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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)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 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.*

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2022 (the “**Review Period**”), together with the unaudited comparative figures for the six months ended 30 September 2021 (the “**Previous Period**”), are as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Notes	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited) (restated)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited) (restated)
<b>Continuing operations</b>					
Revenue	4	47,164	179,542	136,500	309,430
Cost of services		(48,977)	(168,384)	(136,066)	(286,677)
<b>Gross profit</b>		<b>(1,813)</b>	11,158	<b>434</b>	22,753
Other income	6	288	96	610	172
Other gains and losses	6	14	6	136	1,016
Sales and marketing expenses		(1,355)	(2,405)	(2,392)	(3,851)
Administrative expenses		(5,424)	(3,887)	(10,235)	(10,231)
Reversal of impairment losses/(impairment losses) recognised on trade receivables, net		616	(534)	1,038	(1,104)
Reversal of impairment losses/(impairment losses) recognised on deposits and other receivables, net		–	212	–	(80)
Finance costs	6	(42)	(42)	(88)	(91)
Share of result of an associate		(128)	–	(301)	–
<b>(Loss)/profit before taxation</b>	6	<b>(7,844)</b>	4,604	<b>(10,798)</b>	8,584
Income tax credit/(expenses)	5	115	(915)	(344)	(1,583)
<b>(Loss)/profit for the period</b>		<b>(7,729)</b>	3,689	<b>(11,142)</b>	7,001

	Notes	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited) (restated)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited) (restated)
<b>Other comprehensive (expenses)/income for the period</b>					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange differences arising on translation of financial statements of foreign operations		6	–	(88)	516
Other comprehensive income/ (expenses) for the period		<u>6</u>	<u>–</u>	<u>(88)</u>	<u>516</u>
<b>Total comprehensive (expenses)/income for the period</b>		<u>(7,723)</u>	<u>3,689</u>	<u>(11,230)</u>	<u>7,517</u>
<b>(Loss)/profit for the period attributable to:</b>					
Owners of the Company		<u>(7,729)</u>	<u>3,689</u>	<u>(11,142)</u>	<u>7,010</u>
Non-controlling interest		<u>–</u>	<u>–</u>	<u>–</u>	<u>(9)</u>
		<u>(7,729)</u>	<u>3,689</u>	<u>(11,142)</u>	<u>7,001</u>
<b>Total comprehensive (expenses)/income for a period attributable to:</b>					
Owners of the Company		<u>(7,723)</u>	<u>3,689</u>	<u>(11,230)</u>	<u>7,575</u>
Non-controlling interest		<u>–</u>	<u>–</u>	<u>–</u>	<u>(58)</u>
		<u>(7,723)</u>	<u>3,689</u>	<u>(11,230)</u>	<u>7,517</u>
<b>(Loss)/earnings per share</b>					
Basic and diluted (HK\$ cents)	8	<u><u>(0.82)</u></u>	<u><u>0.43</u></u>	<u><u>(1.25)</u></u>	<u><u>0.83</u></u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment	9	3,902	3,965
Interest in an associate		1,348	825
Rental deposits		95	95
Deposits paid for acquisition of property, plant and equipment		–	615
Deferred tax assets		87	239
		5,432	5,739
<b>Current assets</b>			
Trade and other receivables	10	32,203	81,768
Pledged bank deposit		3,002	3,001
Bank balances and cash		73,250	44,317
		108,455	129,086
<b>Current liabilities</b>			
Trade and other payables	11	29,233	61,382
Lease liabilities		1,178	628
Tax payable		2,520	2,531
Contract liabilities	12	440	4,348
Bank borrowings	13	2,331	2,985
		35,702	71,874
<b>Net current assets</b>		72,753	57,212
<b>Total assets less current liabilities</b>		78,185	62,951
<b>Non-current liabilities</b>			
Lease liabilities		628	1,486
Provisions	14	100	100
		728	1,586
<b>Net assets</b>		77,457	61,365
<b>Capital and reserves</b>			
Share capital	15	9,900	8,400
Other reserves		90,606	64,872
Accumulated losses		(23,049)	(11,907)
<b>Equity attributable to owners of the Company</b>		77,457	61,365
<b>Total equity</b>		77,457	61,365

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

	Attributable to owners of the Company								Total
	Share capital	Share premium	Other reserve (Note (i))	Merger reserve (Note (ii))	Exchange reserve	Accumulated losses	Total	Non-controlling interest	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Restated)	HK\$'000	HK\$'000 (Restated)	HK\$'000 (Restated)	
<b>At 1 April 2021 (audited)</b>	8,400	49,429	14,118	1,091	344	(20,946)	52,436	(400)	52,036
Profit/(loss) for the period	-	-	-	-	-	7,010	7,010	(9)	7,001
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	565	-	565	(49)	516
<b>Total comprehensive income/ (expenses) for the period</b>	-	-	-	-	565	7,010	7,575	(58)	7,517
<b>Disposal of a subsidiary</b>	-	-	-	-	(909)	-	(909)	458	(451)
<b>At 30 September 2021 (unaudited)</b>	<u>8,400</u>	<u>49,429</u>	<u>14,118</u>	<u>1,091</u>	<u>-</u>	<u>(13,936)</u>	<u>59,102</u>	<u>-</u>	<u>59,102</u>

