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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2022

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.*

THE FINANCIAL STATEMENTS

Annual Results

The board of Directors (the “**Board**”) of Wan Leader International Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2022 together with the comparative audited figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Continuing operations			
Revenue	4	674,040	332,804
Cost of services		(629,203)	(302,047)
Gross profit		44,837	30,757
Other income	5	513	1,069
Other gains and losses	6	899	(1,004)
Sales and marketing expenses		(9,585)	(4,814)
Administrative expenses		(23,530)	(24,413)
Impairment losses recognised on trade receivables, net		(851)	(355)
Reversal of impairment losses/(impairment losses) recognised on deposits and other receivables, net		173	(188)
Finance costs	7	(185)	(129)
Profit before taxation		12,271	923
Income tax expense	8	(3,042)	(436)
Profit for the year from continuing operations	9	9,229	487
Discontinued operation			
Profit for the year from discontinued operation		–	3,693
Profit for the year		9,229	4,180

	2022	2021
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income for the year		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of financial statements of foreign operations	<u>551</u>	<u>420</u>
Other comprehensive income for the year	<u>551</u>	<u>420</u>
Total comprehensive income for the year	<u>9,780</u>	<u>4,600</u>
Profit for the year attributable to:		
Owners of the Company		
– from continuing operations	9,238	1,156
– from discontinued operation	<u>–</u>	<u>3,693</u>
	9,238	4,849
Non-controlling interest		
– from continuing operations	<u>(9)</u>	<u>(669)</u>
	<u>9,229</u>	<u>4,180</u>
Total comprehensive income for the year attributable to:		
Owners of the Company		
– from continuing operations	9,837	1,576
– from discontinued operation	<u>–</u>	<u>3,693</u>
	9,837	5,269
Non-controlling interest		
– from continuing operations	<u>(57)</u>	<u>(669)</u>
	<u>9,780</u>	<u>4,600</u>
Earnings per share	<i>11</i>	
<i>From continuing and discontinued operations</i>		
Basic and diluted (HK\$ cents)	<u>1.10</u>	<u>0.58</u>
<i>From continuing operations</i>		
Basic and diluted (HK\$ cents)	<u>1.10</u>	<u>0.14</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>Notes</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		3,965	3,916
Intangible asset		–	–
Interest in an associate		825	–
Rental deposits		95	172
Deposits paid for acquisition of property, plant and equipment		615	–
Deferred tax assets		239	156
		5,739	4,244
CURRENT ASSETS			
Trade and other receivables	12	81,768	81,297
Tax recoverable		–	386
Pledged bank deposits		3,001	1,165
Bank balances and cash		44,317	26,694
		129,086	109,542
CURRENT LIABILITIES			
Trade and other payables	13	61,382	50,524
Lease liabilities		628	2,418
Tax payable		2,531	60
Contract liabilities		4,348	3,771
Provisions		–	545
Bank borrowings	14	2,985	3,630
		71,874	60,948
NET CURRENT ASSETS		57,212	48,594
Total assets less current liabilities		62,951	52,838

	<i>Notes</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		1,486	655
Provisions		100	94
Deferred tax liabilities		<u>–</u>	<u>53</u>
		1,586	802
Net Assets		<u>61,365</u>	<u>52,036</u>
CAPITAL AND RESERVES			
Share capital	<i>15</i>	8,400	8,400
Other reserves		64,872	64,982
Accumulated losses		<u>(11,907)</u>	<u>(20,946)</u>
Equity attributable to owners of the Company		61,365	52,436
Non-controlling interest		<u>–</u>	<u>(400)</u>
Total Equity		<u>61,365</u>	<u>52,036</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Attributable to owners of the Company						Total	Non-controlling interest	Total
	Share capital	Share premium	Other reserve	Merger reserve	Exchange reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2020	8,400	49,429	14,118	1,091	(76)	(25,795)	47,167	269	47,436
Profit for the year	-	-	-	-	-	4,849	4,849	(669)	4,180
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	420	-	420	-	420
Total comprehensive income (expense) for the year	-	-	-	-	420	4,849	5,269	(669)	4,600
At 31 March 2021	<u>8,400</u>	<u>49,429</u>	<u>14,118</u>	<u>1,091</u>	<u>344</u>	<u>(20,946)</u>	<u>52,436</u>	<u>(400)</u>	<u>52,036</u>

	Attributable to owners of the Company						Total	Non-controlling interest	Total	
	Share capital	Share premium	Other reserve	Merger reserve	Statutory reserve	Exchange reserve				Accumulated losses
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 April 2021	8,400	49,429	14,118	1,091	-	344	(20,946)	52,436	(400)	52,036
Profit for the year	-	-	-	-	-	-	9,238	9,238	(9)	9,229
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	599	-	599	(48)	551
Total comprehensive income (expense) for the year	-	-	-	-	-	599	9,238	9,837	(57)	9,780
Appropriations to statutory reserve	-	-	-	-	199	-	(199)	-	-	-
Disposal of subsidiaries	-	-	-	-	-	(908)	-	(908)	457	(451)
At 31 March 2022	<u>8,400</u>	<u>49,429</u>	<u>14,118</u>	<u>1,091</u>	<u>199</u>	<u>35</u>	<u>(11,907)</u>	<u>61,365</u>	<u>-</u>	<u>61,365</u>

