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

FIRST QUARTERLY RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces the unaudited consolidated first quarterly results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 30 June 2023 (the “**Review Period**”), together with the unaudited comparative figures for the three months ended 30 June 2022 (the “**Previous Period**”), are as follows:

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

FOR THE THREE MONTHS ENDED 30 JUNE 2023

	<i>Notes</i>	Three months ended 30 June	
		2023	2022
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue	4	37,722	89,336
Cost of services		<u>(36,827)</u>	<u>(87,089)</u>
Gross profit		895	2,247
Other income		154	322
Other gains and losses		5	122
Sales and marketing expenses		(1,492)	(1,037)
Administrative expenses		(6,846)	(4,811)
Reversal of impairment losses/(impairment losses) recognised on trade receivables, net		(165)	422
Finance costs		(32)	(46)
Share of result of an associate		<u>—</u>	<u>(173)</u>
Loss before taxation		(7,481)	(2,954)
Income tax credit/(expense)	5	<u>27</u>	<u>(459)</u>
Loss for the period		<u>(7,454)</u>	<u>(3,413)</u>

	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Notes</i>	(unaudited)	(unaudited)
Other comprehensive expenses for the period		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of financial statements of foreign operations	<u>2</u>	<u>(94)</u>
Other comprehensive income/(expenses) for the period	<u>2</u>	<u>(94)</u>
Total comprehensive expenses for the period	<u>(7,452)</u>	<u>(3,507)</u>
Loss for the period attributable to:		
Owners of the Company	<u>(7,454)</u>	<u>(3,413)</u>
Non-controlling interest	<u>—</u>	<u>—</u>
	<u><u>(7,454)</u></u>	<u><u>(3,413)</u></u>
Total comprehensive expenses for the period attributable to:		
Owners of the Company	<u>(7,452)</u>	<u>(3,507)</u>
Non-controlling interest	<u>—</u>	<u>—</u>
	<u><u>(7,452)</u></u>	<u><u>(3,507)</u></u>
Loss per share		
Basic and diluted (HK cents)	<u><u>(0.71)</u></u>	<u><u>(0.41)</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 30 JUNE 2023

	Attributable to owners of the Company							Total
	Share capital	Share premium	Other reserve <i>(note (i))</i>	Merger reserve <i>(note (ii))</i>	Statutory reserve <i>(note (iii))</i>	Exchange reserve	Accumulated losses	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April 2022 (audited)	8,400	49,429	14,118	1,091	199	35	(11,907)	61,365
Loss for the period	–	–	–	–	–	–	(3,413)	(3,413)
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	–	–	(94)	–	(94)
Total comprehensive expense for the period	–	–	–	–	–	(94)	(3,413)	(3,507)
At 30 June 2022 (unaudited)	8,400	49,429	14,118	1,091	199	(59)	(15,320)	57,858

	Attributable to owners of the Company							Total
	Share capital	Share premium	Other reserve <i>(note (i))</i>	Merger reserve <i>(note (ii))</i>	Statutory reserve <i>(note (iii))</i>	Exchange reserve	Accumulated losses	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April 2023 (audited)	9,900	75,252	14,118	1,091	357	(168)	(38,836)	61,714
Loss for the period	–	–	–	–	–	–	(7,454)	(7,454)
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	–	–	2	–	2
Total comprehensive expense for the period	–	–	–	–	–	2	(7,454)	(7,452)
Proceeds from placing of new shares	1,128	6,883	–	–	–	–	–	8,011
Issuing expenses of placing of new shares	–	(323)	–	–	–	–	–	(323)
At 30 June 2023 (unaudited)	11,028	81,812	14,118	1,091	357	(166)	(46,290)	61,950

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 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 JUNE 2023

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. 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.

The unaudited consolidated financial statements are presented in Hong Kong dollar (“**HKS**”) which is also the functional currency of the Company.

2. BASIS OF PREPARATION

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

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s audited annual consolidated financial statements for the year ended 31 March 2023, except as described below.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

In the current period, the Group has applied, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are effective for the Group’s financial year beginning 1 April 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle

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

4. REVENUE AND SEGMENT INFORMATION

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

The Group’s operating segments are determined based on information reported to the chief operating decision maker (the “CODM”) of the Group, being Mr. Thomas Loy, 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 and (ii) entrusted management service for operating an online e-commerce platform. No analysis of segment assets and segment liabilities is presented as such information is not regularly provided to the CODM in current or prior period.