	Attributable to owners of the Company								Total
	Share capital	Share premium	Other reserve (Note (i))	Merger reserve (Note (ii))	Statutory reserve (Note (iii))	Exchange reserve	Accumulated losses	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>At 1 April 2022 (audited)</b>		8,400	49,429	14,118	1,091	199	35	(11,907)	61,365
Loss for the period		-	-	-	-	-	-	(11,142)	(11,142)
Exchange differences arising on translation of financial statements of foreign operations		-	-	-	-	-	(88)	-	(88)
<b>Total comprehensive expenses for the period</b>		-	-	-	-	-	(88)	(11,142)	(11,230)
Proceeds from placing of new shares		1,500	26,400	-	-	-	-	-	27,900
Issuing expenses of placing of new shares		-	(578)	-	-	-	-	-	(578)
<b>At 30 September 2022 (unaudited)</b>		<u>9,900</u>	<u>75,251</u>	<u>14,118</u>	<u>1,091</u>	<u>199</u>	<u>(53)</u>	<u>(23,049)</u>	<u>77,457</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 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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Net cash from operating activities</b>	<b>3,172</b>	16,168
<b>Investment activities</b>		
Proceeds from disposal of subsidiaries ( <i>note 16</i> )	–	537
Purchased of property, plant and equipment	<b>(104)</b>	(95)
Placement of pledge bank deposits	–	(2,000)
Repayment of rental deposits	–	3,794
Payment for rental deposits	–	(94)
Investment in an associate	<b>(739)</b>	–
Bank interest received	<b>1</b>	1
	<hr/>	<hr/>
<b>Net cash (used in)/from investment activities</b>	<b>(842)</b>	2,143
	<hr/> <hr/>	<hr/> <hr/>
<b>Financing activities</b>		
Repayment of bank borrowings	<b>(654)</b>	–
Repayment of principal element of lease liabilities	<b>(308)</b>	(1,725)
Repayment of interest element of lease liabilities	<b>(50)</b>	(41)
Interest paid	<b>(38)</b>	(50)
Government grants received	477	–
Proceeds from placing of new shares	<b>27,900</b>	–
Issuing expenses of placing of new shares	<b>(578)</b>	–
	<hr/>	<hr/>
<b>Net cash from/(used in) financing activities</b>	<b>26,749</b>	(1,816)
	<hr/> <hr/>	<hr/> <hr/>
<b>Net increase in cash and cash equivalents</b>	<b>29,079</b>	16,495
Cash and cash equivalents at the beginning of the period	<b>44,317</b>	26,694
Effect of foreign exchange rate changes	<b>(146)</b>	241
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>		
Represented by bank balance and cash	<b>73,250</b>	43,430
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022*

**1. GENERAL INFORMATION**

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 Third 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.

From the year ended 31 March 2022, the Group has commenced the provision of entrusted management services and therefore, a new segment has been set up accordingly.

**2. BASIS OF PREPARATION**

The unaudited condensed consolidated financial statements (the “**Interim Financial Statements**”) are prepared on the historical cost basis.

The Interim Financial Statements have been prepared in accordance with the Hong Kong Accounting Standards 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the GEM Listing Rules.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 March 2022, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standard (“**HKAS**”) and Interpretations issued by the HKICPA. They shall be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 March 2022 (the “**2022 Audited Consolidated Financial Statements**”).

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the 2022 Audited Consolidated Financial Statements.

The Interim Financial Statements for the six months ended 30 September 2022 have not been audited by the Company’s auditors but have been reviewed by the Company’s audit committee.

The Interim Financial Statements have been prepared on the historical costs basis and presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for both periods.

At the date of authorisation of the Interim Financial Statements, the Group has not early adopted the new/revised HKFRSs that have been issued but are not yet effective.



### 3. ESTIMATES

The preparation of the unaudited condensed consolidated interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2022 Audited Consolidated Financial Statements.

### 4. REVENUE AND SEGMENT INFORMATION

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

During the period ended 30 September 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 analysis of the Group's revenue for the Review Period is as follows:

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(restated)		(restated)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>				
Freight forwarding and related logistics services				
– Air freight	44,442	135,149	119,205	241,300
– Sea freight	2,744	43,753	16,060	67,490
	<u>47,186</u>	<u>178,902</u>	<u>132,265</u>	<u>308,790</u>
Entrusted management services for operating an online e-commerce platform	(22)	640	1,235	640
Total	<u><u>47,164</u></u>	<u><u>179,542</u></u>	<u><u>136,500</u></u>	<u><u>309,430</u></u>

For the period ended 30 September 2022

	Freight forwarding and related logistics services <i>HK\$'000</i> (unaudited)	Entrusted management services for operating an online e-commerce platform <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
<b>Revenue</b>			
Segment revenue	<u>135,265</u>	<u>1,235</u>	<u>136,500</u>
<b>Result</b>			
Segment loss	<u>(6,890)</u>	<u>(230)</u>	<u>(7,120)</u>
Other income			610
Corporate expenses			(3,899)
Finance costs			(88)
Share of result of an associate			<u>(301)</u>
<b>Loss before taxation</b>			<u><u>(10,798)</u></u>

**For six months ended 30 September 2021**

	Freight forwarding and related logistics services <i>HK\$ '000</i> (unaudited)	Entrusted management services for operating an online e-commerce platform <i>HK\$ '000</i> (unaudited)	Total <i>HK\$ '000</i> (unaudited) (restated)
<b>Revenue</b>			
Segment revenue	<u>308,790</u>	<u>640</u>	<u>309,430</u>
<b>Result</b>			
Segment profit	<u>12,431</u>	<u>610</u>	<u>13,041</u>
Other income			172
Corporate expenses			(4,538)
Finance costs			<u>(91)</u>
<b>Profit before taxation</b>			<u><u>8,584</u></u>

During the Review Period and Previous Period, all performance obligations for freight forwarding and related logistics services are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied/partially unsatisfied performance obligations as at 30 September 2022 and 30 September 2021 are not disclosed.

