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## **Wine's Link International Holdings Limited**

**威揚酒業國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8509)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024**

#### **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 Wine's Link International Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the 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, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors (the “**Board**”) hereby presents the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2024 (the “**Year**”), together with the comparative audited figures for the year ended 31 March 2023, as follows:

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

*For the year ended 31 March 2024*

	<i>Notes</i>	<b>Year ended 31 March</b>	
		<b>2024</b>	<b>2023</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	3	<b>216,553</b>	147,727
Cost of sales		<b>(139,800)</b>	(87,999)
		<hr/>	<hr/>
Gross profit		<b>76,753</b>	59,728
Other income		<b>127</b>	915
Other gains and losses, net		<b>(956)</b>	34
Reversal of impairment loss under expected credit loss model on trade receivables		<b>33</b>	651
Selling and distribution expenses		<b>(10,872)</b>	(12,445)
Administrative expenses		<b>(16,434)</b>	(21,723)
Finance costs	4	<b>(9,294)</b>	(5,789)
		<hr/>	<hr/>
Profit before taxation	5	<b>39,357</b>	21,371
Income tax expense	6	<b>(8,198)</b>	(5,036)
		<hr/>	<hr/>
Profit for the year		<b>31,159</b>	16,335
		<hr/>	<hr/>
Profit (loss) for the year attributable to:			
– Owners of the Company		<b>31,201</b>	16,599
– Non-controlling interests		<b>(42)</b>	(264)
		<hr/>	<hr/>
		<b>31,159</b>	16,335
		<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income after tax:			
<i>Item that may be reclassified to profit or loss:</i>			
<i>Exchange differences on translation of foreign operations</i>		<b>11</b>	21
		<hr/>	<hr/>
Other comprehensive income for the year, net of tax		<b>11</b>	21
		<hr/>	<hr/>
Total comprehensive income for the year		<b>31,170</b>	16,356
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income (expense) for the year attributable to:			
– Owners of the Company		<b>31,238</b>	16,579
– Non-controlling interests		<b>(68)</b>	(223)
		<hr/>	<hr/>
		<b>31,170</b>	16,356
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share			
– Basic and diluted (HK cent)	7	<b>7.80</b>	4.15
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

		As at 31 March	
	Notes	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Property and equipment		147,117	129,073
Right-of-use assets		1,102	3,763
Deferred tax assets		325	1,140
Deposits and prepayments		494	20,548
		<u>149,038</u>	<u>154,524</u>
<b>Current assets</b>			
Inventories		152,822	138,765
Trade receivables	9	52,304	44,804
Other receivables, deposits and prepayments		90,583	87,063
Amounts due from related companies		491	454
Bank balances and cash		2,889	5,754
		<u>299,089</u>	<u>276,840</u>
<b>Current liabilities</b>			
Trade payables	10	3,602	6,610
Other payables and accrued charges		3,047	3,155
Contract liabilities		7,626	10,276
Tax payable		4,586	2,787
Bank borrowings and bank overdrafts		133,281	140,881
Lease liabilities		1,003	2,700
Provisions		500	140
		<u>153,645</u>	<u>166,549</u>
<b>Net current assets</b>		<u>145,444</u>	<u>110,291</u>
<b>Total assets less current liabilities</b>		<u>294,482</u>	<u>264,815</u>

	<b>As at 31 March</b>	
	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	8	1,011
Provisions	–	500
	<u>8</u>	<u>1,511</u>
<b>Net assets</b>	<u><b>294,474</b></u>	<u><b>263,304</b></u>
<b>Capital and reserves</b>		
Share capital	4,000	4,000
Reserves	<u>291,834</u>	<u>260,596</u>
<b>Equity attributable to owners of the Company</b>	<b>295,834</b>	264,596
Non-controlling interests	<u>(1,360)</u>	<u>(1,292)</u>
<b>Total equity</b>	<u><b>294,474</b></u>	<u><b>263,304</b></u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Attributable to owners of the Company					Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Exchange fluctuation reserve HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000			
At 1 April 2022	4,000	76,298	–	27,458	140,261	248,017	(1,069)	246,948
Profit (loss) for the year	–	–	–	–	16,599	16,599	(264)	16,335
Other comprehensive (expense) income for the year:								
Exchange differences on translation of foreign operations	–	–	(20)	–	–	(20)	41	21
Total comprehensive (expense) income for the year	–	–	(20)	–	16,599	16,579	(223)	16,356
At 31 March 2023 and 1 April 2023	4,000	76,298	(20)	27,458	156,860	264,596	(1,292)	263,304
Profit (loss) for the year	–	–	–	–	31,201	31,201	(42)	31,159
Other comprehensive income (expense) for the year:								
Exchange differences on translation of foreign operations	–	–	37	–	–	37	(26)	11
Total comprehensive income (expense) for the year	–	–	37	–	31,201	31,238	(68)	31,170
At 31 March 2024	<u>4,000</u>	<u>76,298</u>	<u>17</u>	<u>27,458</u>	<u>188,061</u>	<u>295,834</u>	<u>(1,360)</u>	<u>294,474</u>