Notes:

- (i) Other reserve represents the (i) deemed contribution by a non-controlling shareholder through 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 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) The statutory reserve represents the amount transferred from net profit for the year of the subsidiaries established in the People’s Republic of China (the “**PRC**”) (based on the subsidiaries’ PRC statutory financial statements) in accordance with the relevant PRC laws until the statutory reserve reaches 50% of the registered capital of the subsidiaries. The statutory reserve cannot be reduced except either in setting off the accumulated losses or increasing capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. GENERAL

Wan Leader International Limited (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**”) since 5 September 2018. Its ultimate controlling party is Mr. Liao Daichun, who is also the chief executive officer of the Company. The registered office of the Company is situated at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. The principal place of business of the Company in Hong Kong is situated at Office Tower Unit 903, Hutchison Logistics Centre, Terminal 4, Kwai Chung Container Port, 18 Container Port Road South, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in provision of freight forwarding and related logistics services and provision of entrusted management services for operating an online e-commerce platform.

During the year, the Group has commenced the provision of entrusted management services and therefore, a new segment has been set up accordingly.

On 31 March 2021, the Group has completed a disposal of a subsidiary related to the whole warehousing and related value-added services segment. The financial results of the warehousing and related value-added services for the year ended 31 March 2021 were presented as discontinued operation.

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**” or “**HKD**”) which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting date. The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**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 consolidated financial statements for the year ended 31 March 2022 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 HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs which include the amendments to HKFRSs and Hong Kong Accounting Standards (“HKAS”), issued by the HKICPA which are effective for the Group’s financial year beginning 1 April 2021:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021

The application of the amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and related Amendments ²
Amendments to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

4. REVENUE AND SEGMENT INFORMATION

The Group's revenue from provision of freight forwarding and related logistics services and entrusted management service for operating an online e-commerce platform is 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 CODM regularly reviews revenue and results analysis by (i) provision of freight forwarding and related logistics services and (ii) entrusted management service for operating an online e-commerce platform. No analysis of segment assets and segment liabilities is presented as such information is not regularly provided to the CODM in current or prior year.

During the year ended 31 March 2022, specifically, the Group's reportable segments are as follows:

- i) Provision of freight forwarding and related logistics services
- ii) Entrusted management services for operating an online e-commerce platform

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

During the year ended 31 March 2022, a new segment named "Entrusted management services for operating an online e-commerce platform" is introduced for entrusted management services provided in the PRC as a result of entering the management service agreement with the connected party. An analysis of the Group's revenue from continuing operations for the year is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregate by major service lines		
Provision of freight forwarding and related logistics services		
– Air freight	530,414	299,940
– Sea freight	139,186	32,864
	<u>669,600</u>	<u>332,804</u>
Entrusted management services for operating an online e-commerce platform	4,440	–
	<u>674,040</u>	<u>332,804</u>

During the years ended 31 March 2022 and 2021, all performance obligations for provision of freight forwarding and related logistics services and entrusted management services for operating an online e-commerce platform are for a period of less than one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied/partially unsatisfied performance obligations as at 31 March 2022 and 2021 are not disclosed.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segments.

For the year ended 31 March 2022

	Provision of freight forwarding and related logistics services <i>HK\$'000</i>	Entrusted management services for operating an online e-commerce platform <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE			
External revenue and segment revenue	<u>669,600</u>	<u>4,440</u>	<u>674,040</u>
RESULTS			
Segment profit	<u>15,947</u>	<u>3,545</u>	19,492
Other income			240
Corporate expenses			(8,126)
Net gain on disposal of subsidiaries			850
Finance costs			<u>(185)</u>
Profit before tax			<u>12,271</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents profit before taxation from each segment without allocation of certain other income, certain central administrative expenses, certain finance costs and net gain on disposal of subsidiaries. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

5. OTHER INCOME

	2022	2021
	HK\$'000	HK\$'000
Continuing operations		
Interest income		
– Bank deposits	4	35
– Rental deposits (<i>note 1</i>)	16	8
Government grants (<i>note 2</i>)	–	1,026
Sundry income	493	–
	<u>513</u>	<u>1,069</u>

Notes:

1. During the years ended 31 March 2022 and 2021, the amount represents the imputed interest income arises from the deposits placed in respect of the lease entered which is over one year.
2. During the year ended 31 March 2021, government grants were related to Employment Support Scheme provided by The Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. There were no unfulfilled conditions and other contingencies related to receipts of these grants. No such government grant was received during the year ended 31 March 2022.

