The following is the text of a report received from the Reporting Accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the Directors and to the Sole Sponsor pursuant to the requirements of Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants.

pwc 羅兵咸永道

30 December 2016

The Board of Directors
WWPKG Holdings Company Limited
Lego Corporate Finance Limited

Dear Sirs

We report on the financial information of WWPKG Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group"), which comprises the combined statements of financial position as at 31 March 2015 and 2016 and 30 June 2016, the statement of financial position of the Company as at 30 June 2016, and the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the years ended 31 March 2015 and 2016 and three months ended 30 June 2016 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory information. This financial information has been prepared by the directors of the Company and is set out in Sections I to III below for inclusion in Appendix I to the prospectus of the Company dated 30 December 2016 (the "Prospectus") in connection with the initial listing of shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The Company was incorporated in the Cayman Islands on 8 June 2016 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganisation as described in Note 1.2 of Section II headed "Reorganisation" below, which was completed on 5 July 2016, the Company became the holding company of the subsidiaries now comprising the Group (the "Reorganisation").

As at the date of this report, the Company has direct and indirect interests in the subsidiaries as set out in Note 1.2 of Section II below. All of these companies are private companies or, if incorporated or established outside Hong Kong, have substantially the same characteristics as a Hong Kong incorporated private company.

No statutory audited financial statements have been prepared by the Company as it is newly incorporated and has not involved in any significant business transactions since its date of incorporation, other than the Reorganisation. The statutory audited financial statements of the other companies now comprising the Group as at the date of this report for which there are statutory audit requirements have been prepared in accordance with the relevant accounting principles generally accepted in their place of incorporation. The details of the statutory auditors of these companies are set out in Note 1.2 of Section II.

The directors of the Company have prepared the combined financial statements of the Company and its subsidiaries now comprising the Group for the Relevant Periods, in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") (the "Underlying Financial Statements"). The directors of the Company are responsible for the preparation of the Underlying Financial Statements that gives a true and fair view in accordance with HKFRSs. We have audited the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing (the "HKSAs") issued by the HKICPA pursuant to separate terms of engagement with the Company.

The financial information has been prepared based on the Underlying Financial Statements, with no adjustment made thereon, and on the basis set out in Note 1.3 of Section II below.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the financial information that gives a true and fair view in accordance with the basis of presentation set out in Note 1.3 of Section II below and in accordance with HKFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial information and to report our opinion to you. We carried out our procedures in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

OPINION

In our opinion, the financial information gives, for the purpose of this report and presented on the basis set out in Note 1.3 of Section II below, a true and fair view of the financial position of the Company as at 30 June 2016 and of the combined financial position of the Group as at 31 March 2015 and 2016 and 30 June 2016 and of the Group's combined financial performance and cash flows for the Relevant Periods.

REVIEW OF STUB PERIOD COMPARATIVE FINANCIAL INFORMATION

We have reviewed the stub period comparative financial information set out in Sections I to II below included in Appendix I to the Prospectus which comprises the combined statements of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the three months ended 30 June 2015 and a summary of significant accounting policies and other explanatory information (the "Stub Period Comparative Financial Information").

The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of presentation set out in Note 1.3 of Section II below and the accounting policies set out in Note 2 of Section II below.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of the Stub Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with HKSAs and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of this report is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 1.3 of Section II below and the accounting policies set out in Note 2 of Section II below.

I. FINANCIAL INFORMATION OF THE GROUP

The following is the financial information of the Group prepared by the directors of the Company as at 31 March 2015 and 2016 and 30 June 2016, and for each of the years ended 31 March 2015 and 2016 and the three months ended 30 June 2016 (the "Financial Information"):

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 March		Three months ended 30 June	
		2015	2016	2015	2016
	Note	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Revenue	5	461,546	452,632	118,285	82,387
Cost of sales	7	(387,934)	(369,397)	(93,235)	(71,560)
Gross profit		73,612	83,235	25,050	10,827
Other income	6	162	1,197	477	26
Other (losses)/gains, net	6	(3,579)	1,229	224	660
Selling expenses	7	(14,788)	(18,417)	(4,270)	(4,675)
Administrative expenses	7	(35,710)	(38,813)	(8,295)	(15,126)
Operating profit/(loss)		19,697	28,431	13,186	(8,288)
Finance income	10	1	2	—	—
Finance costs	10	(9)	(28)	(4)	(6)
Finance costs, net	10	(8)	(26)	(4)	(6)
Profit/(loss) before income tax		19,689	28,405	13,182	(8,294)
Income tax (expense)/credit	11	(3,345)	(5,077)	(2,225)	423
Profit/(loss) and total comprehensive income/(loss) for the year/period		16,344	23,328	10,957	(7,871)
Profit/(loss) and total comprehensive income/(loss) attributable to:					
Owners of the Company		16,226	23,109	10,840	(7,771)
Non-controlling interests		118	219	117	(100)
		16,344	23,328	10,957	(7,871)
Basic and diluted earnings/(loss) per share for profit/(loss) attributable to owners of the Company	12	N/A	N/A	N/A	N/A