*Note:* Other reserve represents the balance of HK\$7,458,000 in relation to the shareholder's contribution in relation to derivative financial instruments entered between Mr. Ting Chi Wai Roy (“**Mr. Roy Ting**”) and the Group during the year ended 31 March 2016 and the effect of reorganisation of HK\$20,000,000 during the year ended 31 March 2016.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2024*

### 1. GENERAL INFORMATION

Wine’s Link International Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 22 September 2016 and the shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the Company’s registered office is at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands, and the principal place of business is in 26th Floor, AIA Financial Centre, 712 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong.

Shirz Limited, a limited company incorporated in the British Virgin Islands which holds 70% equity interests in the Company, is one of the controlling shareholders of the Company and is wholly owned by Ms. Wong Chi Lou Shirley (“**Ms. Shirley Wong**”).

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in trading of wine products and other alcoholic beverages.

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

### 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

### 3. REVENUE AND SEGMENTAL INFORMATION

#### Revenue

Disaggregation of revenue from contracts with customers was disclosed as follows:

#### Revenue from contracts with customers

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Sales of wines products		
– Wine products	126,415	70,069
– Other alcoholic beverages	89,707	77,009
– Wine accessory products	431	649
	<u>216,553</u>	<u>147,727</u>
<b>Geographical markets:</b>		
Hong Kong	216,486	146,850
The People's Republic of China (the "PRC")	67	877
	<u>216,553</u>	<u>147,727</u>
<b>Timing of revenue recognition:</b>		
A point in time	<u>216,553</u>	<u>147,727</u>

For sales of wine products, other alcoholic beverages and wine accessory products, revenue is recognised when the control of goods is transferred, being when the goods are delivered to the customer's specific location. Transportation and other related activities that incurred before customers obtain control of the related products are considered as fulfilment activities. A receivable is recognised by the Group when the goods are delivered to the customers as this represents the Group's right to consideration becomes unconditional, as only the passage of time is required before payment is due. The contracts signed with the customers are fixed price contracts. The normal credit term is 0 to 120 days upon delivery.

All the Group's contracts with customers with unsatisfied performance obligations have original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2024 and 2023 is not disclosed.

#### Segmental information

The Group's operations are mainly derived from sale and distribution of wine products, other alcoholic beverages and wine accessory products in Hong Kong during the year. For the purposes of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies set out in annual report. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

## Geographical information

No geographical segment information is presented as the Group's revenue are all derived most from Hong Kong and small part from the PRC based on the location of goods delivered and the Group's property and equipment are all located in Hong Kong by physical location of assets.

## Information about major customers

No individual customer was accounted for over 10% of the Group's total revenue during both years.

## 4. FINANCE COSTS

	Year ended 31 March	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
The finance costs represent interest on:		
– bank borrowings and bank overdrafts	9,147	5,549
– lease liabilities	147	240
	<u>9,294</u>	<u>5,789</u>

## 5. PROFIT BEFORE TAXATION

	Year ended 31 March	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	743	709
Cost of inventories recognised as an expense	139,800	87,999
Depreciation of property and equipment	6,552	7,119
Depreciation of right-of-use assets	2,661	3,374
Directors' remuneration	1,848	1,596
Other staff costs		
– Salaries and other benefits	8,215	10,161
– Retirement benefits scheme contributions	312	439
Total staff costs	<u>10,375</u>	<u>12,196</u>



## 9. TRADE RECEIVABLES

	As at 31 March	
	2024	2023
	HK\$'000	HK\$'000
Gross carrying amount	52,399	44,932
Less: allowance for credit losses	(95)	(128)
	<u>52,304</u>	<u>44,804</u>