6. OTHER GAINS AND LOSSES

	2022	2021
	HK\$'000	HK\$'000
Continuing operations		
Exchange loss	(460)	(1,097)
Reversal of provision for reinstatement cost	545	–
Net gain on disposal of subsidiaries	850	–
(Loss on write off)/gain on disposal of property, plant and equipment	(36)	93
	<u>899</u>	<u>(1,004)</u>

7. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Continuing operations		
Interests on:		
– bank borrowings	96	26
– lease liabilities	89	103
	<u>185</u>	<u>129</u>

8. INCOME TAX EXPENSE

The charge (credit) comprises:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Continuing operations		
Current tax:		
– Hong Kong Profits Tax	2,121	146
– PRC Enterprise Income Tax (“EIT”)	919	–
– Taiwan Corporate Income Tax	117	36
	<u>3,157</u>	182
Deferred taxation	<u>(115)</u>	254
	<u>3,042</u>	<u>436</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the years ended 31 March 2022 and 2021, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “**PRC EIT Law**”) and Implementation Regulation of the PRC EIT Law, the EIT of the PRC subsidiaries is calculated at 25% of the assessable profits from 1 January 2008 onwards. No provision for the EIT has been provided for the year ended 31 March 2021 as there was no assessable profits arose in 2021.

Under the Income Tax Act of the Taiwan area, the corporate income tax rate of the Group’s Taiwan branch is 20%.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

9. PROFIT FOR THE YEAR

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Continuing operations		
Profit for the year has been arrived at after charging:		
Staff cost, excluding directors' and chief executive's emoluments:		
– Salaries, bonus and other benefits	10,825	10,590
– Contributions to retirement benefits schemes	<u>367</u>	<u>399</u>
Total staff costs excluding directors' and chief executive's emoluments	<u>11,192</u>	<u>10,989</u>
Auditors' remuneration	720	605
Depreciation of property, plant and equipment	<u>2,280</u>	<u>2,371</u>

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2022, nor has any dividend been proposed since the end of the reporting period (2021: nil).

11. EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted earnings per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

(a) Basic

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Earnings		
Earnings represent profit for the year attributable to the owners of the Company	<u>9,238</u>	<u>4,849</u>
Number of shares		
	2022 '000	2021 '000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>840,000</u>	<u>840,000</u>

(b) Diluted

Diluted earnings per share is same as basic earnings per share as there were no potential ordinary shares in issue for the years ended 31 March 2022 and 2021.

The denominators used are the same as those detailed above for basic and diluted earnings per share.

For continuing operations

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

(a) Basic

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Earnings		
Earnings represent profit for the year attributable to the owners of the Company	9,238	4,849
Less: profit for the year from discontinued operation	<u>–</u>	<u>(3,693)</u>
Earnings for the purpose of basic earnings per share from continuing operations	<u>9,238</u>	<u>1,156</u>
	2022 <i>'000</i>	2021 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>840,000</u>	<u>840,000</u>

(b) Diluted

Diluted earnings per share is same as basic earnings per share as there were no potential ordinary shares in issue for the years ended 31 March 2022 and 2021.

The denominators used are the same as those detailed above for basic and diluted earnings per share.

For discontinued operation

During the year ended 31 March 2021, basic and diluted earnings per share for the discontinued operation is HK\$0.44 cents per share (2022: N/A), based on the profit for the year from the discontinued operation of approximately HK\$3,693,000 (2022: N/A) and the denominators detailed above for both basic and diluted earnings per share.

12. TRADE AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Receivables at amortised cost comprise:		
Trade receivables	80,741	66,700
Less: allowances for impairment of trade receivables	<u>(1,609)</u>	<u>(918)</u>
	79,132	65,782
Prepayment, deposits and other receivables comprise:		
– Rental deposits	10	3,789
– Deposits and prepayment (<i>note i</i>)	2,641	2,674
– Other receivables (<i>note ii</i>)	–	9,240
Less: allowances for impairment of deposits and other receivables	<u>(15)</u>	<u>(188)</u>
	2,636	15,515
Total trade and other receivables	<u>81,768</u>	<u>81,297</u>

Notes:

- (i) Included in deposits and prepayment, gross carrying amount of HK\$2,000,000 represented the refundable deposits for securing the transactions with airlines as at 31 March 2022 (2021: HK\$2,000,000).
- (ii) Included in other receivables, gross carrying amount of approximately HK\$8,810,000 represented the consideration receivables in relation to the disposal of a subsidiary as at 31 March 2021. The amount is fully settled during the year.
- (iii) All trade receivables as at 31 March 2022 and 2021 were arising from HKFRS 15.

The Group allows credit periods ranging from 30 to 90 days to its customers.

The following is an aging analysis of trade receivables net of allowance for impairment of trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates, at the reporting date:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	30,834	35,841
More than 30 but within 60 days	27,123	19,811
More than 60 but within 90 days	7,599	6,452
More than 90 days	<u>13,576</u>	<u>3,678</u>
	<u>79,132</u>	<u>65,782</u>

13. TRADE AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	55,018	47,816
Other payables and accrued expenses	6,364	2,708
	61,382	50,524

Included in other payables, there is an amount due to a director of approximately HK\$74,000 (2021: nil) as at 31 March 2022.