## Geographical information

The Group's revenue by geographical market based on the location of operations:

### For the period ended 30 September 2022

	<b>Freight forwarding and related logistics service</b> <i>HK\$'000</i> <b>(unaudited)</b>	<b>Entrusted management services for operating an online e-commerce platform</b> <i>HK\$'000</i> <b>(unaudited)</b>	<b>Total</b> <i>HK\$'000</i> <b>(unaudited)</b>
Hong Kong (place of domicile)	135,265	–	135,265
The People's Republic of China (the "PRC")	–	1,235	1,235
Total	<u>135,265</u>	<u>1,235</u>	<u>136,500</u>

### For the period ended 30 September 2021

	<b>Freight forwarding and related logistics service</b> <i>HK\$'000</i> <b>(unaudited)</b>	<b>Entrusted management services for operating an online e-commerce platform</b> <i>HK\$'000</i> <b>(unaudited)</b>	<b>Total</b> <i>HK\$'000</i> <b>(unaudited)</b>
Hong Kong (place of domicile)	296,723	–	296,723
The PRC	5	640	645
Taiwan	12,062	–	12,062
Total	<u>308,790</u>	<u>640</u>	<u>309,430</u>

## 5. INCOME TAX CREDIT/(EXPENSES)

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(restated)		(restated)
Current tax:				
– Hong Kong Profit Tax	83	(821)	(33)	(1,529)
– PRC Enterprise Income Tax (“EIT”)	129	(152)	(149)	(152)
– Taiwan Corporate Income Tax	–	–	–	(117)
	<u>212</u>	<u>(973)</u>	<u>(182)</u>	<u>(1,798)</u>
Deferred taxation	<u>(97)</u>	<u>58</u>	<u>(162)</u>	<u>215</u>
	<u><u>115</u></u>	<u><u>(915)</u></u>	<u><u>(344)</u></u>	<u><u>(1,583)</u></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 periods ended 30 September 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 tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. The Group provided PRC EIT for the period ended 30 September 2022 and 2021 under the tax rate of 25%.

Under the Income Tax Act of the Taiwan area, the corporate income tax rate of the Group’s Taiwan branch for the period ended 30 September 2021 is 20%. As the Group disposed Taiwan operation in April 2021, no provision for corporate income tax for the period ended 30 September 2022.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “**BVI**”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

## 6. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging/(crediting):

	Three months ended		Six months ended	
	30 September	2021	30 September	2021
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(restated)		(restated)
Depreciation of Property, plant and equipment	315	140	630	1,858
Expenses related to short-term leases	293	31	324	66
Interest income on bank deposits	(1)	(1)	(2)	(1)
Interest income on rental deposits	–	–	(1)	(16)
Government grants	(227)	–	(477)	–
Sundry income	(60)	(95)	(130)	(155)
Total other income	(288)	(96)	(610)	(172)
Exchange (gain)/loss, net	(14)	503	(136)	343
Loss on disposals/write off of property, plant and equipment	–	36	–	36
Gain on disposal of subsidiaries (note 16)	–	–	–	(850)
Reversal of provision for reinstatement cost	–	(545)	–	(545)
Total other gains and losses	(14)	(6)	(136)	(1,016)
Interest expenses on lease liabilities	31	16	51	41
Interest expenses on bank borrowings	11	26	37	50
Total finance costs	42	42	88	91

## 7. DIVIDENDS

The Board does not recommend payment of interim dividend for the Review Period (Previous Period: Nil).

## 8. (LOSS)/EARNINGS PER SHARE

### (a) Basic

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

	Three months ended 30 September		Six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(restated)		(restated)
(Loss)/earnings:				
(Loss)/profit for the period attributable to owners of the Company	<u>(7,729)</u>	<u>3,689</u>	<u>(11,142)</u>	<u>7,010</u>
(Loss)/profit for the purpose of calculating basic (loss)/ earnings per share	<u><u>(7,729)</u></u>	<u><u>3,689</u></u>	<u><u>(11,142)</u></u>	<u><u>7,010</u></u>

	Three months ended 30 September		Six months ended 30 September	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u><u>939,456,521</u></u>	<u><u>840,000,000</u></u>	<u><u>890,000,000</u></u>	<u><u>840,000,000</u></u>

The placing of 150,000,000 ordinary shares was completed on 1 August 2022. For details, please refer to note 15 and the Company's announcements dated 6 July 2022 and 1 August 2022.

### (b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potential ordinary shares in issue during the six months ended 30 September 2021 and 2022.

## 9. PROPERTY, PLANT AND EQUIPMENT

### Acquisitions and disposals of owned assets

During the Review Period, the Group acquired certain property, plant and equipment excluding right-of-use assets with approximately HK\$719,000 (Previous Period: Nil).

During the Review Period, the Group did not have additional right-of-use asset (Previous Period: approximately HK\$1,585,000). During the Review Period, the Group did not write off any property, plant and equipment (Previous Period: loss on disposal of property, plant and equipment of approximately HK\$36,000).

