

TARGET

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WAN LEADER INTERNATIONAL LTD: IT IS, ALWAYS, BEST TO STICK TO ONE'S KNITTING

On a cursory appearance of the financials of Wan Leader International Ltd (萬勵達國際有限公司) (Code: 8482, The **G**rowth **E**nterprise **M**arket – The **GEM** – The Stock Exchange of Hongkong Ltd), one could be excused into thinking that the Company was on the road to bigger and better things in the near-term, foreseeable future.

Nothing could be further from reality, in this medium's opinion.

The 2021-2022 Annual Report of Wan Leader International Ltd was published and disseminated in the **H**ongkong **S**pecial **A**ministrative **R**egion (**HKSAR**) of the **P**eople's **R**epublic of **C**hina (**PRC**) on or about Thursday, June 30, 2022.

At Page 120 of the 228-page Annual Report, one was introduced to the '**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.**'

At the foot of this page of the Report, it was stated that the '**Profit for the year**' was \$HK9,229,000.00, an increase, Year-On-Year, of about 120.79 percent.

At Page Five of the 2021-2022 Annual Report, Mr Thomas Loy Hak Yu (呂克宜), the Chairman of the Board of Directors of the Company, devoted five paragraphs to which, no doubt, one was invoked to believe, by innuendo, that the future prospects of the Company were positive.

The following oration is Chairman Thomas Loy Hak Yu Statement's to Shareholders:

'With great pleasure, and on behalf of the Board of Directors (the "Board"), I hereby present the annual report of the Group for the year ended 31 March 2022.

'In the past year, despite the resurgence of COVID-19 and the emergence of new variants, the general economic condition in China and the rest of the globe has stabilised and has been improving supported by the much wider vaccination coverage, availability of oral pills and the effectiveness of the pandemic control measures. There were certainly rebounds and we

as a Group has benefitted from. However, the operating environments remain highly unpredictable whilst there are detrimental factors, such as infection rates and the tightness of pandemic control measures which would seriously impact on our growth and profitability.

‘It is obvious that challenges would bring opportunities. But it is paramount that one has to place himself/herself properly for the capturing of such. With a mindset and full awareness of this, the Board remains adamant and has been cautiously reviewing our positioning and opportunities regularly. One evident trend, since the start of the pandemic, is that the acceptance and the acceleration of e-commerce development. This, not only, means a prosperous future in the logistic world as a whole, but also, through our diversification into providing management services to an online e-commerce platform in The People’s Republic of China (the “PRC”) to gain practical and hands-on knowledge on the operation of such and thereby to enhance our business model from on top of a logistics forwarder to a technology solution provider through innovation, cloud platforms, big data etc.

‘In light of the aforementioned circumstances, and together with the added challenges of demand recovery and supply shortage in the post-epidemic era, we remain humble and vigilant to manage our operations and look for opportunities to expand our businesses and markets. We remain cautiously optimistic for the prospects in the upcoming year as we are seeing the loosening of pandemic control measures in the PRC, and together with the world economy is anticipated to maintain the recovery trend as witnessed in 2021.

‘On behalf of my fellow directors, I would like to take this opportunity to extend my sincere gratitude to our investors, customers, suppliers, subcontractors and bankers for their continuous support and trust placed in the Group; and to thank my fellow directors for their concerted effort and advice throughout the Year. We treasure the effort from the Group’s management team and the unwavering commitment of our staff and please allow me to express my sincere appreciation to our management team and staff for their dedication and commitment.’

At the following Page Six of the 2021-2022 Annual Report, an introduction into the business of the Company was given as follows:

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

‘The services of 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; and (b) the provision of entrusted management services for operating an online e-commerce platform.'

Reverting to Page 120 of the 2021-2022 Annual Report of the Company, the following are the financials that were presented in respect of the Financial Year, ended March 31, 2022:

	For The Financial Year, Ended March 31		Percentage Increase/(Decrease) *
	2022	2021	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	674,040	332,804	102.53
Gross Profit	44,837	30,757	45.78
Gross Profit Margin *	6.65 percent	9.24 percent	(28.03)
Profit Before Taxation	12,271	923	1,229.47
Profit For The Year	9,229	4,180	120.79

* These are **TARGET**'s calculations.

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