The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	28,015	28,144
More than 30 but within 60 days	25,313	18,407
More than 60 but within 90 days	1,652	1,260
More than 90 but within 180 days	38	5
	55,018	47,816

The credit periods granted from the suppliers are ranging from 30 to 45 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

14. BANK BORROWINGS

Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
With one year	472	646
After one year but within two years	1,761	1,316
After two years but within five years	<u>752</u>	<u>1,668</u>
	<u>2,985</u>	<u>3,630</u>

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Carrying amount of bank loans that are not repayable on demand or within one year from the end of the reporting period but: – contain a repayment on demand clause	<u>2,985</u>	<u>3,630</u>

During the year ended 31 March 2021, the Group obtained new bank loans of HK\$3,630,000 (2022: nil) with fixed rate of 2.75% for 3 years to 5 years in Hong Kong. The loans bear interest at market rates and will be repayable on demand and so that the balance has been classified as current liabilities. The proceeds were used for general working capital purpose.

As at 31 March 2022 and 2021, the Group has no undrawn facilities granted by bank.

15. SHARE CAPITAL

	Number of ordinary shares	Share capital <i>HK\$</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2020, 31 March 2021, 1 April 2021 and 31 March 2022	<u>10,000,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
At 1 April 2020, 31 March 2021, 1 April 2021 and 31 March 2022	<u>840,000,000</u>	<u>8,400,000</u>

16. DISPOSAL OF SUBSIDIARIES

On 23 April 2021 (date of completion), the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire equity interest of a wholly-owned subsidiary, Hangda International Limited and its partially-owned subsidiaries (the “**Hangda Sub-group**”) to an independent third party at cash consideration of HK\$280,000. On 30 April 2021 (date of completion), the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire equity interest of wholly-owned subsidiaries, Fu Da Logistics Company Limited and its subsidiaries (the “**Fu Da Group**”) to another independent third party at cash consideration of HK\$10,000,000. Details of disposal of Fu Da Group are set out in the announcement of the Company dated 30 April 2021. Both Hangda Sub-group and Fu Da Group were engaged in provision of freight forwarding and related logistics services. All considerations of both disposals are settled during the year.

BUSINESS REVIEW

Impacted by the COVID-19 in the year ended 31 March 2021 (“**Previous Year**”), the Group successfully achieved positive results with a net profit of approximately HK\$4.2 million for the Previous Year. Despite the continuing weak economy in Hong Kong, the Group still recorded a significant increase in net profit to approximately HK\$9.2 million during the year ended 31 March 2022 (the “**Year**”).

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 has developed close connections with the suppliers in the past years and has a 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 the 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 from the pandemic.

The airfreight rates are still in a rising trend. As such, the Group needs to retain more cash to fulfill the depository and payment requirements set by our 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 Year, 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 operations and business in Hong Kong.

Looking forward, the Group has focused 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 helps cover a wider variety of cargo routes and boosts 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 potential 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 for 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 enhance its business model from on top of 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 participating 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 Group will continue to explore new elements to enrich its products offering through the online e-commerce platform which the Group is entrusted to operate. Besides, the Group makes a strategic step to introduce the potential sale of dental package cards. Details are already set out in the announcement dated 20 January 2022.

* *For identification purpose*

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 increased by approximately 102.5% from approximately HK\$332.8 million for the Previous Year to approximately HK\$674.0 million for the Year. The revenue of the Group increased significantly.

Revenue generated from air freight forwarding and related logistics services for the Year amounted to approximately HK\$530.4 million (Previous Year: approximately HK\$299.9 million), accounting for approximately 78.7% of the Group's total revenue (Previous Year: approximately 90.1%). The revenue from this segment remained as the major source of revenue of the Group. The Group further expanded its customer base 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 Year amounted to approximately HK\$139.2 million (Previous Year: approximately HK\$32.9 million), accounting for approximately 20.7% of the Group's total revenue (Previous Year: approximately 9.9%). Most of the Group's customers from this segment are direct shippers. The revenue from sea freight forwarding and related logistics services during the Year increased significantly due to more orders received from existing customers in Vietnam.

Revenue generated from entrusted management services from operating an online e-commerce platform for the Year amounted to approximately HK\$4.4 million (Previous Year: nil), accounting for approximately 0.6% of the Group's total revenue (Previous Year: nil). This was a new business to the Group and the management expected that the market would be huge in the long run.

Cost of services and gross profit

The Group's cost of services increased by approximately 108.3% from approximately HK\$302.0 million for the Previous Year to approximately HK\$629.2 million for the Year. This increase was mainly attributable to (i) an 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) an 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 45.8% from approximately HK\$30.8 million for the Previous Year to approximately HK\$44.8 million for the Year. Gross profit margin decreased from approximately 9.3% for the Previous Year to approximately 6.7% for the Year. Such decrease was mainly due to decrease in profit margin from air freight forwarding services to North America, Europe and East Asia.

Other income

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

The Group applied for the Employment Support Scheme launched by the Hong Kong Government and approximately HK\$1.0 million of grants were obtained during the Previous Year. No such grant has been received during the Year. As such, other income decreased.

Other gains and losses

Other gains and losses included foreign exchange loss, loss/gain on disposals/write-offs 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 Year, which was mainly attributable to the gain on the disposal of subsidiaries.

Sales and marketing expenses

Sales and marketing expenses mainly included the cost of business development and soliciting new customers.