## 10. TRADE AND OTHER RECEIVABLES

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
Receivables at amortised cost comprise:		
Trade receivables	26,157	80,741
Less: Allowance for impairment of trade receivables	<u>(570)</u>	<u>(1,609)</u>
	<u>25,587</u>	<u>79,132</u>
Prepayments, deposits and other receivables comprise:		
– Rental deposits	10	10
– Deposits and prepayments ( <i>note</i> )	6,621	2,641
Less: Allowances for impairment on deposits and other receivables	<u>(15)</u>	<u>(15)</u>
	<u>6,616</u>	<u>2,636</u>
Total trade and other receivables	<u><u>32,203</u></u>	<u><u>81,768</u></u>

*Note:*

Included in deposits and prepayments, carrying amount of HK\$2,000,000 represented the refundable deposits for securing the transactions with airline and general sales agent of airlines as at 30 September 2022 (31 March 2022: HK\$2,000,000).

The Group allows credit periods ranging from 0 day to 90 days to its customers.



The following is an ageing analysis of trade receivables net of allowance for credit losses, presented based on the invoice date at the end of each reporting period:

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
Within 30 days	10,095	30,834
More than 30 but within 60 days	13,866	27,123
More than 60 but within 90 days	573	7,599
More than 90 days	1,053	13,576
	<u>25,587</u>	<u>79,132</u>

## 11. TRADE AND OTHER PAYABLES

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
Trade payables	26,598	55,018
Other payables and accrued expenses	2,635	6,364
	<u>29,233</u>	<u>61,382</u>

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
Within 30 days	10,450	28,015
More than 30 but within 60 days	12,707	25,313
More than 60 but within 90 days	3,351	1,652
More than 90 but within 180 days	90	38
	<u>26,598</u>	<u>55,018</u>

## 12. CONTRACT LIABILITIES

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
Freight forwarding and related logistics services	<u>440</u>	<u>4,348</u>

Contract liabilities represent the Group's obligations to transfer services to a customer for which an amount of consideration is due from the customer. During the period ended 30 September 2022, revenue recognised in the Review Period relating to contract liabilities at the beginning of the period was HK\$4,348,000 (Previous Period: HK\$3,771,000).

The Group makes advance billings to customers at the commencement of services. The advance billings related to non-cancellable contracts that are due for payment resulted in contract liabilities being recognised through the shipment period until the completion of shipment.

## 13. BANK BORROWINGS

During the Review Period, the Group did not obtain any new bank loan (during the year ended 31 March 2022: Nil (audited)).

## 14. PROVISIONS

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
Analysed for reporting purposes as:		
Non-current liabilities	<u>100</u>	<u>100</u>
	<b>Provision for reinstatement expense</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
At 31 March 2021 and 1 April 2021 (audited)	639	639
Additional provision in the year	100	100
Reversal of provision recognised in previous year	(545)	(545)
Disposal of subsidiaries ( <i>note 16</i> )	<u>(94)</u>	<u>(94)</u>
At 31 March 2022 (audited) and 30 September 2022 (unaudited)	<u>100</u>	<u>100</u>

## 15. SHARE CAPITAL

Details of movements of authorised and issued capital of the Company are as follows:

	Number of Shares	Share capital HK\$
Ordinary shares of HK\$0.01 each		
<b>Authorised</b>		
At 1 April 2021 (audited), 30 September 2021 (unaudited), 1 April 2022 (audited) and 30 September 2022 (unaudited)	10,000,000,000	100,000,000
<b>Issued and fully paid</b>		
At 1 April 2021 (audited), 30 September 2021 (unaudited) and 1 April 2022 (audited)	840,000,000	8,400,000
Issue of shares on placement ( <i>note a</i> )	150,000,000	1,500,000
At 30 September 2022 (unaudited)	990,000,000	9,900,000

*Note:*

- (a) On 6 July 2022, the Company entered into a placing agreement with a placing agent in respect of the placement of 150,000,000 ordinary shares of HK\$0.01 each to independent investors at a price of HK\$0.186 per share. The placement was completed on 1 August 2022 and the premium on the issue of shares, amounting to approximately HK\$26,400,000, net of issuing expenses of approximately HK\$578,000, was credited to the Company's share premium account.

## 16. DISPOSAL OF SUBSIDIARIES

On 23 April 2021, the Group disposed the entire equity interest of a wholly-owned subsidiary, Hangda International Limited and its subsidiaries (“**Hangda Sub-group**”) to an independent third party. On 30 April 2021, the Group disposed the entire equity interest of Fu Da Logistics Company Limited (“**Fu Da**”) to another independent third party.

	Hangda Sub-group HK\$'000 (unaudited)	Fu Da HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Total consideration:</b>			
Cash received	280	7,500	7,780
Deferred cash consideration	—	2,500	2,500
Total consideration received	280	10,000	10,280

<b>Analysis of assets and liabilities over which control was lost:</b>	Hangda	Fu Da	Total
	Sub-group <i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)
Property, plant and equipment	312	1,176	1,488
Rental deposits	53	122	175
Trade and other receivables	52	23,169	23,221
Pledged bank deposits	–	167	167
Bank balances and cash	64	7,179	7,243
Trade and other payables	(208)	(20,263)	(20,471)
Tax payable	–	(154)	(154)
Contract liabilities	–	(768)	(768)
Lease liabilities	(313)	(557)	(870)
Deferred tax liabilities	–	(54)	(54)
Provisions	–	(96)	(96)
	<u>          </u>	<u>          </u>	<u>          </u>
Net (liabilities)/assets disposed of	(40)	9,921	9,881
	<u>          </u>	<u>          </u>	<u>          </u>
(Loss)/gain on disposals of subsidiaries:			
Consideration received and receivable	280	10,000	10,280
Non-controlling interest	(458)	–	(458)
Net liabilities/(assets) disposed of	40	(9,921)	(9,881)
Cumulative exchange difference reclassified from equity to profit or loss upon disposals	41	868	909
	<u>          </u>	<u>          </u>	<u>          </u>
(Loss)/gain on disposals	(97)	947	850
	<u>          </u>	<u>          </u>	<u>          </u>
	Hangda	Fu Da	Total
	Sub-group		
<b>Net cash inflow arising on disposals:</b>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)
Cash consideration	280	7,500	7,780
Less: bank balances and cash disposed of	(64)	(7,179)	(7,243)
	<u>          </u>	<u>          </u>	<u>          </u>
	216	321	537
	<u>          </u>	<u>          </u>	<u>          </u>