The Group's credit terms of 0 to 120 days are granted to its trade customers. The following is an ageing analysis of the trade receivables, net of allowance for credit losses, presented based on the invoice dates, which approximated to the respective dates on which revenue was recognised, at the end of the reporting period:

	As at 31 March	
	2024	2023
	HK\$'000	HK\$'000
0 to 30 days	26,603	14,597
31 to 60 days	13,879	52
61 to 90 days	500	13
91 to 180 days	7,687	28,002
181 to 365 days	3,607	2,140
Over 365 days	28	–
	<u>52,304</u>	<u>44,804</u>

## 10. TRADE PAYABLES

The credit period on purchases of goods is up to 90 days. The following is an ageing analysis of trade payables based on the invoice dates at the end of the reporting period:

	As at 31 March	
	2024	2023
	HK\$'000	HK\$'000
0 to 30 days	15	6,437
31 to 60 days	–	–
61 to 90 days	–	–
91 to 180 days	130	–
181 to 365 days	17	–
Over 365 days	3,440	173
	<u>3,602</u>	<u>6,610</u>

## 11. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Sales of goods to:		
– Mr. Roy Ting ( <i>note</i> )	96	9
– Ms. Shirley Wong	24	–
	<u>120</u>	<u>9</u>
Purchases of goods from:		
– Ms. Shirley Wong	–	27
	<u>–</u>	<u>27</u>

*Note:*

Mr. Roy Ting ceased to be a related party of the Group since November 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The business of the Group primarily involves the wholesale and retail of a wide spectrum of wine products and other alcoholic beverages in Hong Kong. The Group has a comprehensive product portfolio consisting of (i) wine products such as premium collectible red wine, i.e. red wine with selling prices at HK\$1,000 or above per bottle, fine red wine and white wine; (ii) other alcoholic beverages such as champagne, whisky, baijiu and sake; and (iii) wine accessory products such as wine decanters, wine glasses and wine openers, for customers' selection. The Group also develops alcoholic beverages under its self-owned brands.

During the Year, the Group found improvement in operating its wine business under moderating external challenges from (i) the global economic downturn; and (ii) the tightening monetary policy executed worldwide (altogether, the “**External Challenges**”). There is an improvement in the demand of premium collectible wine and fine wine segments compared to previous years, which resulted an increment in the Group's revenue and maintain a steady gross profit. Meanwhile, the Group is actively exploring other business opportunities during the Year, which include provision of promotion and marketing services for liquor brands and products, in addition to altering product segments with good potential and development of products under self-owned brands, as well as optimising the cost efficiency from business operation. The Board believes that the Group can seize the opportunity arising from the different trends in the liquor industry in the long term.

### FINANCIAL REVIEW

#### Revenue

Revenue of the Group increased by approximately 46.6% from approximately HK\$147.7 million for the year ended 31 March 2023 to approximately HK\$216.6 million for the Year. The increase was due to the improvement of demand in wine products despite the External Challenges.

#### Cost of sales

The Group's cost of sales consists of the procurement of wine products and other alcoholic beverages from the suppliers. The Group recognises cost of sales upon the conclusion of a sales transaction. The cost of sales increased by approximately 58.9% from approximately HK\$88.0 million for the year ended 31 March 2023 to approximately HK\$139.8 million for the Year. The increase in cost of sales was directly correlated with the increase in revenue for the Year.

#### Gross profit and gross profit margin

The gross profit represents revenue less cost of sales. For the Year, the gross profit of the Group increased by approximately 28.5% from approximately HK\$59.7 million for the year ended 31 March 2023 to approximately HK\$76.8 million for the Year. The overall gross profit margin amounted to approximately 40.4% and approximately 35.4% for the year ended 31 March 2023 and the Year, respectively.

The Group recorded a relatively lower gross profit margin during the Year mainly due to the change in product mix with an increased proportion from sales of premium collectible wine and fine wine, and a decreased proportion from sales of certain self-owned brands of other alcoholic beverages during the Year.

### **Other income**

Other income of the Group consisted primarily of (i) bank interest generated from the bank balances and (ii) sundry income. Other income decreased from approximately HK\$915,000 for the year ended 31 March 2023 to approximately HK\$127,000 for the Year, which was mainly contributed by (i) decrease in sundry income and (ii) the absent of the anti-epidemic subsidies granted by the Government of the Hong Kong Special Administrative Region during the Year.