The amount increased during the Year as a service charge amounting to approximately HK\$5.0 million (Previous Year: approximately HK\$1.9 million) was paid/payable to a consultant who assisted the Group in exploring business in Vietnam and Taiwan.

Administrative expenses

The Group's administrative expenses decreased to approximately HK\$23.5 million for the Year from approximately HK\$24.4 million for the Previous Year. Such expenses mainly included staff costs and benefits, audit fees, legal and professional fees, depreciation, utilities and other expenses. The decrease was mainly due to the combined effect of (i) a decrease in legal and compliance costs, professional fees and printing charges of approximately HK\$2.0 million and (ii) a decrease in staff costs from approximately HK\$14.3 million for the Previous Year to approximately HK\$13.5 million for the Year, which was caused by the Group's subsidiary in Shenzhen and branch in Taipei, both of which had full 12 months operations in the Previous Year but only 1 month in this Year before the disposal.

Impairment losses recognised on trade receivables, net

Under the Hong Kong Financial Reporting Standard 9 "Financial Instruments", the management assessed the measurement of expected credit losses ("ECL") in relation to trade receivables and used a collectively assessed provision matrix to calculate ECL. During the Year, an additional impairment loss of approximately HK\$0.9 million (Previous Year: approximately HK\$0.4 million) 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 Year, ECL of approximately HK\$0.2 million was reversed (Previous Year: additional impairment loss of approximately HK\$0.2 million was recognised) due to the significant decrease in other receivables.

Finance costs

Finance costs for the Year represented interest expenses on lease liabilities and bank borrowings. Finance costs increased from approximately HK\$0.1 million for the Previous Year to approximately HK\$0.2 million for the Year, which was caused by the increase in interest on bank borrowings.

Income tax expense

The Group's income tax expense (credit) primarily included provisions for Hong Kong's Profits tax, the PRC Enterprise Income Tax, Taiwan Corporate Income Tax and deferred income tax expense (credit). A profit before taxation (Previous Year: profit before taxation of approximately HK\$0.9 million) of approximately HK\$12.3 million for the Year was recorded, and an income tax expense of approximately HK\$3.0 million was recorded for the Year (Previous Year: income tax expense of approximately HK\$0.4 million).

Profit from continuing operations for the Year

The Group recorded a profit from continuing operations for the year of approximately HK\$9.2 million for the Year, compared to a profit from continuing operations for the year of approximately HK\$0.5 million for the Previous Year. The profit was mainly due to the effects of (i) an increase in the segment profit from freight forwarding and related logistics services of approximately HK\$15.9 million; and (ii) the segment profit brought in by the entrusted management services for operating an online e-commerce platform of approximately HK\$3.5 million.

Trade and other receivables

Trade receivables (net of allowance for impairment of trade receivables) increased by 20.2% from approximately HK\$65.8 million at 31 March 2021 to approximately HK\$79.1 million at 31 March 2022. Such increase was primarily attributable to additional revenue of approximately HK\$125.9 million recorded in January, February and March 2022 when compared to the corresponding months in the Previous Year.

The Group's prepayment, deposits and other receivables decreased at 31 March 2022 as other receivables decreased.

Trade and other payables

Trade payables increased by 15.1% from approximately HK\$47.8 million at 31 March 2021 to approximately HK\$55.0 million at 31 March 2022. The increase was mainly due to the increase in cost of services of approximately HK\$123.1 million incurred in February and March 2022 when compared with that of Previous Year.

Other payables and accrued expenses increased by approximately 137.0% from approximately HK\$2.7 million at 31 March 2021 to approximately HK\$6.4 million at 31 March 2022. The change was mainly due to the (i) increase in accrued service charge of approximately HK\$2.7 million and (ii) increase in accrued audit fee of approximately HK\$0.3 million.

DIVIDEND

The Directors do not recommend the payment of dividend for the Year.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group funded the liquidity and capital requirements for the Year primarily through internal resources and bank borrowings.

At 31 March 2022, the Group had cash and cash equivalents of approximately HK\$44.3 million (at 31 March 2021: approximately HK\$26.7 million) and time deposits over three months of approximately HK\$3.0 million (at 31 March 2021: approximately HK\$1.2 million), most of which were either denominated in HKD, United States dollar (“USD”) or Renminbi (“RMB”).

At 31 March 2022, the Group had bank borrowings in the sum of approximately HK\$3.0 million (at 31 March 2021: approximately HK\$3.6 million). The Group had lease liabilities of approximately HK\$2.1 million at 31 March 2022 (at 31 March 2021: approximately HK\$3.1 million).

The gearing ratio is the current debt (including bank borrowings and lease liabilities) divided by total equity and multiplied by 100% at the year-end date. The gearing ratio of the Group at 31 March 2022 was approximately 5.9% (at 31 March 2021: approximately 11.6%). As a result of the decrease in lease liabilities and increase in total equity, the gearing ratio of the Group decreased as at the reporting date.

During the Year, the Group did not enter into any financial instrument for hedging purpose.

The Directors are of the view that, at the date of this announcement, the Group’s financial resources are sufficient to support its business and operations.