## 17. RELATED PARTY DISCLOSURES

### (i) Compensation of key management personnel

The remuneration of directors and key management personnel during the Review Period is as follows:

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Salaries and other allowances	1,201	1,516	3,226	2,848
Retirement benefit scheme and contributions	38	26	75	52
	<u>1,239</u>	<u>1,542</u>	<u>3,301</u>	<u>2,900</u>

### (ii) Personal guarantees

At 30 September 2022, all (at 31 March 2022: all) bank borrowings of the Group were guaranteed by Mr. Thomas Loy and Mr. Loy Hak Moon.

### (iii) Sales transaction

During the Review Period, the Group received approximately HK\$1.2 million (Previous Period: approximately HK\$0.6 million) service income from Guangdong Jiyueke Brand Management Co. Ltd\*. (“**Guangdong Jiyueke**”). Mr. Liao Daichun, chief executive officer and a substantial shareholder of the Company, is a legal representative, a director and a shareholder of Guangdong Jiyueke.

\* For identification purposes only

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

Wan Leader International Limited (the “**Company**”) is a company that provides logistics services to customers mostly located in Hong Kong, the People’s Republic of China (the “**PRC**”), Taiwan and Vietnam, with cargo destinations covering the United States of America (“**USA**”), Europe, Asia and other regions. It also provides entrusted management services in the PRC. The shares (the “**Shares**”) of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

The services of the Company and its subsidiaries (together, the “**Group**”) mainly include (a) the provision of freight forwarding and related logistics services, which include reselling cargo spaces the Group purchases from airlines, airlines’ general sales agent(s), shipping liners and other freight forwarders to direct shippers or respective freight forwarders, which act on behalf of their shipper customers and eventually deliver the goods to the destinations; and (b) the provision of entrusted management services for operating an online e-commerce platform.

The Group recorded a net loss of approximately HK\$11.1 million for the period ended 30 September 2022 (“**Review Period**”) as compared to a net profit of approximately HK\$7.0 million for the period ended 30 September 2021 (“**Previous Period**”). Furthermore, the recurring impact of the novel coronavirus pandemic (“**COVID-19**”) throughout the Review Period adversely affected the results of the Review Period.

At present, the situation of COVID-19 remains the most uncertain factor affecting the recovery and development of the logistics industry. With COVID-19 flaring up across the PRC since March 2022, more stringent preventive health measures and containment policies have been implemented across the country, including multiple rounds of city-wide COVID-19 testing and partial or complete city lockdowns. This led to the closure of factories by major manufacturers, port congestion and low demand for cargo spaces.

As the majority of the Group’s ultimate customers are manufacturers in the PRC, there is uncertainty about the extent and timing of the re-opening of the border between Hong Kong and the PRC, and the customs clearance process between the PRC and Hong Kong freight has been hindered as a result of the COVID-19 pandemic situation. The recovery of the efficiency of logistics flow has not yet shown any significant improvement. The cost in logistics market is remain at a high level and persist. Therefore, the Company believes that the impact of the pandemic will be difficult to get rid of, but the Group will closely monitor the market situation, ensure in-depth cooperation with its suppliers, and offer better services to its customers to continuously strengthen its market position.

Looking forward, the Group is cautious yet optimistic towards its business and development, with a range of significant opportunities ahead. The Company will continue to closely monitor the global COVID-19 situation and monitor changes in market demand, in order to implement stricter cost control measures to ensure a more robust operating cash flow, and actively respond to the risks and challenges brought on by COVID-19 to the operations.

To broaden the revenue and expand the business, the Group renewed the entrusted management agreement (the “**Entrusted Management Agreement**”) with Guangdong Jiyueke Brand Management Co. Ltd\* on 1 September 2022. The agreement covers one year. It is expected that entering into the Entrusted Management Agreement will help the Group to gain more practical knowledge on the operation of an e-commerce platform and thereby reform its business model from a freight forwarder to a technology solution provider through innovation, cloud platforms, big data etc. By taking advantage of the Group’s professional skills, know-how 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 from this 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 Company always strives to improve the Group’s business operations and financial position by proactively seeking potential investment opportunities that would diversify the Group’s existing business portfolio, broaden its source of income and enhance the value to the Shareholders of the Company.

## **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 decreased by approximately 55.9% from approximately HK\$309.4 million for Previous Period to approximately HK\$136.5 million for the Review Period.

Revenue generated from air freight forwarding and related logistics services for the Review Period amounted to approximately HK\$119.2 million (Previous Period: approximately HK\$241.3 million), accounting for approximately 87.3% of the Group’s total revenue (Previous Period: approximately 78.0%). The revenue from this segment remained to be the major source of the revenue of the Group.

Revenue generated from sea freight forwarding and related logistics services for the Review Period amounted to approximately HK\$16.1 million (Previous Period: approximately HK\$67.5 million), accounting for approximately 11.8% of the Group’s total revenue (Previous Period: approximately 21.8%). Most of the Group’s customers from this segment are direct shippers.