COMBINED STATEMENTS OF FINANCIAL POSITION

		As at 31 March		As at 30 June
		2015	2016	2016
	Note	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Non-current assets				
Property, plant and equipment	14	1,988	3,073	4,824
Prepayments, deposits and other receivables	18	1,150	2,706	1,424
Deferred income tax assets	24	244	102	525
		3,382	5,881	6,773
Current assets				
Inventories	16	—	431	1,000
Trade receivables	17	2,630	226	79
Prepayments, deposits and other receivables	18	30,893	17,478	16,201
Derivative financial assets	25	—	8	—
Amount due from a related company	29	92	13	288
Current income tax recoverable		705	—	—
Cash and cash equivalents	19	54,516	71,622	76,909
		88,836	89,778	94,477
Total assets		92,218	95,659	101,250
EQUITY				
Equity attributable to owners of the Company				
Combined capital	20	11,500	11,500	11,500
Reserves		25,999	49,108	41,337
		37,499	60,608	52,837
Non-controlling interests		454	673	573
Total equity		37,953	61,281	53,410

		As at 31 March		As at 30 June
		2015	2016	2016
	Note	*HK$'000*	*HK$'000*	*HK$'000*
LIABILITIES				
Non-current liabilities				
Obligations under finance leases	23	347	258	168
Other non-current liabilities	22	608	608	623
Deferred income tax liabilities	24	—	49	49
		955	915	840
Current liabilities				
Trade payables	21	5,186	5,027	6,990
Accruals and other payables	22	43,062	24,798	36,898
Obligations under finance leases	23	269	353	356
Amount due to a director	29	16	—	—
Dividend payable		2,000	—	—
Derivative financial liabilities	25	771	—	—
Amounts due to related companies	29	919	1,393	864
Current income tax liabilities		1,087	1,892	1,892
		53,310	33,463	47,000
Total liabilities		54,265	34,378	47,840
Total equity and liabilities		92,218	95,659	101,250

STATEMENT OF FINANCIAL POSITION

	As at 30 June 2016
	HK$
ASSETS	
Non-current asset	
Investment in a subsidiary	8
	8
Current asset	
Amount due from a shareholder	1
	1
Total assets	9
EQUITY	
Share capital	1
Total equity	1
LIABILITY	
Current liability	
Amount due to a subsidiary	8
Total liability	8
Total equity and liability	9

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				
	Combined capital	Retained earnings	Sub-total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balances at 1 April 2014	11,500	19,659	31,159	365	31,524
Comprehensive income					
Profit for the year	—	16,226	16,226	118	16,344
Total comprehensive income for the year	—	16,226	16,226	118	16,344
Dividend (Note 13)	—	(9,886)	(9,886)	(29)	(9,915)
Total transactions with owners	—	(9,886)	(9,886)	(29)	(9,915)
Balance at 31 March 2015 and 1 April 2015	11,500	25,999	37,499	454	37,953
Comprehensive income					
Profit for the year	—	23,109	23,109	219	23,328
Total comprehensive income for the year	—	23,109	23,109	219	23,328
Balances at 31 March 2016	11,500	49,108	60,608	673	61,281
Comprehensive loss					
Loss for the three months ended 30 June 2016	—	(7,771)	(7,771)	(100)	(7,871)
Total comprehensive loss for the period	—	(7,771)	(7,771)	(100)	(7,871)
Balances at 30 June 2016	11,500	41,337	52,837	573	53,410
(Unaudited)					
Balances at 31 March 2015	11,500	25,999	37,499	454	37,953
Comprehensive income					
Profit for the three months ended 30 June 2015	—	10,840	10,840	117	10,957
Total comprehensive income for the period	—	10,840	10,840	117	10,957
Balances at 30 June 2015	11,500	36,839	48,339	571	48,910

