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WAN LEADER INTERNATIONAL LIMITED
萬勵達國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8482)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2023

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 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 and its subsidiaries (together, the “Group”). The directors of 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.

Annual Results

The board of Directors (the “**Board**”) of the Company and its subsidiaries (collectively referred to as the “**Group**”) is please to announce the audited consolidated results of the Group for the year ended 31 March 2023 together with the comparative figures for the previous year are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	4	206,936	674,040
Cost of services		<u>(204,436)</u>	<u>(629,203)</u>
Gross profit		2,500	44,837
Other income	5	877	513
Other gains and losses	6	(739)	899
Sales and marketing expenses		(6,434)	(9,585)
Administrative expenses		(22,564)	(23,530)
Reversal of impairment losses/(impairment losses) recognised on trade receivables, net		1,213	(851)
(Impairment losses)/reversal of impairment losses recognised on deposits and other receivables, net		(27)	173
Finance costs	7	(162)	(185)
Share of loss of an associate		<u>(583)</u>	—
(Loss)/profit before taxation		(25,919)	12,271
Income tax expense	8	<u>(852)</u>	<u>(3,042)</u>
(Loss)/profit for the year	9	<u><u>(26,771)</u></u>	<u><u>9,229</u></u>

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Other comprehensive (expenses)/income for the year			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>(203)</u>	<u>551</u>
Other comprehensive (expenses)/income for the year		<u>(203)</u>	<u>551</u>
Total comprehensive (expenses)/income for the year		<u>(26,974)</u>	<u>9,780</u>
(Loss)/profit for the year attributable to:			
Owners of the Company		<u>(26,771)</u>	<u>9,238</u>
		(26,771)	9,238
Non-controlling interest		<u>—</u>	<u>(9)</u>
		<u>(26,771)</u>	<u>9,229</u>
Total comprehensive (expenses)/income for the year attributable to:			
Owners of the Company		<u>(26,974)</u>	<u>9,837</u>
		(26,974)	9,837
Non-controlling interest		<u>—</u>	<u>(57)</u>
		<u>(26,974)</u>	<u>9,780</u>
(Loss)/earnings per share			
Basic and diluted (<i>HK cents</i>)	<i>11</i>	<u>(2.85)</u>	<u>1.10</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

		2023	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		3,312	3,965
Intangible asset		–	–
Interest in an associate		–	825
Rental deposits		–	95
Deposits		8	615
Deferred tax assets		67	239
		<u>3,387</u>	<u>5,739</u>
Current assets			
Inventory		588	–
Trade and other receivables	12	46,415	81,768
Amount due from a related company		3,112	–
Tax recoverable		1,153	–
Pledged bank deposits		3,002	3,001
Bank balances and cash		25,733	44,317
		<u>80,003</u>	<u>129,086</u>
Current liabilities			
Trade and other payables	13	16,689	61,382
Lease liabilities		673	628
Tax payable		1,334	2,531
Contract liabilities		384	4,348
Provisions		–	–
Bank borrowings	14	1,670	2,985
		<u>20,750</u>	<u>71,874</u>
Net current assets		<u>59,253</u>	<u>57,212</u>
Total assets less current liabilities		<u>62,640</u>	<u>62,951</u>

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		826	1,486
Provisions		100	100
		<u>926</u>	<u>1,586</u>
Net Assets		<u>61,714</u>	<u>61,365</u>
Capital and reserves			
Share capital	<i>15</i>	9,900	8,400
Other reserves		90,650	64,872
Accumulated losses		<u>(38,836)</u>	<u>(11,907)</u>
Equity attributable to owners of the Company		61,714	61,365
Non-controlling interest		<u>—</u>	<u>—</u>
Total Equity		<u>61,714</u>	<u>61,365</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

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

	Attributable to owners of the Company							Total	Non-controlling interest	Total
	Share capital	Share premium	Other reserve	Merger reserve	Statutory reserve	Exchange reserve	Accumulated losses			
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(Note i)</i>	<i>HK\$'000</i> <i>(Note ii)</i>	<i>HK\$'000</i> <i>(Note iii)</i>	<i>HK\$'000</i>	<i>HK\$'000</i>			
At 1 April 2022	8,400	49,429	14,118	1,091	199	35	(11,907)	61,365	–	61,365
Loss for the year	–	–	–	–	–	–	(26,771)	(26,771)	–	(26,771)
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	–	–	(203)	–	(203)	–	(203)
Total comprehensive expenses for the year	–	–	–	–	–	(203)	(26,771)	(26,974)	–	(26,974)
Appropriations to statutory reserve	–	–	–	–	158	–	(158)	–	–	–
Proceeds from placing of new shares	1,500	26,400	–	–	–	–	–	27,900	–	27,900
Issuing expenses of placing of new shares	–	(577)	–	–	–	–	–	(577)	–	(577)
At 31 March 2023	9,900	75,252	14,118	1,091	357	(168)	(38,836)	61,714	–	61,714

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. GENERAL

Wan Leader International Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 5 September 2018. As at 31 March 2023, the 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, provision of entrusted management services for operating an online e-commerce platform and trading of fashion items.