### **Other gains and losses, net**

The Group recorded net losses of approximately HK\$956,000 and net gains of approximately HK\$34,000 for the Year and for the year ended 31 March 2023, respectively.

The net gains or losses consisted of (i) gain or loss on disposal of property and equipment; (ii) loss on lease termination; (iii) write-off of property and equipment; and (iv) net exchange gains or losses arising from the foreign currency fluctuations in respect of the foreign currency denominated trust receipt loans for the settlement of wine product purchased from the overseas suppliers.

### **Selling and distribution expenses**

Selling and distribution expenses of the Group decreased from approximately HK\$12.4 million for the year ended 31 March 2023 to approximately HK\$10.9 million for the Year. It was a result of the continuous implementation of cost reduction and efficiency enhancement measures during the Year.

### **Administrative expenses**

Administrative expenses of the Group decreased from approximately HK\$21.7 million for the year ended 31 March 2023 to approximately HK\$16.4 million for the Year. This decrease was mainly attributable to the decrease in depreciation and the continuous implementation of cost reduction and efficiency enhancement measures during the Year.

### **Finance costs**

Finance costs increased from approximately HK\$5.8 million for the year ended 31 March 2023 to approximately HK\$9.3 million for the Year. This increase was primarily attributable to the increase in the interest on bank borrowings for the Year as compared to last year.

## **Income tax expense**

Income tax expense of the Group increased by approximately 62.8% from approximately HK\$5.0 million for the year ended 31 March 2023 to approximately HK\$8.2 million for the Year. The increase was mainly attributable to the increase in estimated assessable profit for the Year compared against the year ended 31 March 2023.

## **Profit for the Year, profit for the Year attributable to owners of the Company and total comprehensive income for the Year attributable to owners of the Company**

Profit for the Year amounted to approximately HK\$31.2 million (2023: approximately HK\$16.3 million). Profit for the Year attributable to owners of the Company and total comprehensive income for the Year attributable to owners of the Company amounted to approximately HK\$31.2 million (2023: approximately HK\$16.6 million) and approximately HK\$31.2 million (2023: approximately HK\$16.6 million), respectively.

The increase in profit for the Year, profit for the Year attributable to owners of the Company and total comprehensive income for the Year attributable to owners of the Company was mainly due to (i) the increase in revenue of the Group; (ii) the decrease in selling and distribution expenses and administrative expenses of the Group as a result of the continuous implementation of cost reduction and efficiency enhancement measures during the Year; and (iii) partially offset by the increase in finance costs for interest-bearing bank borrowings of the Group.

## **Dividend**

The Board does not recommend the payment of a final dividend to the shareholders of the Company (the “**Shareholder(s)**”) for the Year (2023: Nil).

## **ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “**AGM**”) will be published as soon as practicable in accordance with the articles of association of the Company and the GEM Listing Rules. The record date and closure of books for the purpose of ascertaining the Shareholders’ entitlement to attend and vote at the AGM will be announced in due course.

## **LIQUIDITY AND FINANCIAL RESOURCES**

During the Year, the Group’s operation and capital requirements were financed principally through a combination of cash flow generated from the operating activities and bank borrowings. As at 31 March 2023 and 2024, the Group had net current assets of approximately HK\$110.3 million and approximately HK\$145.4 million, respectively, including cash and cash equivalents of approximately HK\$2.8 million and approximately HK\$2.9 million respectively. The Group’s current ratio (current assets divided by current liabilities) increased from approximately 1.7 as at 31 March 2023 to approximately 1.9 as at 31 March 2024 mainly due to the combined effect of the increase in inventories, the increase in trade receivables and the decrease in bank borrowings and bank overdrafts.

Gearing ratio is calculated by dividing total borrowings (including bank borrowings and bank overdrafts and lease liabilities) by total equity as at the end of the Year. The Group’s gearing ratio were approximately 54.9% and approximately 45.6% as at 31 March 2023 and 2024, respectively.

## **TREASURY POLICIES**

The Group adopts prudent treasury policies. The Group's management performs an ongoing credit evaluation of the financial conditions of the customers in order to reduce the Group's exposure of credit risk. In addition to these ongoing credit evaluations, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

## **COMMITMENTS**

As at 31 March 2024 and 31 March 2023, the Group did not have any capital commitment.

## **CAPITAL STRUCTURE**

There has been no changes in the capital structure of the Group during the Year. The share capital of the Company only comprises of ordinary shares. As at 31 March 2024, the Company had 400,000,000 shares in issue.

