to owners of the Company				Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 <i>(Note)</i>	Accumulated profits HK\$'000			
At 1 April 2021 (audited)	4,000	76,298	27,458	119,017	226,773	(402)	226,371
Profit and total comprehensive income for the Period (unaudited)	-	-	-	12,588	12,588	(496)	12,092
At 31 December 2021 (unaudited)	4,000	76,298	27,458	131,605	239,361	(898)	238,463
At 1 April 2020 (audited)	4,000	76,298	27,458	91,412	199,168	(14)	199,154
Profit and total comprehensive income for the Period (unaudited)	-	-	-	17,118	17,118	(200)	16,918
At 31 December 2020 (unaudited)	4,000	76,298	27,458	108,530	216,286	(214)	216,072

Note:

Other reserve represents the balance of HK\$7,458,000 in relation to the shareholder's contribution in relation to derivative financial instruments entered between Mr. Ting Chi Wai Roy ("Mr. Roy Ting"), one of the beneficiary owners of the Company, and the Group during the year ended 31 March 2016 and the effect of reorganisation of HK\$20,000,000 during the year ended 31 March 2016.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 DECEMBER 2021

1. GENERAL

The Company was incorporated in Cayman Islands and registered as an exempted company with limited liability under the Cayman Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 22 September 2016 and the shares of the Company (the “Shares”) have been listed on GEM of the Stock Exchange. The address of the Company’s registered office and the principal place of business are PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and 26th Floor, AIA Financial Centre, 712 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong respectively.

The controlling shareholders of the Company are Shirz Limited, a limited company incorporated in the British Virgin Islands (the “BVI”) which holds 70% equity interests in the Company and wholly owned by Ms. Wong Chi Lou Shirley (“Ms. Shirley Wong”).

The Company is an investment holding company. Wine’s Link Limited (“Wine’s Link”), being its major operating subsidiary, is primarily engaged in the wholesale and retail of a wide spectrum of wine products and other alcoholic beverages in Hong Kong.

The unaudited condensed consolidated financial statements for the Period are presented in Hong Kong dollar (“HK\$”) which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2021 have been prepared in accordance with the applicable of Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements for the nine months ended 31 December 2021 are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2021, except for the adoption of the following revised HKFRSs for the first time for the current period's financial information.

Amendment to HKFRS 16 *Covid-19-Related Rent Concessions beyond
30 June 2021 (early adopted)*

The nature and impact of the revised HKFRSs are described below:

Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective and shall be applied retrospectively for annual periods beginning on or after 1 April 2021 with earlier application permitted. The Group early adopted the amendment from the accounting period beginning on 1 April 2020 and the amendment did not have any impact on the financial position and performance of the Group during the period as the Group did not get any rent concessions as a result of the covid-19 pandemic.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable for goods sold by the Group to outside customers, less discount. The Group's operations are solely derived from sale and distribution of wine products, other alcoholic beverages and wine accessory products in Hong Kong. For the purposes of resources allocation and performance assessment, the chief executive of the Group reviews the overall results and financial position of the Group as a whole prepared in accordance with accounting policies which conform to HKFRSs. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Revenue from major products

	Three months ended 31 December		Nine months ended 31 December	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Wine products	68,544	78,483	170,947	183,745
Other alcoholic beverages	3,766	11,580	9,287	20,337
Wine accessory products	114	102	932	259
	72,424	90,165	181,166	204,341

Geographical information

No geographical segment information is presented as the Group's revenue are all derived from Hong Kong based on the location of goods delivered and the Group's property and equipment are all located in Hong Kong by physical location of assets.

Information about major customers

No individual customer was accounted for over 10% of the Group's total revenue during both the Period and the nine months ended 31 December 2020.

5. OTHER INCOME/OTHER GAINS AND LOSSES, NET

Other income

	Three months ended 31 December		Nine months ended 31 December	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Bank interest income	1	1	11	1
Others	102	796	3,302	2,566
	103	797	3,313	2,567

Other gains and losses, net

	Three months ended 31 December		Nine months ended 31 December	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Net loss on disposals of property and equipment	–	–	(22)	–
Net exchange gains/(losses)	475	(2,044)	10	(3,492)
	475	(2,044)	(12)	(3,492)

6. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
The finance costs represent interest on:				
– bank borrowings	363	1,239	1,649	3,937
– lease liabilities	82	65	206	267
	445	1,304	1,855	4,204

7. PROFIT BEFORE TAXATION

	Three months ended 31 December		Nine months ended 31 December	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Profit before taxation has been arrived at after charging:				
Cost of inventories recognised as an expense	52,265	63,426	136,509	154,999
Depreciation of property and equipment	1,465	451	2,295	1,380
Depreciation of right-of-use assets	2,652	1,277	3,828	3,875
Directors' remuneration	345	318	981	954
Other staff costs				
Salaries and other benefits	3,029	3,129	9,449	8,710
Retirement benefits scheme contributions	139	132	407	373
Total staff costs	3,513	3,579	10,837	10,037

8. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Hong Kong Profits Tax:				
– Current tax	2,123	2,929	3,830	3,969
– Under provision in prior years	–	–	955	–
Deferred tax credit	(211)	(54)	(259)	(102)
	1,912	2,875	4,526	3,867

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 for the qualifying group entity. The profits of the group entities not qualifying for the two-tiered profits tax regime will be taxed of a flat rate of 16.5%.