During the year, the Group has commenced the trading of fashion items and therefore, a new segment has been set up accordingly.

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

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting date. The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”). Other than changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 March 2023 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 March 2022.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (the “HKFRSs”) which include the amendments to HKFRSs and Hong Kong Accounting Standards (“HKAS”), issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning 1 April 2022:

Amendments to HKAS 16	Proceeds before intended use
Amendments to HKAS 37	Onerous contracts – cost of fulfilling a contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018-2020

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

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 17	Insurance contracts ¹
Amendments to HKAS 1	Classification of liabilities as current or non-current ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies ¹
Amendments to HKAS 8	Definition of accounting estimates ¹
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction ¹
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³
HK Int 5 (2020)	Classification by the borrower of a term loan that contains a repayment on demand clause ⁴
Amendments to HKFRS 16	Lease liability in a sale and leaseback ²
Amendments to HKAS 1	Non-current liabilities with covenants ²

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

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective date to be determined.

⁴ Applied when an entity applies “Amendments to HKAS 1 – Classification of liabilities as current or non-current

The accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods.

4. REVENUE AND SEGMENT INFORMATION

The Group's revenue from provision of freight forwarding and related logistics services and entrusted management service for operating an online e-commerce platform is recognised over time when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, using output method. Revenue from trading of fashion items is recognised when the customer obtains control of the distinct goods.

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, an executive director of the Group, for the purpose of resource allocation and performance assessment focuses on the different types of services. The CODM regularly review revenue and results analysis by (i) provision of freight forwarding and related logistics services; (ii) entrusted management service for operating an online e-commerce platform; and (iii) trading of fashion items. No analysis of segment assets and segment liabilities is presented as such information is not regularly provided to the CODM in current or prior year.

During the year ended 31 March 2023, 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
- iii) Trading of fashion items

During the year ended 31 March 2023, a new segment named trading of fashion items, which may include sourcing luxury fashion products from Europe and arranging logistics from Europe to Hong Kong and then delivering the products to Hong Kong-based customer. The Group has entered into several contracts with independent third parties concerning the purchase agreements and sales agreement. An analysis of the Group's revenue for the year is as follow:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregate by major service lines		
Provision of freight forwarding and related logistics services		
– Air freight	176,068	530,414
– Sea freight	19,553	139,186
	<u>195,621</u>	<u>669,600</u>
Entrusted management services for operating an online e-commerce platform	3,941	4,440
Trading of fashion items	7,374	–
	<u>206,936</u>	<u>674,040</u>

During the years ended 31 March 2023 and 2022, all performance obligations for provision of freight forwarding and related logistics services, entrusted management services for operating an online e-commerce platform and trading of fashion items are for a period of less than one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied/partially unsatisfied performance obligations as at 31 March 2023 and 2022 are not disclosed.

Segment revenues and results

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

For the year ended 31 March 2023

	Freight forwarding and related logistics services <i>HK\$'000</i>	Entrusted management services for operating an online e-commerce platform <i>HK\$'000</i>	Trading of fashion items <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE				
External revenue and segment revenue	<u>195,621</u>	<u>3,941</u>	<u>7,374</u>	<u>206,936</u>
RESULT				
Segment (loss)/profit	<u>(18,471)</u>	<u>1,652</u>	<u>1,531</u>	<u>(15,288)</u>
Other income				877
Corporate expenses				(10,763)
Share of loss of an associate				(583)
Finance costs				<u>(162)</u>
Loss before tax				<u>(25,919)</u>

For the year ended 31 March 2022

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

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

Other segment information – Amounts included in segment results

For the year ended 31 March 2023

	Freight forwarding and related logistics services HK\$'000	Entrusted management services for operating an online e-commerce platform HK\$'000	Trading of fashion items HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amount included in the measure of segment loss:					
Addition to non-current assets <i>(note i)</i>	–	569	–	102	671
Depreciation of property, plant and equipment	752	246	–	264	1,262
Impairment losses/(Reversal of impairment losses) recognised on other receivables and amount due from a related company, net	(12)	39	–	–	27
(Reversal of impairment losses)/ impairment losses recognised on trade receivables, net	(1,277)	–	64	–	(1,213)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:					
Interest income	94	1	–	1	96
Finance costs	162	–	–	–	162
Income tax expense	192	660	–	–	852

For the year ended 31 March 2022

	Freight forwarding and related logistics services <i>HK\$'000</i>	Entrusted management services for operating an online e-commerce platform <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amount included in the measure of segment profit:				
Addition to non-current assets (<i>note i</i>)	2,167	1,503	761	4,431
Depreciation of property, plant and equipment	1,343	23	914	2,280
Reversal of provision for reinstatement cost	(545)	–	–	(545)
Reversal of impairment losses recognised on other receivables, net	(173)	–	–	(173)
Impairment losses recognised on trade receivables, net	851	–	–	851
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Interest in an associate	–	–	825	825
Interest income	1	3	–	4
Finance costs	185	–	–	185
Loss on write-off of property, plant and equipment	–	–	36	36
Income tax expense	2,123	919	–	3,042

Note (i): Non-current assets excluded financial instruments, deferred tax assets and interest in an associate.