During the period ended 30 June 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

From the year ended 31 March 2023, the Group commenced a new business 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 period is as follow:

An analysis of the Group's revenue for the Review Period is as follows:

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
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	35,167	74,763
– Sea freight	1,428	13,316
	<u>36,595</u>	<u>88,079</u>
Entrusted management services for operating an online e-commerce platform	–	1,257
Trading of fashion items	1,127	–
	<u>37,722</u>	<u>89,336</u>

During the periods ended 30 June 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 30 June 2023 and 2022 are not disclosed.

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

For the period ended 30 June 2023

	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)	Trading of fashion items <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
REVENUE				
External revenue and segment revenue	36,595	–	1,127	37,722
RESULT				
Segment loss	(3,655)	–	253	(3,402)
Other income				154
Corporate expenses				(4,201)
Finance costs				(32)
Loss before tax				(7,481)

For the period ended 30 June 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)
REVENUE			
External revenue and segment revenue	88,079	1,257	89,336
RESULT			
Segment (loss)/profit	(2,057)	851	(1,206)
Other income			322
Corporate expenses			(1,851)
Finance costs			(46)
Share of result of an associate			(173)
Loss before tax			(2,954)

Geographical information

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

For the period ended 30 June 2023

	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)	Trading of fashion items <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Hong Kong (place of domicile)	36,595	–	1,127	37,722
The People's Republic of China (the "PRC")	–	–	–	–
Total	<u>36,595</u>	<u>–</u>	<u>1,127</u>	<u>37,722</u>

For the period ended 30 June 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)
Hong Kong (place of domicile)	88,079	–	88,079
The PRC	–	1,257	1,257
Total	<u>88,079</u>	<u>1,257</u>	<u>89,336</u>

5. INCOME TAX (CREDIT)/EXPENSES

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
– Hong Kong Profits Tax	–	116
– PRC Enterprise Income Tax (“EIT”)	–	278
	–	394
Deferred taxation	(27)	65
	(27)	459

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 period ended 30 June 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. The Group provided PRC EIT for the period ended 30 June 2023 and 2022 under the tax rate of 25%.

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.

6. LOSS BEFORE TAXATION

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

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	311	315
Expenses related to short-term leases	36	31
Interest income on bank deposits	(93)	(1)
Interest income on rental deposits	(1)	(1)
Government grants	–	(250)
Sundry income	(60)	(70)
Total other income	(154)	(322)
Exchange gain, net	(5)	(122)
Total other gains and losses	(5)	(122)
Interest expenses on bank borrowings	26	20
Interest expenses on lease liabilities	6	26
Total finance costs	<u>32</u>	<u>46</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Wan Leader International Limited (the “**Company**”) is a company which 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 and trading of fashion items. 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 space 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; (b) the provision of entrusted management services for operating an online e-commerce platform; and (c) trading of fashion items.

The Group recorded a net loss of approximately HK\$7.5 million for the period ended 30 June 2023 (“**Review Period**”) as compared to a net loss of approximately HK\$3.4 million for the period ended 30 June 2022 (“**Previous Period**”). Furthermore, the slower than expected recovery of global trading following the novel coronavirus pandemic (“**COVID-19**”) as well as drops in demand for cargo spaces because of the global economic downturn adversely affected the results of the Review Period.

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. For the rest of the year, economic conditions are expected to be challenging with downside risks of higher or more sustained inflation as well as lower growth. 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 still confident that the market will continue to play an important role in connecting Mainland China with the rest of the world in the long run, supported by market demand and continued support from the Central People’s Government of the PRC.

Looking forward, the Group is cautious yet optimistic about 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 to the risks and opportunities to the operations of its 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 enhanced our business model from being 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 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 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 its reliance on existing logistics businesses and broaden its revenue base. The Group commenced a new business segment trading in 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 customers. The Group has entered into several contracts with independent third parties concerning the purchase agreements and sales agreement.