9. EARNINGS PER SHARE

The calculation of the basic earnings 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 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Earnings:				
Profit for the period attributable to the owners of the Company for the purposes of basic earnings per share	9,054	12,596	12,588	17,118

	Three months ended 31 December		Nine months ended 31 December	
	2021 '000 (Unaudited)	2020 '000 (Unaudited)	2021 '000 (Unaudited)	2020 '000 (Unaudited)
Number of shares:				
Number of ordinary shares for the purpose of basic earnings per share	400,000	400,000	400,000	400,000

No diluted earnings per share for the Period and the nine months ended 31 December 2020 was presented as there were no potential ordinary shares in issue during these periods.

10. DIVIDEND

No dividend was paid, declared or proposed for shareholders of the Company during the Period. The Board does not recommend the payment of any dividend for the Period (nine months ended 31 December 2020: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The business of the Group primarily involves the wholesale and retail of a wide spectrum of wine products and other alcoholic beverages in Hong Kong with a focus on premium collectible red wine, i.e. red wine with selling prices at or above HK\$1,000 per bottle (the “Premium Collectible Red Wine”). The Group has a comprehensive product portfolio consisting of (i) wine products such as Premium Collectible Red Wine, fine red wine and white wine; (ii) other alcoholic beverages such as champagne, whisky and sake; and (iii) wine accessory products such as wine decanters, wine glasses and wine openers, for customers’ selection.

The wine industry in Hong Kong has seen an increasing trend, driven by the expansion of off-trade distribution channels such as grocery stores and convenience stores, allowing low to medium priced wine products to increasingly penetrate the market. The rising interest of general customers in wine, resulting from the proven health benefits and high affordability of wine products, is expected to benefit the wine industry and the Group. The Group is enriching its product portfolio with wineries to offer more selection to the market, especially from French regions. The Group aims to continue strengthening the leading position in the wine industry, and at the same time, look for expansion opportunities to penetrate into other markets and increase the Group’s market share in different countries worldwide.

To reinforce the advantages of the Group and develop sustainability for its business, the Group is also strengthening its warehouse storage capability and the operation efficiency, including through leasing new warehouses in Hong Kong and acquiring a professional warehouse management system, which is designed specifically for warehouses operation in the wine industry. The Group has been closely monitoring the development of the COVID-19 outbreak and will take a prudent approach and adjust its business strategies to face the challenges when appropriate. The Group will also continue to evaluate the impact of the COVID-19 outbreak on its financial position and operating results from time to time. In view of the above measures, the Board believes that the Group is equipped to capture the opportunity arising from the increasing trend in the wine industry.

Financial Review

Revenue

Revenue of the Group decreased by approximately 11.4% from approximately HK\$204.3 million for the nine months ended 31 December 2020 to approximately HK\$181.2 million for the Period. The decrease was primarily caused by the decrease in demand for our products as request of the outbreak of the COVID-19 pandemic (the “COVID-19 Outbreak”).

Cost of Sales

The Group’s cost of sales consists of the procurement of wine products and other alcoholic beverages from the suppliers. The Group recognise cost of sales upon the conclusion of a sales transaction. The cost of sales decreased by approximately 11.9% from approximately HK\$155.0 million for the nine months ended 31 December 2020 to approximately HK\$136.5 million for the Period. The decrease in cost of sales was directly correlated with the decrease in revenue for the Period.

Gross Profit and Gross Profit Margin

The gross profit represents revenue less cost of sales. For the Period, the gross profit of the Group decreased by approximately 9.5% from approximately HK\$49.3 million for the nine months ended 31 December 2020 to approximately HK\$44.7 million.

The overall gross profit margin amounted to approximately 24.6% and approximately 24.1% for the nine months ended 31 December 2021 and 2020, respectively. The overall gross profit margin remained stable.

Other Income

Other income of the Group consisted primarily of (i) bank interest generated from the bank balances and (ii) sundry income. Other income increased from HK\$2.6 million for the nine months ended 31 December 2020 to approximately HK\$3.3 million for the Period, which was mainly contributed by the income derved from provision of services.