Geographic information

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong (place of domicile)	202,995	657,533
The People's Republic of China (the "PRC")	3,941	4,445
Taiwan	–	12,062
Total	206,936	674,040

Information about the Group's non-current assets by geographical market based on the location of assets:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong (place of domicile)	2,103	3,195
The PRC	1,217	1,385
Taiwan	—	—
	<hr/>	<hr/>
Total	3,320	4,580
	<hr/> <hr/>	<hr/> <hr/>

Note: Non-current assets excluded financial instruments, deferred tax assets and interest in an associate.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A ¹	36,157	180,782
Customer B ¹	24,256	139,936
Customer C ¹	N/A	65,916
	<hr/>	<hr/>

¹ Revenue from provision of freight forwarding and related logistics services segment.

5. OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest income		
– Bank deposits	96	4
– Rental deposits (<i>note 1</i>)	1	16
Government grants (<i>note 2</i>)	530	—
Sundry income	250	493
	<hr/>	<hr/>
	877	513
	<hr/> <hr/>	<hr/> <hr/>

Notes:

1. During the years ended 31 March 2023 and 2022, the amount represents the imputed interest income arises from the deposits placed in respect of the lease entered which is over one year.
2. During the year ended 31 March 2023, government grants were related to Employment Support Scheme (the “ESS”) provided by The Government of the Hong Kong Special Administrative Region (the “HKSAR”) under the Anti-Epidemic Fund. There were no unfulfilled conditions and other contingencies attached to receipts of those subsidies. No such government grant was received during the year ended 31 March 2022.

6. OTHER GAINS AND LOSSES

	2023 HK\$'000	2022 <i>HK\$'000</i>
Exchange gain/(loss)	203	(460)
Reversal of provision for reinstatement cost	–	545
Net gain on disposal of subsidiaries	–	850
Loss on deemed disposal of an associate	(942)	–
Loss on write off of property, plant and equipment	–	(36)
	<u>–</u>	<u>–</u>
	(739)	899
	<u>(739)</u>	<u>899</u>

7. FINANCE COSTS

	2023 HK\$'000	2022 <i>HK\$'000</i>
Interests on:		
– bank borrowings	70	96
– lease liabilities	92	89
	<u>–</u>	<u>–</u>
	162	185
	<u>162</u>	<u>185</u>

8. INCOME TAX EXPENSE

The charge (credit) comprises:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax:		
– Hong Kong Profits Tax	–	2,121
– PRC Enterprise Income Tax (“EIT”)	670	919
– Taiwan Corporate Income Tax	–	117
	<u>670</u>	<u>3,157</u>
Deferred taxation	<u>182</u>	<u>(115)</u>
	<u>852</u>	<u>3,042</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the years ended 31 March 2023 and 2022, 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.

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

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

The income tax expense can be reconciled to the (loss)/profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(Loss)/profit before tax	(25,919)	12,271
Tax at the Hong Kong Profits Tax rate of 16.5%	(4,277)	2,025
Tax effect of income not taxable for tax purpose	(103)	(140)
Tax effect of expenses not deductible for tax purpose	633	234
Tax effect of tax losses not recognised	4,343	1,089
Utilisation of tax losses previously not recognised	–	(185)
Tax effect of deductible temporary difference not recognised	16	–
Tax concession (<i>note</i>)	–	(40)
Effect of different tax rates of subsidiaries operating in other jurisdictions	194	359
Tax effect of two-tiered profits tax rates regime	–	(165)
Others	46	(135)
Income tax expense	852	3,042

Note: A tax concession of 100%, subject to a ceiling of HK\$6,000 (2022: HK\$10,000) per company, for the Group's subsidiaries under Hong Kong jurisdiction for the year ended 31 March 2023.

9. (LOSS)/PROFIT FOR THE YEAR

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(Loss)/profit for the year has been arrived at after charging:		
Staff cost, excluding directors' and chief executive officer's emoluments:		
– Salaries, bonus and other benefits	10,245	10,825
– Contributions to retirement benefits schemes	401	367
Total staff costs excluding directors' and chief executive's emoluments	10,646	11,192
Auditors' remuneration		
– Current year	700	720
– Under provision in prior year	20	–
Depreciation of property, plant and equipment	1,262	2,280
Cost of inventories	5,842	–

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2023, nor has any dividend been proposed since the end of the reporting period (2022: nil).

11. (LOSS)/EARNINGS PER SHARE

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

(a) Basic

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(Loss)/earnings		
(Loss)/earnings represent (loss)/profit for the year attributable to the owners of the Company	<u><u>(26,771)</u></u>	<u><u>9,238</u></u>
<i>Number of shares</i>		
	2023 <i>'000</i>	2022 <i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u><u>939,863</u></u>	<u><u>840,000</u></u>

(b) Diluted

Diluted (loss)/earnings per share is same as basic earnings per share as there were no potential ordinary shares in issue for the years ended 31 March 2023 and 2022.

