

# **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 FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 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.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*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 three months ended 30 June 2022 (the “Period”), together with the comparative unaudited figures for the corresponding period in 2021, as follows:

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

*FOR THE THREE MONTHS ENDED 30 JUNE 2022*

		<b>Three months ended 30 June</b>	
		<b>2022</b>	2021
		<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(unaudited)
	<i>NOTES</i>		
Revenue	4	33,247	60,778
Cost of sales		(21,461)	(45,594)
Gross profit		11,786	15,184
Other income	5	268	36
Other gains and losses, net	5	156	(920)
Selling and distribution expenses		(3,814)	(4,165)
Administrative expenses		(5,539)	(6,665)
Finance costs	6	(787)	(594)
Profit before tax	7	2,070	2,876
Income tax expense	8	(597)	(862)
Profit and total comprehensive income for the period		1,473	2,014
Profit and total comprehensive income for the period attributable to			
– Owners of the Company		1,566	2,240
– Non-controlling interests		(93)	(226)
		1,473	2,014
Earnings per share			
Basic and diluted	9	HK0.39 cent	HK0.56 cent

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*FOR THE THREE MONTHS ENDED 30 JUNE 2022*

	Attributable to owners of the Company					Non-controlling interest	Total equity
	Share capital	Share premium	Other reserve	Accumulated profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022 (audited)	4,000	76,298	27,458	140,261	248,017	(1,069)	246,948
Profit and total comprehensive income for the Period (unaudited)	-	-	-	1,566	1,566	(93)	1,473
At 30 June 2022 (unaudited)	4,000	76,298	27,458	141,827	249,583	(1,162)	248,421
At 1 April 2021 (audited)	4,000	76,298	27,458	119,367	227,123	(402)	226,721
Profit and total comprehensive income for the Period (unaudited)	-	-	-	2,240	2,240	(226)	2,014
At 30 June 2021 (unaudited)	4,000	76,298	27,458	121,607	229,363	(628)	228,735

*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 THREE MONTHS ENDED 30 JUNE 2022*

### **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 of Hong Kong Limited. The address of the Company’s registered office and the principal place of business are PO Box 309, Uglund 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 shareholders of the Company include Shirz Limited, a limited company incorporated in the British Virgin Islands (the “BVI”) which holds 70% equity interests in the Company and is 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**

Pursuant to the group reorganisation as detailed in the section headed “History, Reorganisation and Corporate Structure – Reorganisation” in the prospectus of the Company dated 29 December 2017, the Company has become the holding company of the companies now comprising the Group by interspersing the Company and Starlight Worldwide Investment Limited (“Starlight Worldwide”), a limited company incorporated in the BVI, between the Controlling Shareholders and Wine’s Link. The Group, comprising the Company and its subsidiaries, resulting from the Reorganisation is regarded as a continuing entity, accordingly, the condensed consolidated financial statements have been prepared as if the Company had always been the holding company of the Group.

### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the three months ended 30 June 2022 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2022.

#### **New or amendments to HKFRSs that have been issued but are not yet effective**

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these consolidated financial statements.

Amendments to HKAS 1 and Interpretation 5 (2020)	Classification of Liabilities as Current or Noncurrent and Presentation of Financial Statements — classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>1</sup>
Amendments to HKAS 1	Disclosure of Accounting Policy <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or joint Venture <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

The Group has already commenced an assessment of the impact of these new and revised HKFRS but is not yet in a position to state whether these new pronouncements would have a material impact on its results of operations and financial position.

#### 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 30 June	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Wine products	31,201	57,936
Other alcoholic beverages	2,016	2,558
Wine accessory products	30	284
	<b>33,247</b>	60,778

##### 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 three months ended 30 June 2021.

5. OTHER INCOME/OTHER GAINS AND LOSSES, NET

Other income

	Three months ended 30 June	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Bank interest income	1	1
Government grant	250	–
Others	17	35
	<b>268</b>	<b>36</b>

Other gains and losses, net

	Three months ended 30 June	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Loss from disposal of property and equipment	(4)	–
Net exchange (losses) gains	160	(920)
	<b>156</b>	<b>(920)</b>

6. FINANCE COSTS

	Three months ended 30 June	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
The finance costs represent interest on:		
– bank borrowings	756	525
– lease liabilities	31	69
	<b>787</b>	<b>594</b>

**7. PROFIT BEFORE TAXATION**

	<b>Three months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories recognised as an expense	<b>21,461</b>	45,594
Depreciation of property and equipment	<b>1,721</b>	380
Depreciation of right-of-use assets	<b>1,056</b>	1,176
Directors' remuneration	<b>399</b>	318
Other staff costs		
Salaries and other benefits	<b>3,397</b>	3,291
Retirement benefits scheme contributions	<b>134</b>	135
Total staff costs	<b>3,930</b>	3,744

**8. INCOME TAX EXPENSE**

	<b>Three months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
Hong Kong Profits Tax:		
– Current tax	<b>637</b>	925
– Under provision in prior years	<b>–</b>	14
Deferred tax credit	<b>(40)</b>	(77)
	<b>597</b>	862

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 owners of the Company is based on the following data:

	<b>Three months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Earnings:		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	<b>1,566</b>	2,240

	<b>Three months ended 30 June</b>	
	<b>2022</b>	2021
	<b>'000</b>	'000
Number of shares:		
Number of ordinary shares for the purpose of basic earnings per share	<b>400,000</b>	400,000

No diluted earnings per share for the Period and the three months ended 30 June 2021 was presented as the Group had no potentially dilutive 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 (three months ended 30 June 2021: 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. The Group has a comprehensive product portfolio consisting of (i) wine products such as premium collectible red wine, i.e. red wine with selling prices at or above HK\$1,000 per bottle (the “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 outbreak of the novel coronavirus (COVID-19) pandemic (the “COVID-19 Outbreak”) which lasts during the past two years and the global economic downturn deeply affected the business in Hong Kong. Like other industries, the Group also faced difficulties in operating its wine business. The market fell into price competition due to the atrophied demand, the Group shifted our attention to develop products with our self-owned recipe and brand during the Period. The Board believes that the Group can capture the opportunity arising from the different trends in the wine industry in long term.