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 generated from (i) the provision of air freight forwarding and related logistics services; (ii) the provision of sea freight forwarding and related logistics services; (iii) the 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 57.8% from approximately HK\$89.3 million for the Previous Period to approximately HK\$37.7 million for the Review Period.

Revenue generated from the provision of air freight forwarding and related logistics services for the Review Period amounted to approximately HK\$35.2 million (Previous Period: approximately HK\$74.8 million), accounting for approximately 93.2% of the Group’s total revenue (Previous Period: approximately 83.7%). The revenue from this segment remained as the major source of revenue of the Group.

* *For identification purpose only*

Revenue generated from the provision of sea freight forwarding and related logistics services for the Review Period amounted to approximately HK\$1.4 million (Previous Period: approximately HK\$13.3 million), accounting for approximately 3.8% of the Group's total revenue (Previous Period: approximately 14.9%). Most of the Group's customers from this segment are direct shippers.

No revenue was generated from the provision of entrusted management services from operating an online e-commerce platform for the Review Period as the business operation from this sector was temporary stop since January 2023 (Previous Period: HK\$1.3 million), not accounting for any of the Group's total revenue (Previous Period: 1.4%).

Revenue generate from trading of fashion items for the Review Period amounted to approximately HK\$1.1 million (Previous Period: Nil), accounting for approximately 3.0% of the Group's total revenue (Previous Period: Nil).

Cost of services and gross profit

The Group's cost of services decreased by approximately 57.7% from approximately HK\$87.1 million for the Previous Period to approximately HK\$36.8 million for the Review Period.

The Group's gross profit decreased by approximately 60.2% from approximately HK\$2.2 million for the Previous Period to approximately HK\$0.9 million for the Review Period. Gross profit margin decreased from approximately 2.5% for the Previous Period to approximately 2.4% for the Review Period. Such decrease was mainly attributable to (i) a decrease in turnover due to the slower than expected recovery of global trading following the COVID-19 Pandemic, as well as drops in demand of cargo spaces because of the global economic downturn; (ii) the unit costs of air and sea cargo spaces remained in 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 and other interest income from refundable rental deposits and sundry income.

The Group applied for the Employment Support Scheme launched by the Government of the Hong Kong Special Administrative Region and approximately HK\$0.25 million of grants were obtained in the Previous Period.

Other gains and losses

The Group recorded a net gain in other gains and losses in the Review Period and the Previous Period, which was mainly attributable to the exchange gain in both Review Period and Previous Period.

Sales and marketing expenses

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

The amount increased during the Review Period as a service charge amounting to approximately HK\$0.4 million (Previous Period: approximately HK\$0.3 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 increased to approximately HK\$6.8 million for the Review Period from approximately HK\$4.8 million for the Previous Period. Such expenses mainly included staff costs and benefits, audit fees, legal and professional fees, depreciation, utilities and other expenses. The increase was mainly due to an increase in professional fees of approximately HK\$2.0 million. Such increases included installation of Management Software, and consultancy fee for daily operation and management system review.

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, additional impairment loss of approximately HK\$0.2 million was recognised (Previous Period: reversal in impairment loss of approximately HK\$0.4 million was recognised) due to the increase in trade receivable balances.

Finance costs

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

Income tax (credit)/expense

The Group's income tax (credit)/expense primarily included provisions for Hong Kong's Profits Tax, the PRC Enterprise Income Tax and deferred income tax (credit)/expense. A loss before taxation (Previous Period: loss before taxation of approximately HK\$3.0 million) of approximately HK\$7.5 million for the Review Period was recorded, and an income tax credit of approximately HK\$30,000 was recorded for the Review Period (Previous Period: income tax expenses approximately HK\$0.5 million).

Loss for the period

The Group recorded a loss for the period of approximately HK\$7.5 million for the Review Period, compared to a loss for the period of approximately HK\$3.4 million for the Previous Period. The loss was mainly due to the effects of (i) a decrease in turnover due to the slower than expected recovery of global trading following the COVID-19 Pandemic, as well as drops in demand of cargo spaces because of the global economic downturn; (ii) the unit costs of air and sea cargo spaces remained in a high level; and (iii) an increase in storage costs when compared with the Previous Period.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Review Period (Previous Period: Nil).

CAPITAL COMMITMENTS

As at 30 June 2023, the Group did not have any material capital commitment.