Other Gains and Losses, Net

The Group recorded net losses of approximately HK\$12,000 and approximately HK\$3.5 million for the nine months ended 31 December 2021 and 2020, respectively. The net gains or losses mainly consisted of the net exchange gains and losses arising from the foreign currency fluctuations in respect of the foreign currency denominated trust receipt loans for the settlement of wine product purchased from the overseas suppliers.

Selling and Distribution Expenses

Selling and distribution expenses of the Group increased from approximately HK\$11.5 million for the nine months ended 31 December 2020 to approximately HK\$13.6 million for the Period. The increase was primarily attributable to (i) a decrease in rent and rates in connection with the rental concession granted by the landlords of the retail stores in light of the COVID-19 Outbreak during the nine months ended 31 December 2020 and (ii) an increase in depreciation of retail stores.

Administrative Expenses

Administrative expenses of the Group increased from approximately HK\$11.9 million for the nine months ended 31 December 2020 to approximately HK\$15.9 million for the Period. This increase was primarily attributable to an increase in legal and professional fees.

Finance Costs

Finance costs decreased from approximately HK\$4.2 million for the nine months ended 31 December 2020 to approximately HK\$1.9 million for the Period. This decrease was primarily attributable to the decrease in the trust receipt loans made for the Period.

Profit and Total Comprehensive Income for the Period

For the reasons mentioned above, profit and total comprehensive income attributable to the owners of the Company for the Period amounted to approximately HK\$12.6 million (2020: approximately HK\$17.1 million).

Dividend

The Board does not recommend the payment of an interim dividend to the shareholders of the Company for the Period (2020: nil).

Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies

During the Period and up to the date of this announcement, the Group did not have any acquisition or disposals of subsidiaries, associates or joint ventures.

Future Prospects

The Shares were successfully listed on GEM on 12 January 2018. The Board considers that such public listing status on the Stock Exchange is beneficial to the Company and the shareholders of the Company as a whole as the listing status on the Stock Exchange is a complementary way of advertising the Group which reinforces the corporate profile and market recognition. In addition, the creditworthiness will be enhanced from the suppliers' perspective, which may in turn allow the Group to have greater bargaining power over negotiations to bargain for longer trade and credit terms. It also enables the Group to gain direct access to the capital market to raise funds for future expansion.

During the Period, the Group has made steady progress in refining and expanding its business, putting more emphasis on increasing storage capacity for its products, diversifying and creating new sales channels and expanding its business geographically. Apart from leasing a warehouse in Kwai Chung, on 17 December 2021, the Group has completed the acquisition of a property in Kwun Tong as its self-owned warehouse with an aim to increase storage of its products. Furthermore, taking into account the continuing growth potential of e-commerce in recent periods and to diversify the Group's income streams as well as achieve a synergy effect with its existing businesses, the Group also (i) successfully implemented its e-commerce platform; and (ii) developed and launched an online auction platform in order to further enhance sales of the Group's fine and luxury wine (i.e. red wine with selling prices at or above HK\$10,000 per bottle). These new sales channels may ultimately enhance the financial performance of the Group. During the Period, the Group has also expanded its business geographically by setting up an office in Shanghai, the People's Republic of China, to promote its products and expand its sales network through various marketing and sales activities including wine dinners, master classes, wine trips and excursions. The Group believes that the aforesaid developments will optimise the business portfolio of the Group and bolster a sustainable and healthy performance of the Group in the long run.

OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Specified Undertaking of the Company or any Other Associated Corporations

As at 31 December 2021, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of Director	Nature of interest	Number of Shares held⁽¹⁾	Percentage of shareholding in the Company's issued share capital⁽³⁾
Ms. Shirley Wong ⁽²⁾	Interest in controlled corporation/ Interest of spouse	280,000,000 (L)	70%

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) Ms. Shirley Wong is the sole shareholder of Shirz Limited and she is therefore deemed to be interested in the Shares held by Shirz Limited.
- (3) The approximate percentage were calculated based on 400,000,000 Shares in issue as at 31 December 2021.

Save as disclosed above, as at 31 December 2021, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Specified Undertaking of the Company or any Other Associated Corporations

So far as the Directors are aware, as at 31 December 2021, the following persons (not being Directors or chief executive of the Company) has an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholders	Nature of interests	Number of Shares held⁽¹⁾	Percentage of shareholding in the Company's issued share capital⁽³⁾
Shirz Limited	Beneficial owner	280,000,000 (L)	70%
Mr. Roy Ting ⁽²⁾	Interest of spouse	280,000,000 (L)	70%

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) Mr. Roy Ting is the spouse of Ms. Shirley Wong and is therefore deemed to be interested in all the Shares that Ms. Shirley Wong is interested in pursuant to the SFO.
- (3) The approximate percentage were calculated based on 400,000,000 Shares in issue as at 31 December 2021.

Save as disclosed above, as at 31 December 2021, the Directors were not aware of any other persons (not being Directors or chief executive of the Company) who had, or deemed to have, any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO.