CHARGE ON ASSETS

At 31 March 2022, bank deposits of approximately HK\$3.0 million (at 31 March 2021: approximately HK\$1.2 million) were pledged to secure the guarantee facilities obtained by the Group and certain property, plant and equipment of the Group with a carrying amount of approximately HK\$1.8 million (at 31 March 2021: approximately HK\$0.7 million) were held under the finance lease. Save as disclosed, the Group did not have any charges on its assets.

FOREIGN EXCHANGE EXPOSURE

During the Year, the Group received payments from the Group's customers in foreign currencies, such as USD, Euro ("EUR"), RMB and New Taiwan dollar ("NTD"), and also settled some of its costs and expenses with suppliers in foreign currencies, such as in USD, EUR, RMB and NTD. The Group is exposed to certain foreign exchange risks in respect of depreciation or appreciation amongst those currencies. The Group's operating activities are mainly denominated in Hong Kong dollars and the Group is exposed to foreign exchange risks primarily arising from provisions of services to customers and payments of cost of services to suppliers whose operating activities are denominated in foreign currencies. Although the Group does not maintain any specific hedging policy or foreign currency forward contracts, the Group's management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should it become necessary.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

At 31 March 2022, the Group had no outstanding capital commitments (at 31 March 2021: nil) for the acquisition of property, plant and equipment. Save for the plans disclosed in the prospectus for the Listing (the "**Prospectus**"), the Company's announcement(s) or this announcement, the Group did not have any future plans for material investments or capital assets at 31 March 2022.

MATERIAL ACQUISITIONS AND DISPOSALS

Saved as disclosed in note 16 to the consolidated financial statements with a net gain of disposal of subsidiaries of approximately HK\$0.9 million, there were no other material acquisition and disposal of subsidiary by the Group during the Year.

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments during the Year.

CAPITAL EXPENDITURE

During the Year, the Group invested approximately HK\$2.2 million in property, plant and equipment, mainly attributable to leasehold improvement and right-of-use assets in Hong Kong office.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities at 31 March 2021 and at 31 March 2022.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since 1 April 2021. The share capital of the Company consists of ordinary shares of the Company only.

At 31 March 2022, the Company's issued share capital was HK\$8.4 million, the number of its issued ordinary shares was 840,000,000 and the par value of each ordinary share was HK\$0.01.

TREASURY POLICY

The Group adopts a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the Year. The management of the Group regularly reviews the recoverable amount of each individual trade debtor to ensure prompt recovery and if necessary, to make adequate impairment losses for irrecoverable amounts. During the Year, a sum of approximately HK\$0.7 million for impairment losses on deposits, other and trade receivables was recognised (Previous Year: approximately HK\$0.6 million, included the impairment losses charged in the discontinued operation for the Previous Year).

OUTLOOK AND PROSPECTS

The freight forwarding market in the financial year ended 31 March 2022 has been unpredictably challenging due to a slowdown in global economic activity, which was further amplified by the COVID-19 global pandemic. The Group's operations in Hong Kong were inevitably affected.

During the pandemic, customers are more accustomed to change their habits from offline to online. The management believes that there is a huge market in the electronic business in the PRC. As such, the Group took a great step in expanding its business in the PRC during the Year with a focus on the provision of entrusted management services. The management will devote more effort and resources to attracting more customers in the long run.

The Group will continue to ride on its strong edge in air freight forwarding and related services so as to penetrate further into existing customers and further enrich its customer portfolio. The Group is committed to and confident in delivering a satisfactory growth and return to the shareholders in the long run.

The outlook in the upcoming year may not be as clear as the management expected. The management will continue to tighten the cost and monitor the needs of the customers carefully.

EMPLOYMENT AND REMUNERATION POLICY

At 31 March 2022, the Group employed 24 staff in Hong Kong and 9 staff in the PRC (at 31 March 2021: 19 staff in Hong Kong, 2 staff in the PRC and 9 staff in Taiwan).

For the Year, the Group's total costs for employee compensation and benefits (including Director's emoluments) were approximately HK\$14.2 million (Previous Year: approximately HK\$23.0 million including the discontinued operation). Remuneration is determined with reference to market terms, industrial norms and the performance, qualifications and experience of the employees.

Apart from basic remuneration, share options may be granted by the Company to eligible employees with reference to the Group's performance as well as the individual's contribution. As disclosed in the Prospectus, the Company adopted a share option scheme on 14 August 2018 ("**Share Option Scheme**") to incentivize and retain staff members who have contributed to the development and success of the Group. The Directors believe that the compensation packages offered by the Group to its employees are competitive in comparison with the market standard and practices.

During the Year, the Group's employees attended training in relation to air cargo operations and safety, listing rules, tax and accounting.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has in all material respects complied with all relevant laws, rules and regulations that have a significant impact on the Group and its operations.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group regarded environmental protection as an integral part of its operations. The management of the Company has promoted the green concept in the daily operations through energy saving programs and reducing resource consumption. When the Group improved the lighting of the office, the Group already considered using LED lights to reduce energy consumption. Employees are encouraged to switch off air conditioning and electrical appliances when they are not in use. The Group's operation has complied in all material respects with currently applicable local environmental protection laws and regulations in Hong Kong, the PRC and Taiwan during the Year.