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

12. TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Receivables at amortised cost comprise:		
Trade receivables	20,709	80,741
<i>Less:</i> allowances for impairment of trade receivables	<u>(396)</u>	<u>(1,609)</u>
	<u>20,313</u>	<u>79,132</u>
Prepayment, deposits and other receivables comprise:		
– Rental deposits	95	10
– Deposits and prepayment (<i>note i</i>)	25,792	2,641
– Other receivables	218	–
<i>Less:</i> allowances for impairment of deposits and other receivables	<u>(3)</u>	<u>(15)</u>
	<u>26,102</u>	<u>2,636</u>
Total trade and other receivables	<u><u>46,415</u></u>	<u><u>81,768</u></u>

Notes:

- (i) Included in deposits and prepayment, gross carrying amount of HK\$2,000,000 represented the refundable deposits for securing the transactions with airlines as at 31 March 2023 (2022: HK\$2,000,000).
- (ii) All trade receivables as at 31 March 2023 and 2022 are arising from HKFRS 15.

The Group's trade receivables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Denominated in USD	<u><u>4,603</u></u>	<u><u>53,034</u></u>

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

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	12,052	30,834
More than 30 but within 60 days	6,557	27,123
More than 60 but within 90 days	1,680	7,599
More than 90 days	24	13,576
	<u>20,313</u>	<u>79,132</u>

13. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	12,707	55,018
Other payables and accrued expenses	3,982	6,364
	<u>16,689</u>	<u>61,382</u>

Included in other payables, there is an amount due to a director of approximately HK\$302,000 (2022: HK\$74,000) and amount due to a related company of approximately HK\$18,000, as at 31 March 2023 (2022: HK\$43,078).

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	9,894	28,015
More than 30 but within 60 days	2,111	25,313
More than 60 but within 90 days	160	1,652
More than 90 but within 180 days	542	38
	<u>12,707</u>	<u>55,018</u>

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

The Group's trade payables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Denominated in USD	<u>1,890</u>	<u>31,321</u>

14. BANK BORROWINGS

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within one year	914	472
After one year but within two years	500	1,761
After two years but within five years	<u>256</u>	<u>752</u>
	<u>1,670</u>	<u>2,985</u>

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Carrying amount of bank loans that are not repayable on demand or within one year from the end of the reporting period but:		
– contain a repayment on demand clause	<u>1,670</u>	<u>2,985</u>

The unsecured bank loans carried fixed interest of 2.75% for 3 years to 5 years (2022: 2.75% for 3 years to 5 years) in Hong Kong. The loans are repayable on demand and so the balances had been classified as current liabilities. The proceeds were used for general working capital purpose.

As at 31 March 2023 and 2022, the Group has no undrawn facilities granted by bank.

15. SHARE CAPITAL

	Number of ordinary shares	Share capital <i>HK\$</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	<u>10,000,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
At 1 April 2021, 31 March 2022, 1 April 2022	840,000,000	8,400,000
Issue of new shares: (<i>Note i</i>)	<u>150,000,000</u>	<u>1,500,000</u>
At 31 March 2023	<u><u>990,000,000</u></u>	<u><u>9,900,000</u></u>

Note i: On 1 August 2022, the Company issued 150,000,000 shares with par value HK\$0.01 each at HK\$0.186 each with gross proceeds of HK\$27,900,000.

16. DISPOSAL OF SUBSIDIARIES

No disposal of subsidiary occurred during the year ended 31 March 2023.

For the year ended 31 March 2022

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

	23 April 2021	30 April 2021	
	Hangda	Fu Da	
	Sub-group	Group	Total
	Hangda	Group	Total
	<i>HK\$ '000</i>	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Analysis of assets and liabilities over which control was lost:			
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)	(20,265)	(20,473)
Tax payable	–	(154)	(154)
Contract liabilities	–	(768)	(768)
Lease liabilities	(313)	(557)	(870)
Deferred tax liabilities	–	(54)	(54)
Provisions	–	(94)	(94)
	<u> </u>	<u> </u>	<u> </u>
Net (liabilities)/assets disposed of	(40)	9,921	9,881
 (Loss)/gain on disposals of subsidiaries:			
Consideration received	280	10,000	10,280
Non-controlling interest	(457)	–	(457)
Cumulative translation reserve reclassified from equity to profit or loss upon loss of control	40	868	908
Net liabilities/(assets) disposed of	40	(9,921)	(9,881)
	<u> </u>	<u> </u>	<u> </u>
(Loss)/gain on disposals	(97)	947	850
	<u> </u>	<u> </u>	<u> </u>
	23 April 2021	30 April 2021	
	Hangda	Fu Da	
	Sub-group	Group	Total
	Hangda	Group	Total
	<i>HK\$ '000</i>	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Net cash inflow arising on disposal:			
Cash received	280	10,000	10,280
Less: bank balances and cash disposed of	(64)	(7,179)	(7,243)
	<u> </u>	<u> </u>	<u> </u>
	216	2,821	3,037
	<u> </u>	<u> </u>	<u> </u>

During the year ended 31 March 2022, Hangda Sub-Group contributed approximately HK\$9,000 to the results of the Group and approximately HK\$90,000 to the Group's net operating cashflows.