\* *For identification purposes only*

Revenue generated from entrusted management services from operating an online e-commerce platform for the Review Period amounted to approximately HK\$1.2 million (Previous Period: approximately HK\$0.6 million), accounting for approximately 0.9% of the Group's total revenue (Previous Period: approximately 0.2%). This was a new business to the Group and the management expected that the market will be huge in the long run.

### **Cost of services and gross profit**

The Group's cost of services decreased by approximately 52.5% from approximately HK\$286.7 million for the Previous Period to approximately HK\$136.1 million for the Review Period. This decrease was mainly in cope with the reduction in sales orders received.

The Group's gross profit decreased by approximately 98.1% from approximately HK\$22.8 million for the Previous Period to approximately HK\$0.4 million for the Review Period. Gross profit margin decreased from approximately 7.4% for the Previous Period to approximately 0.3% for the Review Period. Such decrease was mainly attributable to (i) a decrease in turnover due to the continuous impact brought by the COVID-19 pandemic, the customs clearance process between the PRC and Hong Kong freight has been hindered, and drops in demand for cargo spaces because of the worldwide economic downturn; (ii) the unit costs of air and sea cargo spaces remained at a high level; and (iii) an increase in storage costs when compared with the Previous Period.

### **Other income**

Other income included bank interest income from bank deposits, 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\$0.5 million of grants were obtained in the Review Period (Previous Period: Nil).

### **Other gains and losses**

Other gains and losses included foreign exchange gain/loss, loss on disposals/write off of property, plant and equipment, gain on disposals of subsidiaries and reversal of provision for reinstatement cost. The Group recorded a net gain in other gains and losses during the Review Period, which was primarily attributable to the gain on foreign exchange.

### **Sales and marketing expenses**

Sales and marketing expenses mainly included cost of business development and soliciting new customers. The amount decreased during the Review Period as service charge amounting to approximately HK\$0.8 million (Previous Period: approximately HK\$2.3 million) was paid to a consultant.



## **Administrative expenses**

The Group's administrative expenses remained at approximately HK\$10.2 million for the Review Period and the Previous Period. Such expenses mainly included staff costs and benefits, audit fees, legal and professional fees, depreciation, utilities and other expenses.

## **Impairment losses reversed 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 Review Period, reversal in impairment loss of approximately HK\$1.0 million was recognised (Previous Period: additional impairment loss of approximately HK\$1.1 million was recognised) due to the decrease in trade receivable balances and decrease in the customer's past due ratio.

## **Impairment losses recognised on deposits and other receivables, net**

During the Review Period, none of impairment loss was recognised (Previous Period: additional impairment loss of approximately HK\$0.1 million was recognised) due to the insignificant change in balance of other receivables during the Review Period.

## **Finance costs**

Finance costs for the Review Period represented interest expenses on lease liabilities and bank borrowings. Finance costs decreased from approximately HK\$91,000 for the Previous Period to approximately HK\$88,000 for the Review Period which was caused by the decrease in interest expenses on bank borrowings.

## **Income tax expenses**

The Group's income tax expenses primarily included provisions for Hong Kong Profits Tax, the PRC's Enterprise Income Tax, Taiwan Corporate Income Tax and deferred income tax expenses/credit. A loss before taxation of approximately HK\$10.8 million for the Review Period (Previous Period: profit before taxation approximately HK\$8.6 million) was recorded while income tax expenses of approximately HK\$0.3 million (Previous Period: approximately HK\$1.6 million) was incurred for the Review Period.

## **(Loss)/profit for the period**

The Group recorded a loss for the period of approximately HK\$11.1 million for the Review Period, compared to a profit for the period of approximately HK\$7.0 million for the Previous Period. The loss was mainly due to the effects of (i) a decrease in turnover due to the continuous impact brought by the COVID-19 pandemic, the customs clearance process between the PRC and Hong Kong freight has been hindered, and drops in demand for cargo spaces because of the worldwide economic downturn; (ii) the unit costs of air and sea cargo spaces remained at a high level; and (iii) an increase in storage costs when compared with the Previous Period.

## **Trade and other receivables**

Trade receivables (net of allowance for impairment of trade receivables) decreased by 67.7% from approximately HK\$79.1 million at 31 March 2022 to approximately HK\$25.6 million at 30 September 2022. Such decrease was primarily attributable to the decrease in sales during the Review Period.

The Group's prepayments, deposits and other receivables increased when compared to year ended 31 March 2022. During the Review Period, a prepayment of services fee for overseas business of approximately HK\$2.7 million was paid.

## **Trade payables and other payables**

Trade payables decreased by approximately 51.7% from approximately HK\$55.0 million at 31 March 2022 to approximately HK\$26.6 million at 30 September 2022. The decrease was mainly due to the decrease in cost of services incurred in cope with the reduction in sales orders received.

Other payables and accrued expenses decreased by approximately 58.6% from approximately HK\$6.4 million at 31 March 2022 to approximately HK\$2.6 million at 30 September 2022.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group funded the liquidity and capital requirements for the Review Period primarily through cash flows from operating activities.

At 30 September 2022, the Group had cash and cash equivalents in the sum of approximately HK\$73.3 million (at 31 March 2022: approximately HK\$44.3 million) and time deposits over three months of approximately HK\$3.0 million (at 31 March 2022: approximately HK\$3.0 million) most of which were either denominated in HKD, United States Dollars (“USD”) and Renminbi (“RMB”).