## **SIGNIFICANT INVESTMENTS**

As at 31 March 2024, there were no significant investments held by the Group.

## **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES**

As at 31 March 2024 and up to the date of this announcement, the Group did not have any material acquisition or disposals of subsidiaries, associates or joint ventures.

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

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

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as those disclosed in (i) the prospectus of the Company dated 29 December 2017 (the "**Prospectus**"); (ii) the annual reports of the Company for the years ended 31 March 2019, 2020, 2021, 2022 and 2023; (iii) the supplemental announcement of the Company dated 14 August 2020; and (iv) the announcement of the Company dated 10 June 2022 in relation to the use of proceeds, the Group currently has no other plan for material investments and capital assets.

## **CONTINGENT LIABILITIES**

The Group did not have material contingent liabilities as at 31 March 2024 and 2023.

## **CHARGE ON ASSETS**

As at 31 March 2024, a property with a carrying value of approximately HK\$123.1 million (2023: approximately HK\$128.5 million) was charged to secure bank borrowings and bank overdrafts of the Group of approximately HK\$129.3 million (2023: approximately HK\$131.2 million).

## **FOREIGN EXCHANGE EXPOSURE**

The Group is subject to relatively larger exposure to foreign currency risk as the Group has foreign currency denominated trust receipt loans for the settlement of the wine product purchases from suppliers outside of Hong Kong. The Group's exposure to foreign currency risk may affect its results of operations and financial position.

The Group recognises the importance of managing the foreign currency exchange risk exposure. To this end, the Group has ceased holding any pledged bank deposits in foreign currencies since October 2016.

The finance and accounts team of the Group is in charge of implementing the internal control measures on foreign currency risk. This team monitors the exposure to foreign currency risk with reference to, among other things, (i) the monthly and annual cash flow forecasts; (ii) historical cash flows; (iii) actual receivables; (iv) sales orders; (v) payables; (vi) purchase orders; and (vii) the potential hedging plans.

In respect of the purchases denominated in foreign currencies, the Group manages the associated foreign currency exchange risk exposure by closely monitoring the movement of foreign currency exchange rates and performing regular reviews of the net foreign exchange exposure. The Group has established a tracking and reporting system which records the latest exchange rate fluctuation information to enable the Group to effectively monitor the exposure to exchange rate risks and adjust the procurement strategy accordingly. For example, if there is an appreciation in Euro, the Group may choose to procure French red wine products from suppliers in the United Kingdom or Switzerland instead of France to minimise the foreign currency risk exposure. The Group does not currently have a foreign currency hedging policy. In the event of any change in circumstances leading the Group to believe that the exposure to foreign currency risk has heightened, the Group will, upon approval by the Board, implement necessary measures and policies to manage such risk, for example by entering into foreign currency hedging transactions.

## **EMPLOYEES AND REMUNERATION POLICIES**

The total number of employees were 30 and 24 as at 31 March 2023 and 2024, respectively. The Group's standard remuneration package includes base salary, discretionary bonus, medical insurance and contributions to retirement schemes. For the years ended 31 March 2023 and 2024, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$12.2 million and approximately HK\$10.4 million, respectively.

Remuneration package is determined in light of the employees' qualification, position and seniority. To ensure the remuneration package remains competitive, the Group conducts annual assessment on each employee's remuneration package.

## **FUTURE PROSPECTS**

The shares of the Company (the “**Shares**”) were successfully listed on GEM on 12 January 2018 (the “**Listing Date**”). The Board considers that such public listing status on the Stock Exchange is beneficial to the Company and the shareholders as a whole as the listing status on the Stock Exchange is a complementary way of advertising the Group which reinforces the corporate profile and market recognition. In addition, the creditworthiness will be enhanced from the suppliers’ perspective, which may in turn allow the Group to have greater bargaining power over negotiations to bargain for longer trade and credit terms. It also enables the Group to gain direct access to the capital market to raise funds for future expansion.

The Group has made steady progress in refining and expanding its operations, with a focus on diversifying and creating new sales channels. Alongside its traditional wine trading activities, the Group is actively exploring additional business opportunities, including selling other liquor products and providing promotion and marketing services for liquor brands as new product segments. Additionally, the Group is optimising operational cost efficiency. The Group believes these initiatives will optimise its business portfolio and support sustainable, healthy long-term performance.