CHARGE ON ASSETS

As at 30 June 2023, certain property, plant and equipment of the Group with a carrying value of approximately HK\$1.5 million (at 30 June 2022: approximately HK\$2.1 million) were held under leases liabilities and bank deposits of approximately HK\$3.0 million (at 30 June 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.

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 (“**Placing Share**”) at a price of HK\$0.071 each to raise a gross proceeds of approximately HK\$8.0 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 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 Placing Share was approximately HK\$0.068. Completion of the Placing took place on 18 May 2023 (the “**Placing under General Mandate**”). As at 30 June 2023, the net proceeds from the 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 30 June 2023, the net proceeds arising from the Placing had been applied in accordance with the plans as set out in the Company’s announcements.

Further details of the Placing, were set out in to the announcements of the Company dated 6 April 2023, 28 April 2023 and 18 May 2023.

USE OF PROCEEDS FROM THE PLACING

The net proceeds from the Placing amounted to approximately HK\$7.67 million.

Set out below is the actual use of net proceeds during the three months ended 30 June 2023.

Use of net proceeds	Net proceeds <i>HK\$ million</i>	Net proceeds utilised during the period ended 30 June 2023 <i>HK\$ million</i>	Unutilised net proceeds as at 30 June 2023 <i>HK\$ million</i>	Expected timeline on utilisation of Unutilised net proceeds
Placing				
General working capital	<u>7.67</u>	<u>7.67</u>	<u>–</u>	N/A
Total	<u><u>7.67</u></u>	<u><u>7.67</u></u>	<u><u>–</u></u>	

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

EVENT AFTER REPORTING PERIOD

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The board (“**Board**”) of directors (“**Directors**”) 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 2023 up to 30 June 2023 (the “**Review Period**”), 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 he or she complied with the Required Standard of Dealings throughout the Review Period.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

None of the Directors or controlling shareholders or their respective close associates (as defined in the GEM Listing Rules) are engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they 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 during the Review Period.

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

At 30 June 2023, the following Director 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

Name of Director	Capacity/ Nature of interests	Interest in Shares	Approximate percentage of the Company's issued share capital
Mr. Loy Hak Yu Thomas ("Mr. Thomas Loy")	Interest in a controlled corporation (Note 1)	75,992,000	6.89%
Mr. Yan Ximao	Beneficial owner (Note 2)	1,170,000	0.11%
Mr. Liao Daichun	Beneficial owner (Note 3)	100,000	0.01%

(ii) Long positions in shares of associated corporations:

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Interest in Shares	Approximate percentage of issued share
Mr. Thomas Loy	Ho Tat Limited ("Ho Tat") (Note 1)	Beneficial owner (Note 1)	75,992,000	6.89%

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. Yan Ximao is an executive Director of the Company.
3. Mr. Liao Daichun has been the chief executive officer with effect from 20 August 2021.

Save as disclosed above and below under the section headed "Directors' Rights to Acquire Shares or Debentures", at 30 June 2023, 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, at 30 June 2023, 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:

Name	Capacity/ nature of interests	Number of Shares held/ interested (Note 2)	Approximate percentage of shareholding
Mr. Luo Honghui	Beneficial owner, interest in a controlled corporation (Note 1)	141,570,000 (L)	12.84%
Zhongyuehui (Shenzhen) Holdings Group Limited	Beneficial owner (Note 1)	126,650,000 (L)	11.48%

Notes:

1. 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.
2. The letter “L” denotes long position in the Shares.

Save as disclosed above, at 30 June 2023, the Directors are not aware of any interests and short positions owned by the chief executive of the Company, or any other parties. No person, other than the Directors, whose interests are set out in the section headed “Directors’ and Chief Executive’s Interests and Short Positions in the 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 “**Share Option Scheme**”). 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 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 30 June 2023 and at the date of this announcement.

CHANGE IN DIRECTORS’ INFORMATION

Mr. Yan Ximao, an executive Director, was appointed as the executive director of Pinestone Capital Limited (stock code: 804) on 10 August 2023, shares of which are listed on the main board of the Stock Exchange.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 14 August 2018 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 report and accounts, half-year report and quarterly report, 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 condensed consolidated results of the Group for the Review Period.

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

Hong Kong, 14 August 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.