During the year ended 31 March 2022, Fu Da Group contributed approximately HK\$467,000 to the results of the Group and approximately HK\$4,766,000 to the Group's net operating cashflows.

BUSINESS REVIEW

The Group recorded a net loss of approximately HK\$26.8 million for the year ended 31 March 2023 (the “**Year**”) as compared to a net profit of approximately HK\$9.2 million for the year ended 31 March 2022 (the “**Previous Year**”). Furthermore, the recurring impact of the COVID-19 throughout the Previous Year adversely affected the results of the Year.

Since the outbreak of COVID-19 in 2020, the overall economic situation in the PRC and around the world has experienced ups and downs. Although many countries and the mainland China have fully reopened their borders and almost all pandemic-related restrictions have been lifted, the efficiency of logistics flow, in particular, has yet to return to the normal level before the pandemic. The above situation clearly has a serious impact on our growth and profitability. But it is expected that recovery in the PRC may be gradual amid uncertain global economic conditions, and the Group is confident in the mid- to long-term growth prospects of the PRC’s economy and logistics market.

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 market situation and potential changes in market demand in order to implement stricter cost control measures to ensure a more robust operating cash flow, and to actively respond for its risks and opportunities to the operations in the post-pandemic era.

The Group renewed the entrusted management agreement (the “**Entrusted Management Agreement**”) with Zhejiang Jiyueke Brand Management Co., Ltd. (formerly known as Guangdong Jiyueke Brand Management Co., Ltd.)* on 1 September 2022. Despite it expired on 31 December 2022, by entering into the Entrusted Management Agreement, the Group had gained practical knowledge on the operation of e-commerce platform and thereby to enhance our business model from on top of a freight forwarder to a technology solution provider through innovation, cloud platforms, big data etc. By taking advantage of the Group’s professional skills, knowhow and experience in freight forwarding, this transaction helped the Group to accumulate knowledge and understanding in relation to e-commerce by participating in platform design, order processing and after-sales services that are closely interlinked and inseparable to such kind of business. It is hoped that the Group can ultimately provide one-stop technical consultancy services to other operators without a physical presence in the overseas markets. Upon completion of the Entrusted Management Agreement, the Group looks forward to finding new customers to continue to provide relevant services to them as soon as possible.

In addition, the Group looks for other attractive businesses in an attempt to diversify its business areas to reduce the reliance on existing logistics businesses and broaden its revenue base. The Group commenced a new business segment trading of fashion items since October 2022, which may include sourcing luxury fashion products from Europe and arranging logistics from Europe to Hong Kong and then delivering the products to Hong Kong-based customer. The Group has entered into several contracts with independent third parties concerning the purchase agreements and sales agreement.

* *For identification purposes only*

The Company is constantly striving to improve the Group's business operations and financial position by actively 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) provision of air freight forwarding and related logistics services; (ii) provision of sea freight forwarding and related logistics services; (iii) provision of entrusted management services for operating an online e-commerce platform; and (iv) trading of fashion items.

Total revenue of the Group decreased by approximately 69.3% from approximately HK\$674.0 million for the Previous Year to approximately HK\$206.9 million for the Year. The revenue of the Group decreased significantly.

Revenue generated from provision of air freight forwarding and related logistics services for the Year amounted to approximately HK\$176.1 million (Previous Year: approximately HK\$530.4 million), accounting for approximately 85.1% of the Group's total revenue (Previous Year: approximately 78.7%). The revenue from this segment remained as the major source of revenue of the Group.

Revenue generated from provision of sea freight forwarding and related logistics services for the Year amounted to approximately HK\$19.6 million (Previous Year: approximately HK\$139.2 million), accounting for approximately 9.5% of the Group's total revenue (Previous Year: approximately 20.7%). Most of the Group's customers from this segment are direct shippers.

Decrease in revenue from air and sea freight forwarding service with related logistics services decreased significantly due to (i) the continues impact brought by the COVID-19 pandemic, the customs clearance process between mainland China and Hong Kong freight has been hindered; and (ii) drops in demand for cargo spaces because of the worldwide economic downturn.

Revenue generated from provision of entrusted management services from operating an online e-commerce platform for the Year amounted to approximately HK\$3.9 million (Previous Year: HK\$4.4 million), accounting for approximately 1.9% of the Group's total revenue (Previous Year: 0.6%). This was a new business to the Group start from September 2021 to December 2022.

Revenue generate from trading of fashion items for the Year amounted to approximately HK\$7.4 million (Previous Year: nil), accounting for approximately 3.6% of the Group's total revenue (Previous Year: nil). This was a new business to the Group.

Cost of services and gross profit

The Group's cost of services decreased by approximately 67.5% from approximately HK\$629.2 million for the Previous Year to approximately HK\$204.4 million for the Year. This decrease was mainly due to drops in demand for cargo spaces in the year, in line with the decrease in revenue from air and sea freight forwarding service with related logistics services.