The Group closely monitors the development of its business and will adopt a prudent approach, adjusting its strategies as necessary, to navigate the challenges and uncertainties presented by the rapidly changing environment.

## **LOAN AGREEMENTS WITH COVENANT RELATING TO SPECIAL PERFORMANCE OF THE CONTROLLING SHAREHOLDERS**

On 11 August 2023, Wine’s Link Limited (“**Wine’s Link**”), a wholly-owned subsidiary of the Company, as borrower and the Company, as guarantor, accepted a banking facility letter issued by Chong Hing Bank Limited (“**Lender A**”) (“**Facility Letter A**”) which is to renew the banking facilities granted by the Lender A on 4 July 2022. This Facility Letter A comprises (i) facilities in the aggregate amount up to HK\$63,000,000, consisting of (a) a new 3-year term loan; (b) an existing term loan maturing on 1 March 2024; and (c) other trade facilities; and (ii) an overdraft facility in the amount up to HK\$3,000,000, which are agreed to be made available by the Lender A to Wine’s Link on the terms and conditions contained therein and subject to, among others, review by the Lender A from time to time and the Lender A’s overriding right of repayment on demand. Pursuant to Facility Letter A, the Company shall procure Ms. Shirley Wong and Mr. Roy Ting, the controlling shareholders of the Company continue to be the single largest shareholder and jointly hold not less than 50% beneficial interest of the Company. Please refer to the announcement of the Company dated 11 August 2023 for more details.

The amounts of the trade facilities of the Facility Letter A have been updated (the “**Updated Facility Letter**”) with an increase of HK\$7,000,000. The Updated Facility Letter comprises (i) facilities in the aggregate amount up to HK\$70,000,000, consisting of (a) a 3-year term loan; (b) a term loan maturing on 1 March 2024; and (c) other trade facilities; and (ii) an overdraft facility in the amount up to HK\$3,000,000, which are agreed to be made available by the Lender A to Wine’s Link on the terms and conditions contained therein and subject to, among others, review by the Lender A from time to time and the Lender A’s overriding right of repayment on demand. The aforesaid updated amounts of the trade facilities shall remain valid for 3 months until 3 May 2024. Save as the aforesaid update in the Updated Facility Letter, other terms of the Facility Letter A shall remain unchanged and continue in full force and effect. Please refer to the announcement of the Company dated 16 February 2024 for more details.

On 3 May 2024, Wine’s Link, as borrower and the Company, as guarantor, accepted a new banking facility letter issued by the Lender A which is to renew the Facility Letter A granted by the Lender A. For details, please refer to the section headed “Event after the reporting period” below.

On 31 October 2023, Wine’s Link, as borrower and the Company, as guarantor, accepted banking facility letters issued by Fubon Bank (Hong Kong) Limited (“**Lender B**”) (“**Facility Letters B**”). The Facility Letters B comprise (i) trade and revolving loan facilities in the aggregate amount up to HK\$18,000,000 (the “**Trade and Revolving Loan**”); and (ii) an existing term loan maturing on 26 November 2023 and a corporate credit card of up to HK\$3,661,000 and HK\$200,000 respectively, which are agreed to be made available by the Lender B to Wine’s Link on the terms and conditions contained therein and subject to, among others, review by the Lender B from time to time and the Lender B’s overriding right of repayment on demand. Pursuant to the Facility Letters B, the Company shall procure Ms. Shirley Wong and Mr. Roy Ting, the controlling shareholders of the Company continue to be the single largest shareholder and jointly hold not less than 50% beneficial interest of the Company. Also, regarding the Trade and Revolving Loan, Ms. Shirley Wong shall provide a personal guarantee for an amount of not less than HK\$18,000,000. Please refer to the announcement of the Company dated 31 October 2023 for more details.

## **EVENT AFTER THE REPORTING PERIOD**

On 3 May 2024, Wine’s Link, as borrower and the Company, as guarantor, accepted a new banking facility letter issued by the Lender A (the “**Renewed Facility Letter A**”) which is to renew the Facility Letter A granted by the Lender A. The Renewed Facility Letter A comprises (i) facilities in the aggregate amount up to HK\$73,000,000, consisting of (a) a 3-year term loan and (b) other trade and loan facilities; and (ii) an overdraft facility in the amount up to HK\$3,000,000, which are agreed to be made available by the Lender A to Wine’s Link on the terms and conditions contained therein and subject to, among others, review by the Lender A from time to time and the Lender A’s overriding right of repayment on demand.