At 30 September 2022, the Group had bank borrowings in the sum of approximately HK\$2.3 million (at 31 March 2022: approximately HK\$3.0 million). The Group had lease liabilities of approximately HK\$1.8 million at 30 September 2022 (at 31 March 2022: approximately HK\$2.1 million).

Gearing ratio is the current debt (including bank borrowing and leases liabilities) divided by total equity and multiplied by 100% at the year/period ended date. The gearing ratio of the Group at 30 September 2022 was approximately 4.5% (at 31 March 2022: approximately 5.9%). As a result of the increase in equity after placing of new shares, the gearing ratio decreased.

During the Review Period, the Group did not employ 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.

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 6 July 2022, the Company conducted a placing of 150,000,000 new ordinary shares of HK\$0.01 each (“**Placing Share**”) at a price of HK\$0.186 each to raise a gross proceeds of approximately HK\$27.9 million (the “**Placing**”). The Placing Shares were issued under the relevant general mandate granted to the Directors at the annual general meeting of the Company held on 27 August 2021. The closing price per share of the Company on the Stock Exchange on 6 July 2022 was HK\$0.201. The net price per Placing Share was approximately HK\$0.182. Completion of the Placing took place on 1 August 2022. The net proceeds arising from the placing had been applied in accordance with the plans as set out in the Company's announcements. For further details of the Placing, please refer to the announcements of the Company dated 6 July 2022 and 1 August 2022.

## **CHARGE ON ASSETS**

At 30 September 2022, certain property, plant and equipment of the Group with a carrying value of approximately HK\$2.0 million (at 31 March 2022: approximately HK\$2.3 million) were held under leases liabilities and bank deposits of approximately HK\$3.0 million (at 31 March 2022: approximately HK\$3.0 million) was pledged to secure the guarantee facilities obtained by the Group. Save as disclosed, the Group did not have any charges on its assets.

## **FOREIGN EXCHANGE EXPOSURE**

During the Review Period, the Group received payments from the Group's customers in foreign currencies, such as USD, Euro (“**EUR**”), RMB and New Taiwan Dollars (“**NTD**”), and the Group settled some of its cost and expenses with suppliers 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 HKD 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 30 September 2022, the Group had no outstanding capital commitments (at 31 March 2022: Nil) for the acquisition of property, plant and equipment. Save for the plans disclosed in the Company's announcement(s) or this announcement, the Group did not have any future plans for material investments or capital assets at 30 September 2022.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

Save as disclosed in note 16 to the condensed financial statements, there were no material acquisitions and disposal of subsidiaries by the Group during the Review Period.

## **SIGNIFICANT INVESTMENTS**

The Group did not hold any significant investments during the Review Period.

## **EVENT AFTER REPORTING PERIOD**

There was no significant event relevant to the business or financial performance of the Group after the Review Period and up to the date of this announcement.

## **CAPITAL EXPENDITURE**

During the Review Period, the Group invested approximately HK\$0.7 million in property, plant and equipment, mainly attributable to the payment for fixtures and leasehold improvements in the PRC.

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities both at 31 March 2022 and at 30 September 2022.

## **DIVIDEND**

The Board does not recommend the payment of interim dividend for the Review Period.

## **CAPITAL STRUCTURE**

There has been no change in the capital structure of the Group since 1 April 2022. The share capital of the Company consists only of ordinary shares of the Company.

At 30 September 2022, the Company's issued share capital was HK\$9.9 million, the number of its issued ordinary shares was 990,000,000 and the par value of each ordinary share was HK\$0.01.

## TREASURY POLICIES

The Group adopts a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the Review Period. The management of the Group regularly reviews the recoverable amount of each individual trade debtors and sundry debtors to ensure prompt recovery and if necessary, to make adequate impairment losses for irrecoverable amounts. During the Review Period, a sum of approximately HK\$1.0 million for impairment losses on trade receivables, deposits and other receivables was reversed (as compared with additional impairment loss of approximately HK\$1.2 million was recognised in the Previous Period).

## EMPLOYEES AND REMUNERATION POLICIES

At 30 September 2022, the Group employed 24 staff in Hong Kong, and 7 staff in the PRC (at 31 March 2022: 24 staff in Hong Kong and 9 staff in the PRC).

For the Review Period, the Group's total cost for employee compensation and benefits (including Director's emoluments) was approximately HK\$7.0 million (Previous Period: approximately HK\$5.3 million). 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 by 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 (the "**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 market standard and practices.

During the Review Period, the Group's employees attended trainings in relation to air cargo operations, listing rules, corporate governance, accounting and taxation.

## COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the Review Period's presentation of the Group.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The board ("**Board**") of directors ("**Director**") of the Company 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 2022 to 30 September 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 Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**").

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 they had complied with the Required Standard of Dealings throughout the Review Period.

## **DIRECTOR'S INTEREST IN COMPETING BUSINESS**

The Directors, controlling shareholders and their respective associates (as defined in the GEM Listing Rules) are not aware of any competing business that they themselves are currently conducting or is being conducted by their connected or related parties during the Review Period.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities from 1 April 2022 up to 30 September 2022.