The Group's gross profit decreased by approximately 94.4% from approximately HK\$44.8 million for the Previous Year to approximately HK\$2.5 million for the Year. Gross profit margin decreased from approximately 6.7% for the Previous Year to approximately 1.2% for the Year. Such decrease was mainly attributable the effects of (i) the unit cost of air and sea cargo spaces remained at a high level due to limited supply caused by the COVID-19 pandemic, it slowed down the customs clearance process between mainland China and Hong Kong, and also different countries in worldwide; and (ii) an increase in storage costs HK\$5.4 million when compared with the Previous Year.

Other income

Other income included bank interest income from bank deposits and other interest income from refundable rental deposits, government grants 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 during the Year (Previous Year: nil).

Other gains and losses

Other gains and losses included foreign exchange gain and loss on deemed disposal of an associate. The Group recorded a net loss in other gains and losses during the Year, which was mainly attributable to the loss on deemed disposal of an associate.

Sales and marketing expenses

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

The amount decreased during the Year as a service charge amounting to approximately HK\$2.8 million (Previous Year: approximately HK\$5.0 million) was paid/payable to a consultant who assisted the Group in exploring business in Vietnam and Taiwan.

Administrative expenses

The Group's administrative expenses decreased to approximately HK\$22.6 million for the Year from approximately HK\$23.5 million for the Previous Year. Such expenses mainly included staff costs and benefits, audit fees, legal and professional fees, depreciation, utilities and other expenses. The decrease was mainly due to the decrease in depreciation of approximately HK\$1.0 million, which was caused by the disposal of Group's subsidiary in Shenzhen and branch in Taipei in Previous Year.

Reversal of impairment losses recognised on trade receivables, net

Under the Hong Kong Financial Reporting Standard 9 "Financial Instruments", the management assessed the measurement of expected credit losses ("ECL") in relation to trade receivables and used a collectively assessed provision matrix to calculate ECL. During the Year, a reversal of impairment loss of approximately HK\$1.2 million (Previous Year: an impairment loss of approximately HK\$0.9 million was recognised) was recognised due to the decrease in trade receivable balances and decrease in the customer's past due ratio.

Impairment losses on deposits and other receivables, net

During the Year, ECL of approximately HK\$0.1 million was recognised (Previous Year: impairment loss of approximately HK\$0.2 million was reversed) due to the an increase in amount due from a related company.

Finance costs

Finance costs for the Year represented interest expenses on lease liabilities and bank borrowings. Finance costs remained as approximately HK\$0.1 million for the Previous Year and for the Year.

Income tax expense

The Group's income tax expense primarily included provisions for Hong Kong's Profits Tax, the PRC Enterprise Income Tax, Taiwan Corporate Income Tax and deferred income tax expense/(credit). A loss before taxation (Previous Year: profit before taxation of approximately HK\$12.3 million) of approximately HK\$25.9 million for the Year was recorded, and an income tax expense of approximately HK\$0.9 million was recorded for the Year (Previous Year: income tax expense of approximately HK\$3.0 million).

Loss for the year

The Group recorded a loss for the year of approximately HK\$26.7 million for the Year, compared to a profit for the year of approximately HK\$9.2 million for the Previous Year. The loss was mainly due to the effects of (i) a decrease in revenue from air and sea freight forwarding service with related logistics services of HK\$474 million when compared with the Previous year; and (ii) an increase in storage costs HK\$5.4 million when compared with the Previous Year. Both of these caused a significant decreased in gross profit to HK\$2.5 million in the Year.

Trade and other receivables

Trade receivables (net of allowance for impairment of trade receivables) decreased by 74.3% from approximately HK\$79.1 million at 31 March 2022 to approximately HK\$20.3 million at 31 March 2023. Such decrease was primarily attributable to a reduction in revenue of approximately HK\$97.8 million recorded in January, February and March 2023 when compared to the corresponding months in the Previous Year.

The Group's prepayment, deposits and other receivables increased at 31 March 2023 as prepayments to suppliers of fashion items HK\$16.0 million (Previous year: nil), and an amount due from related company HK\$3.1 million (Previous Year: nil).

Trade and other payables

Trade payables decreased by 76.9% from approximately HK\$55 million at 31 March 2022 to approximately HK\$12.7 million at 31 March 2023. The decrease was mainly due to the decrease in cost of services of approximately HK\$97.1 million incurred in January, February and March 2023 when compared with that of Previous Year.

Other payables and accrued expenses decreased by approximately 37.4% from approximately HK\$6.4 million at 31 March 2022 to approximately HK\$4.0 million at 31 March 2023. The change was mainly due to the (i) decrease in accrued service charge of approximately HK\$2.3 million and (ii) decrease in accrued audit fee of approximately HK\$0.1 million.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (Previous Year: nil).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

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

At 31 March 2023, the Group had cash and cash equivalents of approximately HK\$25.7 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, USD or RMB.

At 31 March 2023, the Group had bank borrowings in the sum of approximately HK\$1.7 million (at 31 March 2022: approximately HK\$3.0 million). The Group had lease liabilities of approximately HK\$1.5 million at 31 March 2023 (at 31 March 2022: approximately HK\$2.1 million).