### **Financial Review**

#### ***Revenue***

Revenue of the Group decreased by approximately 45.3% from approximately HK\$60.8 million for the three months ended 30 June 2021 to approximately HK\$33.2 million for the Period. The decrease was mainly due to the recent waves of pandemic and the global economic downturn during the Period. As such, the demand of our products was largely decreased.

#### ***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 recognises cost of sales upon the conclusion of a sales transaction. The cost of sales decreased by approximately 52.9% from approximately HK\$45.6 million for the three months ended 30 June 2021 to approximately HK\$21.5 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 22.4% from approximately HK\$15.2 million for the three months ended 30 June 2021 to approximately HK\$11.8 million for the Period. The decrease in gross profit was directly correlated with the decrease in revenue for the Period.

The overall gross profit margin amounted to approximately 25.0% and approximately 35.5% for the three months ended 30 June 2021 and 2022, respectively. The Group recorded a relatively higher gross profit margin during the Period mainly due to the increase in gross profit margin on the sales of certain self-owned brand of other alcoholic beverages.

### ***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 approximately HK\$36,000 for the three months ended 30 June 2021 to approximately HK\$268,000 for the Period, which was mainly contributed by the anti-epidemic subsidies granted by the Hong Kong Government with the aim to, among others, alleviate financial burden of businesses amid the COVID-19 Outbreak, during the Period.

### ***Other Gains and Losses, Net***

The Group recorded net gains of approximately HK\$156,000 and net losses of approximately HK\$920,000 for the Period and for the three months ended 30 June 2021, respectively.

The net gains or losses mainly consisted of net exchange gains or 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 remained relatively stable at approximately HK\$4.2 million and approximately HK\$3.8 million for the three months ended 30 June 2021 and for the Period, respectively.

### ***Administrative Expenses***

Administrative expenses of the Group decreased from approximately HK\$6.7 million for the three months ended 30 June 2021 to approximately HK\$5.5 million for the Period. This decrease was primarily attributable to a decrease in legal and professional fees.

### ***Finance Costs***

Finance costs increased from approximately HK\$0.6 million for the three months ended 30 June 2021 to approximately HK\$0.8 million for the Period. This increase was primarily attributable to the increase in the mortgage loans interests for the Period.

### ***Profit and Total Comprehensive Income for the Period***

For the reasons mentioned above, profit and the total comprehensive income attributable to the owners of the Company for the Period amounted to approximately HK\$1.6 million (2021: approximately HK\$2.2 million).

### ***Dividend***

The Board does not recommend the payment of an interim dividend to the shareholders of the Company for the Period (2021: 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 material 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.

The Group has made steady progress in refining and expanding its business, putting more emphasis on diversifying and creating new products and sales channels and expanding its business geographically. Apart from trading wine products of well-known chateaus or wineries, the Group has developed its self-owned recipes and brands to diversify the Group's income streams as well as achieve a synergy effect with its existing businesses. 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.

The Group has been closely monitoring the development of the COVID-19 Outbreak and the environment of global economy and will take a prudent approval and adjust its business strategies to face the challenges and uncertainties.

## 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 30 June 2022, 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:

<b>Name of Director</b>	<b>Nature of interests</b>	<b>Number of Shares held<sup>(1)</sup></b>	<b>Percentage of shareholding in the Company's issued share capital<sup>(3)</sup></b>
Ms. Shirley Wong <sup>(2)</sup>	Interest in controlled corporation	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 30 June 2021.

Save as disclosed above, as at 30 June 2022, none of the Directors nor chief executive of the Company has registered any 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 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.

**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 30 June 2022, 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:

<b>Name of shareholder</b>	<b>Nature of interests</b>	<b>Number of Shares held<sup>(1)</sup></b>	<b>Percentage of shareholding in the Company's issued share capital<sup>(3)</sup></b>
Shirz Limited	Beneficial owner	280,000,000 (L)	70%
Mr. Roy Ting <sup>(2)</sup>	Interest in 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 30 June 2021.

Save as disclosed above, as at 30 June 2022, 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 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, a wholly-owned subsidiary of the Company, 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 comprises 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 the Lender B to Wine's Link on the terms and conditions therein and subject to, among others, review by the Lender B from time to time and the Lender B's overriding right of repayment of demand.

Pursuant to the Facility Letter B, the Company shall procure Ms. 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 announcements of the Company dated 12 March 2021 and 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.

## **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 had 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 Company Limited 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" of 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.

The Company complied with all code provisions in the CG Code during the Period except for the code provision C.1.8. The Company has not arranged appropriate insurance cover in respect of legal action against its directors during the Period. The Company has arranged the Directors' and officers' liability insurance in accordance with the requirement under the CG Code on 25 July 2022.

## **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, 12 August 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 Director are Ms. Yeung Chi Hung, S.B.S., B.B.S., J.P. and the independent non-executive Directors are Ms. Chan Man Ki Maggie, M.H., J.P., Mr. Chan Cham Man Simon and Mr. Wong Hin Wing, M.H..*

*This announcement will remain on the "Latest Company Information" page of the Stock Exchange website [www.hkex.com.hk](http://www.hkex.com.hk) 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](http://www.wines-link.com)).*