For details of environmental, social and governance performance of the Group, please refer to the Environmental, Social and Governance report.

RELATIONSHIP WITH STAKEHOLDERS

The Group always maintains good relations with its employees, customers, suppliers, subcontractors and other stakeholders.

The management of the Group takes an active approach in directly communicating with employees and providing adequate training and medical insurance as part of their remuneration. During the Year, the Group acquired medical insurance for eligible employees and provided various types of training to sharpen their skills. The Group arranged disinfecting cleaning products for the office premises in Hong Kong. To protect the employees, the Group provided COVID-19 screening tests (including COVID-19 rapid antigen test kits) to the employees and sub-contractors. Visitors and staff were requested to wear masks when they visited the Group's office premises. The Company also performed deep cleaning and sanitizing services in its offices during the Year.

The Group treasures the close and long-term working relations with its customers in the past years. The management frequently visited the customers, collected their feedback on the provided services and introduced updated and value-added services to them.

Likewise, the Group also understands the importance of its suppliers and subcontractors. The Group believes a harmonious relationship with its suppliers and subcontractors is key to the success of the business.

During the Year, there was no material or significant dispute between the Group and its employees, customers, suppliers, subcontractors and other stakeholders.

USE OF PROCEEDS FROM SHARE OFFER

The Shares of the Company were successfully listed on GEM of the Stock Exchange on 5 September 2018 (the “**Listing**”). The total net proceeds (the “**Net Proceeds**”) from the Listing of the Company amounted to approximately HK\$40.0 million. On 23 August 2019, the Board resolved to change the use of the Net Proceeds in connection to developing the Group’s own trucking fleet to general working capital (the “**Change in Use of Proceeds**”). Details of the Change in Use of Proceeds are set out in the Company’s announcements dated 23 August 2019 and 3 October 2019 (collectively the “**UOP Announcements**”). On 27 May 2020, the Board further resolved to effect a sum of approximately HK\$13.5 million would be utilised to further expanding the warehouse in Hong Kong (the “**Change in Use of Proceeds 2020**”). Details are set out in the Company’s announcement dated 27 May 2020 (the “**UOP Announcement 2020**”). On 22 March 2021, the Board resolved to dispose of the entire equity of Fu Yo. As such, the Group discontinued its operations in warehousing and related value-added services on 31 March 2021. The Board then further resolved that the remaining Net Proceeds of approximately HK\$12.1 million would be applied to the general working capital of the Group (the “**Change in Use of Proceeds 2021**”). Details are set out in the Company’s announcement dated 22 March 2021 (the “**UOP Announcement 2021**”). Details of the application of the Net Proceeds from the Listing till 31 March 2022 are set out below:

Use of the Net Proceeds	Amount of the Net Proceeds adjusted in the manner as stated in the Prospectus prior to the Change in Use of Proceeds	The Change in Use of Proceeds according to the UOP Announcements	The Change in Use of Proceeds according to the UOP Announcement 2020	Amount of the Net Proceeds not yet utilised subsequent to the Change in Use of Proceeds and Change in Use of Proceeds 2020	Amount of the Net Proceeds not yet utilised subsequent to the Change in Use of Proceeds 2021	Amount of the Net Proceeds utilised from the Change in Use of Proceeds 2021 to 31 March 2021	Amount of the Net Proceeds utilised during the year ended 31 March 2022	Amount not yet utilised at 31 March 2022	Expected timelines for the intended use	Actual business progress up to 31 March 2022
Further expanding the warehouses in Hong Kong	10,956	N/A	(10,956)	-	-	-	-	-	N/A	The Groups already updated the implementation plan and signed a logistic service agreement with a supplier for the provision of warehousing and related services to the Group which included storage service in a warehousing facility, equipment at the warehouse facility and drayage service in May 2020 (Note).
- Settling commission, deposits and rental payments of new warehouses										The Group resolved not to rent a new warehouse.
- Conducting renovation work	1,231	N/A	(1,139)	92	(92)	-	-	-	-	The Group already completed renovation work.
- Installing anti-theft system	152	N/A	(97)	55	(53)	(2)	-	-	N/A	The Group already installed anti-theft system (Note).
- Purchasing burglary, flood and fire insurance	229	N/A	8	237	(34)	(203)	-	-	N/A	The Group already entered into agreements with the insurance providers (Note).