The gearing ratio is the current debt (including bank borrowings and lease liabilities) divided by total equity and multiplied by 100% at the year-end date. The gearing ratio of the Group at 31 March 2023 was approximately 3.8% (at 31 March 2022: approximately 5.9%). As a result of the decrease in lease liabilities and increase in total equity, the gearing ratio of the Group decreased as at the reporting date.

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

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

CHARGE ON ASSETS

At 31 March 2023, 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 and certain property, plant and equipment of the Group with a carrying amount of approximately HK\$1.6 million (at 31 March 2022: approximately HK\$2.3 million) were held under finance lease. Save as disclosed, the Group did not have any charges on its assets.

FOREIGN EXCHANGE EXPOSURE

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

At 31 March 2023, 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 Prospectus, the Company's announcement(s) or this Annual Report, the Group did not have any future plans for material investments or capital assets at 31 March 2023.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the notes to the consolidated financial statements, the Group did not have any material acquisition and disposal of subsidiary or associated company during the year ended 31 March 2023.

SIGNIFICANT INVESTMENTS

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

CAPITAL EXPENDITURE

During the Year, the Group invested approximately HK\$0.7 million in property, plant and equipment, mainly attributable to leasehold improvement and right-of-use assets in Hong Kong office.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities at 31 March 2022 and at 31 March 2023.

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 of ordinary shares of the Company only.

At 31 March 2023, the Company's issued share capital was HK\$9.9 million, the number of issued ordinary shares was 990,000,000 and the par value of each ordinary share was HK\$0.01.

TREASURY POLICY

The Group adopts a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the Year. The management of the Group regularly reviews the recoverable amount of each individual trade debtor to ensure prompt recovery and if necessary, to make adequate impairment losses for irrecoverable amounts. During the Year, a sum of approximately HK\$1.2 million for impairment losses on deposits, other and trade receivables was reversed (Previous Year: approximately HK\$0.7 million was recognised.)

OUTLOOK AND PROSPECTS

The freight forwarding market in the financial year ended 31 March 2023 has been unpredictably challenging with uncertainty hanging over the pandemic, high inflation, inventory overhangs and geopolitical tensions. The Group's operations in Hong Kong and operating markets were inevitably affected.

Apart from the provision of entrusted management services started in the Previous Year, the Group commenced a new business segment trading of fashion items during the Year. The management expects the new business to diversify its business base and expand its revenue base as well.

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

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

EMPLOYMENT AND REMUNERATION POLICY

At 31 March 2023, the Group employed 28 staff in Hong Kong and 5 staff in the PRC (at 31 March 2022: 24 staff in Hong Kong and 9 staff in the PRC).

For the Year, the Group's total costs for employee compensation and benefits (including Director's emoluments) were approximately HK\$14.8 million (Previous Year: approximately HK\$15.4 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 with reference to the Group's performance as well as the individual's contribution. As disclosed in the Prospectus, the Company adopted a share option scheme on 14 August 2018 ("**Share Option Scheme**") to incentivize and retain staff members who have contributed to the development and success of the Group. The Directors believe that the compensation packages offered by the Group to its employees are competitive in comparison with market standard and practices.

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

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

RELATIONSHIP WITH STAKEHOLDERS

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

The management of the Group takes an active approach in directly communicating with employees and providing adequate training and medical insurance as part of their remuneration. Given that employees are important assets for success, the Group has strived to maintain good relations with its workforce and keep a low employee turnover rate. This aims to boost the operational dexterity and productivity of staff while inculcating team spirit among them.

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

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

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

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing of Shares on 1 August 2022

On 6 July 2022, the Company conducted a placing of 150,000,000 new ordinary shares of HK\$0.01 each (“**2022 Placing Share**”) at a price of HK\$0.186 each to raise a gross proceeds of approximately HK\$27.9 million (the “**2022 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 2022 Placing took place on 1 August 2022 (the “**2022 Placing under General Mandate**”). As at 31 March 2023, the net proceeds from the 2022 Placing under General Mandate (after deducting the placing commission and other relevant costs and expenses) amounted to approximately HK\$27.3 million were fully utilised as the Group’s general working capital. As at 31 March 2023, the net proceeds arising from the 2022 Placing had been applied in accordance with the plans as set out in the Company’s announcements.

For further details of the 2022 Placing, please refer to the announcements of the Company dated 6 July 2022 and 1 August 2022 and the paragraph headed “Use of Proceeds from the Placing” below.

USE OF PROCEEDS FROM THE PLACING

The net proceeds from the 2022 Placing amounted to approximately HK\$27.33 million.

Set out below is the actual use of net proceeds up to the date of this announcement.

Use of net proceeds	Net proceeds <i>HK\$ million</i>	Net proceeds utilised during the year ended 31 March 2023 <i>HK\$ million</i>	Unutilised net proceeds as at 31 March 2023 <i>HK\$ million</i>	Expected timeline on utilisation of Unutilised net proceeds
2022 Placing				
General working capital and expansion of existing business	27.33	27.33	–	N/A
Total	27.33	27.33	–	N/A

There is no material change between the intended use of the net proceeds of the 2022 Placing, and the actual use of the net proceeds of the 2022 Placing.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to achieving good corporate governance practices and procedures. The Directors believe that good corporate governance practices are essential to enhance stakeholders' confidence and support. From 1 April 2022 up to 31 March 2023, the Company complied with the code provisions prescribed in the establishment and implementation of the corporate governance guidelines containing principles and code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules except for the deviation from the code provision of (i) C.2.1 of the CG Code which has already been resolved during the Year; and (ii) B.2 of the CG Code which has already been resolved with details set out in the circular and notice of extraordinary general meeting of the Company issued on 25 October 2021.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of shareholders and investors.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the "Required Standard of Dealings").