Pursuant to the Renewed Facility Letter A, the Company shall, inter alia, procure that Ms. Shirley Wong, a controlling shareholder of the Company, continue to be the single largest shareholder and hold not less than 50% beneficial interest in the Company.

Please refer to the announcement of the Company dated 3 May 2024 for more details.

As at the date of this announcement, Ms. Shirley Wong holds 70% interest in the Company.

## **COMPETING INTERESTS**

During the Year and up to the date of this announcement, none of the Directors or the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group.

## **NON-COMPETITION UNDERTAKING**

The Company confirms that the deed of non-competition (the “**Deed**”) of each of Ms. Shirley Wong, Mr. Roy Ting and Shirz Limited (collectively, the “**Obligors**”), details of which were set out in the Prospectus, has been fully complied and enforced during the Year. The Company has obtained an annual written confirmation from each of the Obligors in relation to their compliance with the terms of the Deed and the independent non-executive Directors have reviewed the undertakings under the Deed and evaluated the effective implementation of the Deed during the Year. With effect from 27 November 2023, by reason that Mr. Roy Ting together with his close associates, whether individually or taken together, ceased to be interested in 30% of the entire issued share capital of the Company, he was not bound by the undertakings in the Deed. The Board also confirms that there are no other material matters in relation to the aforesaid undertaking which should be brought to the attention of the shareholders and the potential investors of the Group.

## **DIRECTOR’S SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding Director’s securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having been made a specific enquiry by the Company, all Directors confirmed that they had complied with the required standard of dealings and code of conduct regarding securities transactions throughout the Year and up to the date of this announcement.

## **CORPORATE GOVERNANCE PRACTICES**

The Company’s corporate governance code is based on the principles of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the GEM Listing Rules. The Company is committed to maintain high standards of corporate governance to safeguard interest of shareholders and ensure a quality board and transparency and accountability to shareholders.

Save for the deviation from code provisions C.2.1 and F.2.2 of the CG Code, the Company complied with all code provisions in the CG Code during the Year.

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual to ensure a balance of power and authority. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. With effect from 14 September 2023, Ms. Yeung Chi Hung resigned as the chairman of the Board (the “**Chairman**”). Ms. Shirley Wong, an executive Director and chief executive officer of the Company, was appointed as the Chairman (the “**Appointment**”). After the Appointment, Ms. Shirley Wong will take up both the roles of the Chairman and chief executive officer of the Company which is a deviation of the CG Code. The Board considers that the vesting both roles in Ms. Shirley Wong will allow for more effective planning and execution of business strategies. Although the positions of Chairman and chief executive officer are not separate, the powers and authorities have not been concentrated as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as senior management. In addition, there are non-executive Director and three independent non-executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place. The Directors will continue to review the effectiveness of the Group’s corporate governance structure to assess whether changes, including the separation of the roles of Chairman and chief executive officer, as and when necessary.

Code provision F.2.2 of the CG Code stipulates that the Chairman should attend the annual general meeting, and should also invite the chairmen of the audit, remuneration and nomination committees to attend. Ms. Yeung Chi Hung, the then Chairman (and the then chairman of the Nomination Committee) was not able to attend the annual general meeting of the Company held on 14 August 2023 (the “**2023 AGM**”) due to other important business engagement. She had delegated the chief executive officer to chair and be available to answer questions at the 2023 AGM.

## **AUDIT COMMITTEE**

The Company has set up an audit committee (the “**Audit Committee**”) on 18 December 2017 with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and code provision D.3 of the CG Code. The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and adequate disclosures have been made.

## **SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

By order of the Board  
**Wine's Link International Holdings Limited**  
**Wong Chi Lou Shirley**  
*Chairman and executive Director*

Hong Kong, 21 June 2024

*As at the date of this announcement, the executive Directors are Ms. Wong Chi Lou Shirley and Mr. Chan Sze Tung; the non-executive Director is Ms. Yeung Chi Hung, S.B.S., B.B.S., J.P.; and the independent non-executive Directors are Ms. Chan Man Ki Maggie, M.H., J.P., Mr. Chan Cham Man Simon and Mr. Liu Kin Wai.*

*This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its publication. This announcement will also be published on the website of the Company at [www.wines-link.com](http://www.wines-link.com).*