Loan Agreement with Covenant Relating to Specific Performance of the Controlling Shareholders

On 10 March 2021, Wine's Link Limited ("Wine's Link"), a wholly-owned subsidiary of the Company, as borrower; Hang Seng Bank Limited ("Lender A"), as lender; and the Company as guarantor, entered into a banking facility letter (the "Facility Letter A"). This Facility Letter A comprises a revolving loan facility, a credit facility and a corporate credit card, with a maximum facility of HK\$50,000,000, HK\$30,000,000 and HK\$100,000, respectively, which are agreed to be made available by the Lender A to Wine's Link on the terms and conditions contained therein and subject to, among others, review by the Lender A at any time and the Lender A's overriding right of repayment on demand, including the right to call for cash cover on demand for prospective and contingent liabilities.

Pursuant to the Facility Letter A, the Company shall procure Ms. Shirley Wong and Mr. Roy Ting to continue to be the single largest shareholder and jointly hold not less than 50% beneficial interest of the Company.

As at the date of this announcement, Ms. Shirley Wong and Mr. Roy Ting, by virtual of their spousal relationship, together hold 70% interest of the Company.

Please refer to the announcement of the Company dated 12 March 2021 for more details.

On 26 November 2021, Wine's Link, as borrower; Chong Hing Bank Limited ("Lender B"), as lender; and the Company as guarantor, entered into a banking facility letter (the "Facility Letter B") to renew the banking facilities granted by the Lender B on 12 March 2021. This Facility Letter B is comprising of a trade facility, a term loan and an overdraft facility, with a maximum facility of HK\$48,000,000, HK\$20,000,000 and HK\$3,000,000, respectively, which are agreed to be made available by Lender B to Wine's Link on the terms and conditions contained therein and subject to, among others, review by the Lender B from time to time and the Lender B's overriding right of repayment on demand.

Pursuant to Facility Letter B, the Company shall procure Mr. Shirley Wong and Mr. Roy Ting, the controlling shareholders of the Company continue to be the single largest shareholder and jointly hold not less than 50% beneficial interest of the Company.

As at the date of this announcement, Ms. Shirley Wong and Mr. Roy Ting, by virtual of their spousal relationship, together hold 70% interest of the Company.

Please refer to the announcement of the Company dated 26 November 2021 for more details.

Share Option Scheme

The Company's share option scheme (the "Share Option Scheme") was adopted by the Company on 18 December 2017. The terms of the Share Option Scheme are in accordance with the provisions of chapter 23 of the GEM Listing Rules.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption and there are no outstanding share option at the end of the Period.

Purchase, Sale or Redemption of Listed Securities of the Company

During the Period and up to the date of this announcement, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any listed securities of the Company.

Directors' Interests in Competing Business

During the Period and up to the date of this announcement, none of the Directors or their respective associates had any interest apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group and which requires disclosure pursuant to Rule 11.04 of the GEM Listing Rules.

Deed of Non-competition

A deed of non-competition dated 18 December 2017 (the "Deed of Non-competition") was entered into by Ms. Shirley Wong, Mr. Roy Ting, Shirz Limited and Sunshine Consultancy in favour of the Company (for the Company and for the benefit of its subsidiaries) regarding certain non-competition undertakings. The Company confirms that, as at the date of this announcement, the Deed of Non-competition has been fully complied and enforced during the Period. Details of the Deed of Non-competition were disclosed in the section headed "Relationship with Controlling Shareholders – Non-competition undertaking" to the Prospectus.

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Code on Securities Dealings"). The Company, having made specific enquiry of all the Directors, confirmed that all the Directors have complied with the required standard of dealings as set out in the Code on Securities Dealings for the Period and up to the date of this announcement.

Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company has adopted the principles and code provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules as its corporate governance practices. As at the date of this announcement, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code.

Audit Committee

The audit committee of the Company (the “Audit Committee”) was established on 18 December 2017 with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and paragraph C3 of the CG Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control systems of the Group.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Wong Hin Wing, Ms. Chan Man Ki Maggie and Mr. Chan Cham Man Simon, of whom Mr. Wong Hin Wing has been appointed as the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the Period and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Wine’s Link International Holdings Limited
Yeung Chi Hung
Chairman and non-executive Director

Hong Kong, 10 February 2022

As at the date of this announcement, the executive Directors are Ms. Wong Chi Lou Shirley and Mr. Chan Sze Tung; the non-executive Directors are Ms. Yeung Chi Hung, S.B.S., B.B.S., J.P. and Ms. Ho Tsz Wan; and the independent non-executive Directors are Mr. Chan Cham Man Simon, Ms. Chan Man Ki Maggie, M.H., J.P., and Mr. Wong Hin Wing, M.H..

This announcement will remain on the “Latest Listed Company Information” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company (www.wines-link.com).