	Amount of the Net Proceeds adjusted in the manner as stated in the Prospectus prior to the Change in Use of Proceeds	Amount of the Net Proceeds not yet utilised subsequent to the Change in Use of Proceeds and Change in Use of Proceeds of 2020	The Change in Use of Proceeds according to the UOP Announcement 2020	Amount of the Net Proceeds utilised from the Listing Date to 22 March 2021	The Change in Use of Proceeds according to the UOP Announcement 2021	Amount of the Net Proceeds not yet utilised subsequent to the Change in Use of Proceeds in 2021	Amount of the Net Proceeds utilised from the Change in Use of Proceeds 2021 to 31 March 2021	Amount of the Net Proceeds utilised during the year ended 31 March 2022	Amount not yet utilised at 31 March 2022	Expected timelines for the intended use	Actual business progress up to 31 March 2022
Use of the Net Proceeds	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
- Purchasing forklift trucks and scales	943	-	(943)	-	N/A	-	-	-	-	N/A	The Group resolved not to purchase forklift trucks and scales.
Leasing forklift trucks	N/A	611	611	(159)	(452)	-	-	-	-	N/A	The Group already rented two forklift trucks, settled the deposits and paid the rental on monthly basis (Note).
Settling deposits, utilities and services fees for warehousing and related services	N/A	12,516	12,516	(2,563)	(9,953)	-	-	-	-	N/A	The Group already paid the deposits and settled the utilities and service fees (Note).
Attracting and retaining talented and experienced personnel	14,727	-	-	(4,701)	(1,453)	-	-	-	-	N/A	The Group recruited two sales staff, acquired medical insurance and provided training to the staff. The Group resolved not to employ truck drivers as a result of not developing its own trucking fleet. The Group already hired warehouse staff (Note).

	Amount of the Net Proceeds adjusted in the manner as stated in the Prospectus prior to the Change in Use of Proceeds	Amount of the Net Proceeds not yet utilised subsequent to the Change in Use of Proceeds and Change in Use of Proceeds	The Change in Use of Proceeds according to the UOP Announcement 2020	Amount of the Net Proceeds utilised from the Listing Date to 22 March 2021	The Change in Use of Proceeds according to the UOP Announcement 2021	Amount of the Net Proceeds not yet utilised subsequent to the Change in Use of Proceeds in Use of Proceeds 2021	Amount of the Net Proceeds utilised from the Change in Use of Proceeds 2021 to 31 March 2021	Amount of the Net Proceeds utilised during the year ended 31 March 2022	Amount not yet utilised at 31 March 2022	Expected timelines for the intended use
Use of the Net Proceeds	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	Actual business progress up to 31 March 2022
Use of the Net Proceeds	8,075	-	N/A	-	N/A	-	-	-	-	N/A
Developing the trucking fleet										The Group resolved not to implement the plan of developing its own trucking fleet.
Further enhancing the information technology systems	2,442	1,900	N/A	(1,900)	N/A	-	-	-	-	The Group finished upgrading the warehouse management system, installing new servers and strengthening firewalls and personal computers. As the Group resolved not to develop its own tracking fleet, it would not be necessary to develop and install the corresponding GPS system.
General working capital	1,258	18,448	N/A	(18,448)	12,063	12,063	(2,277)	(9,786)	-	The Group already fully utilised the general working capital to finance its cost of services, in particular in air freight forwarding and related logistics business.
	40,013	40,013	-	(27,950)	-	12,063	(2,277)	(9,786)	-	

Note: The Group further resolved to discontinue the warehousing and related value-added services.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board 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 up to 31 March 2022, 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 GEM Listing Rules except for the deviation from the code provision of (i) A.2.1 of the CG Code (which has been renumbered as code provision C.2.1 of the CG Code with effect from 1 January 2022) which has already been resolved during the Year; and (ii) A.4.2 of the CG Code (which has been renumbered as code provision B.2.2 of the CG Code with effect from 1 January 2022) which has 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. Mr. Thomas Loy acted as both the chairman of the Board (“**Chairman**”) and the chief executive officer of the Company with effect from 16 November 2020. 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 bring a balance of power and authority between the Directors and the management of the Company and thus results in a better corporate governance structure.

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 or she complied with the Required Standard of Dealings throughout the period from 1 April 2021 up to 31 March 2022.

DIRECTORS' INTEREST IN COMPETING BUSINESS

The Directors are not aware of any business or interest of the Directors nor the controlling Shareholders nor any of their respective close associates that competes or may compete, directly or indirectly, with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the Year and up to the date of this announcement.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

Save as disclosed in the announcement dated on 1 September 2021, during the Year, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the GEM Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

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 Year.

SHARE OPTION SCHEME

The Company adopted a 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. Further details of the Share Option Scheme are disclosed in the section headed "Statutory and General Information – D. Share Option Scheme" in Appendix IV of the Prospectus.

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 March 2022 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 21 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 and resigned on 27 May 2022.

EVENTS AFTER THE YEAR ENDED 31 MARCH 2022

There is no significant event after the year ended 31 March 2022 up to the date of this announcement.

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.

* *For identification purpose*

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the consolidated financial statements and this annual results announcement for the Year.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (“AGM”) of the Company will be held on Friday, 2 September 2022. The transfer books and register of members of the Company will be closed from Tuesday, 30 August 2022 to Friday, 2 September 2022, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificate(s) must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (if the transfer will be lodged before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the transfer will be lodged on or after 15 August 2022), for registration no later than 4:30 p.m. on Monday, 29 August 2022.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in the preliminary announcement have been agreed by the Group’s auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary announcement.

By order of the Board
Wan Leader International Limited
Zhang Pangfei
Executive Director

Hong Kong, 24 June 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 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.