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATIONS**

As at 30 September 2022, the following Directors and chief executive of the Company (the “**Chief Executive**”) had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”)) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules:

### **(i) Long position in shares of the Company**

<b>Name of Director/ Chief Executive</b>	<b>Capacity/ Nature of interests</b>	<b>Interest in Shares</b>	<b>Approximate percentage of the Company's issued share capital</b>
Mr. Loy Hak Yu Thomas (“ <b>Mr. Thomas Loy</b> ”)	Interest in a controlled corporation ( <i>Note 1</i> )	75,992,000	7.68%
Mr. Liao Daichun (“ <b>Mr. Liao</b> ”)	Beneficial owner ( <i>Note 2</i> )	182,690,000	18.45%

**(ii) Long position in shares of associated corporations**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of interests</b>	<b>Interest in shares</b>	<b>Approximate percentage of the Company's issued share capital</b>
Mr. Thomas Loy	Ho Tat Limited (“ <b>Ho Tat</b> ”) <i>(Note 1)</i>	Beneficial owner <i>(Note 1)</i>	1	100%

*Notes:*

1. Ho Tat is wholly and beneficially owned by Mr. Thomas Loy. By virtue of the SFO, Mr. Thomas Loy is deemed to be interested in all the shares held by Ho Tat.
2. Mr. Liao was appointed as a non-executive Director on 23 April 2021 and he resigned on 2 August 2021. Mr. Liao has been the chief executive officer with effect from 20 August 2021.

Save as disclosed above and below under the heading “Directors’ Rights to Acquire Shares or Debentures”, at 30 September 2022, none of the Directors or the Chief Executive and/or any of their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

**DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in this announcement, at no time during the Review Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

Save as disclosed in this announcement, at no time during the Review Period the Directors and the Chief Executive (including their spouses and children under 18 years of age) had any interest in, or been granted or exercised, any rights to subscribe for the shares (or warrants or debentures, as applicable) of the Company or any of its associated corporations (within the meaning of the SFO).



## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

To the best knowledge of the Directors, as at 30 September 2022, the substantial shareholders of the Company had interests or short positions in the shares or underlying shares of the Company, which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO as follows:

### Long Positions

Name	Capacity/ nature of interests	Number of shares held/ interested ( <i>Note 5</i> )	Approximate percentage of shareholding
Ho Tat	Beneficial owner ( <i>Note 1</i> )	75,992,000 (L)	7.68%
Mr. Thomas Loy	Interest in a controlled corporation, parties acting in concert ( <i>Note 1</i> )	75,992,000 (L)	7.68%
Mr. HM Loy	Parties acting in concert ( <i>Note 1</i> )	75,992,000 (L)	7.68%
Ms. Kong Sau Ming	Interest of spouse ( <i>Note 2</i> )	75,992,000 (L)	7.68%
Ms. Siu Pui Sum	Interest of spouse ( <i>Note 3</i> )	75,992,000 (L)	7.68%
Mr. Liao Daichun	Beneficial owner ( <i>Note 4</i> )	182,690,000 (L)	18.45%
Ms. Zhao Rongjing	Interest of spouse ( <i>Note 5</i> )	182,690,000 (L)	18.45%
Mr. Luo Honghui	Beneficial owner, interest in a controlled corporation ( <i>Note 6</i> )	141,570,000 (L)	14.30%
Zhongyuehui (Shenzhen) Holdings Group Limited	Beneficial owner ( <i>Note 6</i> )	126,650,000 (L)	12.79%



*Notes:*

1. Ho Tat is wholly and beneficially owned by Mr. Thomas Loy. By virtue of the SFO, Mr. Thomas Loy is deemed to be interested in all the shares held by Ho Tat. Mr. Thomas Loy and Mr. HM Loy are parties acting in concert pursuant to the Acting in Concert Confirmation upon (as defined in the prospectus of the Company dated 24 August 2018) the Share Offer becoming unconditional.
2. Ms. Kong Sau Ming is the spouse of Mr. Thomas Loy, and is deemed to be interested in the shares which are interested by Mr. Thomas Loy under the SFO.
3. Ms. Siu Pui Sum is the spouse of Mr. HM Loy, and is deemed to be interested in the shares which are interested by Mr. HM Loy under the SFO.
4. Mr. Liao Daichun was appointed as a non-executive Director on 23 April 2021 and he resigned on 2 August 2021. Mr. Liao has been the chief executive officer with effect from 20 August 2021.
5. Ms. Zhao Rongjing is the spouse of Mr. Liao Daichun, and is deemed to be interested in the shares which are interested by Mr. Liao Daichun under the SFO.
6. Mr. Luo Honghui (“**Mr. Luo**”) is personally interested in 14,920,000 Shares. Zhongyuehui (Shenzhen) Holdings Group Limited (a company 95% controlled by Mr. Luo) is interested in 126,650,000 Shares. Accordingly, Mr. Luo is deemed to be interested in 126,650,000 Shares owned by Zhongyuehui (Shenzhen) Holdings Group Limited by virtue of Part XV of the SFO.
7. The letter “L” denotes long position in the shares.

Save as disclosed above, at 30 September 2022, the Directors are not aware of any interests and short positions owned by the Chief Executive, or other parties. No person, other than the Directors, whose interests are set out in the section “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Any Associated Corporations” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## **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.

Up to the date of this announcement, no share options 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 30 September 2022 and at the date of this announcement.

## **CHANGE IN DIRECTORS' INFORMATION**

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.

Mr. Chow Chi Wing, an independent non-executive Director, retired as the company secretary and the authorised representative of Asia Television Holdings Limited (stock code: 707) with effect from 8 August 2022.

Save as disclosed above, the Company is not aware of any other changes in the directors' information which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the publication of annual report for the year ended 31 March 2022 of the Company.

## **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 reports 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.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the Review Period.

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

Hong Kong, 11 November 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](http://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](http://www.wanleader.com).*