Following specific enquiries to all of the Directors, each Director has confirmed that he or she complied with the Required Standard of Dealings throughout the period from 1 April 2022 up to 31 March 2023.

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

Save as disclosed in the announcement dated on 1 September 2021 and the renewed entrusted management agreement with Zhejiang Jiyueke Brand Management Co., Ltd. (formerly known as Guangdong Jiyueke Brand Management Co., Ltd.)* on 1 September 2022, during the Year, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the GEM Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

SHARE OPTION SCHEME

The Company adopted a Share Option Scheme on 14 August 2018. The purpose of the Share Option Scheme is to recognise the contribution of, and to provide an incentive to, key staff of the Group who have contributed or will contribute to the Group in order to motivate and retain them for the operation and development of the Group. Further details of the Share Option Scheme are disclosed in the section headed "Statutory and General Information – D. Share Option Scheme" in Appendix IV of the Prospectus.

Up to the date of this announcement, no share option has been granted, exercised, lapsed or cancelled under the Share Option Scheme and there were no outstanding share options under the Share Option Scheme at 31 March 2023 and at the date of this announcement.

CHANGE IN DIRECTORS' INFORMATION

Mr. Ho Yuk Ming Hugo ("**Mr. Ho**"), an independent non-executive Director, has been appointed as the company secretary and the authorised representative of RMH Holdings Limited (stock code: 8437) with effect from 7 September 2022. Mr. Ho also has appointed as the company secretary and the authorised representative of Asia Television Holdings Limited (stock code: 707) with effect from 16 January 2023.

** for identification purpose only*

Mr. Chow Chi Wing (“**Mr. Chow**”), an independent non-executive Director, resigned as the company secretary and the authorised representative of Asia Television Holdings Limited (stock code: 707) with effect from 8 August 2022. Mr. Chow was appointed as the company secretary of Tian Cheng Holdings Limited (stock code: 2110) on 1 November 2022. Mr. Chow also resigned as the company secretary and the authorised representative of Flying Financial Service Holdings Limited (stock code: 8030) with effect from 23 February 2023.

EVENT AFTER THE YEAR ENDED 31 MARCH 2023

Placing of New Shares under General Mandate

On 6 April 2023, the Company conducted a placing of 112,830,000 new ordinary shares of HK\$0.01 each (“**2023 Placing Share**”) at a price of HK\$0.071 each to raise a gross proceeds of approximately HK\$8.0 million (the “**2023 Placing**”). The 2023 Placing Shares were issued under the relevant general mandate granted to the Directors at the annual general meeting of the Company held on 2 September 2022. The closing price per share of the Company on the Stock Exchange on 6 April 2023 was HK\$0.069. The net price per 2023 Placing Share was approximately HK\$0.068. Completion of the 2023 Placing took place on 18 May 2023 (the “**2023 Placing under General Mandate**”). As at the date of this announcement, the net proceeds from the 2023 Placing under General Mandate (after deducting the placing commission and other relevant costs and expenses) amounted to approximately HK\$7.67 million were fully utilised as the Group’s general working capital. As at 31 March 2023, the net proceeds arising from the 2023 Placing had been applied in accordance with the plans as set out in the Company’s announcements.

For further details of the 2023 Placing, please refer to the announcements of the Company dated 6 April 2023, 28 April 2023 and 18 May 2023.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with specific written terms of reference formulated in accordance with the requirements of Rules 5.28 to 5.29 of the GEM Listing Rules and the CG Code. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Ho Yuk Ming Hugo, Mr. Chow Chi Wing and Mr. Liao Dongqiang. Mr. Ho Yuk Ming Hugo is the chairman of the Audit Committee. The primary duties of the Audit Committee include, but are not limited to (i) making recommendations to the Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor and any questions of its resignation or dismissal; (ii) monitoring the integrity of the Company’s financial statements and reviewing the annual reports and accounts, half-year report and, quarterly reports, and reviewing significant financial reporting judgements contained in them; and (iii) reviewing the financial reporting, financial controls, risk management and internal control systems of the Group.

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

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (“AGM”) of the Company will be held on Monday, 28 August 2023. The transfer books and register of members of the Company will be closed from Wednesday, 23 August 2023 to Monday, 28 August 2023, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificate(s) must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 22 August 2023.

SCOPE OF WORK OF JH CPA ALLIANCE LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Group’s auditor, JH CPA Alliance Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by JH CPA Alliance Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by JH CPA Alliance Limited on the preliminary announcement.

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

Hong Kong, 30 June 2023

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 Ms. Qu Tianyun.

This announcement will remain on the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at www.wanleader.com.