COMBINED STATEMENTS OF CASH FLOWS

		Year ended 31 March		Three months ended 30 June	
		2015	2016	2015	2016
	Note	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Cash flows from operating activities					
Cash generated from operations	26	8,646	26,541	13,938	7,750
Interest paid		(9)	(28)	(4)	(6)
Income tax paid		(7,429)	(3,376)	—	—
Net cash generated from operating activities		1,208	23,137	13,934	7,744
Cash flows from investing activities					
Purchase of property, plant and equipment		(1,253)	(1,340)	(887)	(55)
Payment for website development costs		—	(1,832)	—	—
Proceeds from disposal of property, plant and equipment		—	130	130	—
Interest received		1	2	—	—
Net cash used in investing activities		(1,252)	(3,040)	(757)	(55)
Cash flows from financing activities					
Repayment of obligations under finance leases		(110)	(325)	(66)	(87)
Dividends paid		(8,115)	(2,000)	(2,000)	—
Payment for professional fee incurred in connection with the Company's listing		—	(666)	—	(2,315)
Net cash used in financing activities		(8,225)	(2,991)	(2,066)	(2,402)
Net (decrease)/increase in cash and cash equivalents		(8,269)	17,106	11,111	5,287
Cash and cash equivalents at beginning of the year/period		62,785	54,516	54,516	71,622
Cash and cash equivalents at end of the year/period		54,516	71,622	65,627	76,909

II NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General Information

WWPKG Holdings Company Limited (the "Company") was incorporated in the Cayman Islands on 8 June 2016 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address of the Company PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries comprising the Group (together, the "Group") are primarily engaged in selling of package tours, air tickets and hotel accommodations ("FIT products") and certain ancillary travel related products and services (the "Listing Business") in Hong Kong.

This combined financial information ("Financial Information") is presented in thousands of units of Hong Kong dollars ("HK$"), unless otherwise stated.

1.2 Reorganisation

Prior to the incorporation of the Company and the completion of the reorganisation (the "Reorganisation") as described below, the Listing Business was carried out by Package Tours (Hong Kong) Limited ("Package Tours") and Worldwide Package Travel Service Limited ("Worldwide Package") (collectively the "Operating Companies"). Before the completion of the Reorganisation, the Operating Companies were controlled by Ms. Chan Suk Mei (the "Ultimate Controlling Shareholder") who held controlling interests in the Operating Companies throughout the Relevant Periods.

In preparation for listing of the Company's shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the following transactions were carried out:

(i) On 12 May 2016, the Ultimate Controlling Shareholder and Mr. Lin Tsu Chan, a minority shareholder of Package Tours, entered into a sale and purchase agreement, pursuant to which the Ultimate Controlling Shareholder acquired 180 shares in Package Tours, representing 0.18% of the issued capital of Package Tours, from Mr. Lin at the consideration of approximately HK$72,000 which represented fair value.

(ii) On 7 June 2016, WWPKG Investment Holdings Limited ("WWPKG Investment") was incorporated in the British Virgin Islands ("BVI") with authorised share capital of US$50,000. Upon incorporation, 6,802 shares, 2,342 shares and 856 shares were allotted and issued at par to the Ultimate

Controlling Shareholder, Mr. SK Yuen and Mr. CN Yuen, respectively. As a result, the Ultimate Controlling Shareholder, Mr. SK Yuen and Mr. CN Yuen became the shareholders of WWPKG Investment, holding 68.02%, 23.42% and 8.56% of the issued share capital of WWPKG Investment, respectively.

(iii) On 8 June 2016, the Company was incorporated in the Cayman Islands with authorised share capital of HK$380,000, 1 share of which was allotted and issued at par to the first subscriber, Reid Services Limited, which was subsequently transferred to WWPKG Investment on 8 June 2016 at par. Upon completion of transfer the Company became a wholly-owned subsidiary of WWPKG Investment.

(iv) On 10 June 2016, WWPKG Management Company Limited ("WWPKG Management") was incorporated in the BVI with authorised share capital of US$50,000. Upon incorporation, 1 share was allotted and issued at par to the Company. As a result, WWPKG Management became a wholly-owned subsidiary of the Company.

(v) On 5 July 2016, WWPKG Management acquired 98,710 shares in Package Tours, being 98.71% of its then entire issued share capital, from the Ultimate Controlling Shareholder and Mr. SK Yuen. The consideration for the aforesaid acquisition was satisfied by WWPKG Management procuring the Company to allot and issue, at the direction of the Ultimate Controlling Shareholder and Mr. SK Yuen, 4,863 shares of the Company to WWPKG Investment credited as fully paid. After the aforesaid acquisition, Package Tours became owned as to 98,710 shares by WWPKG Management and 1,290 shares by three independent third parties, namely Mr. Law, Mr. Tse and Mr. Wong, representing 98.71% and 1.29% of the issued capital of Package Tours respectively. After the aforesaid share transfer, Package Tours became a subsidiary of WWPKG Management.

(vi) On 5 July 2016, the Ultimate Controlling Shareholder and Mr. CN Yuen and WWPKG Management entered into a sale and purchase agreement, pursuant to which WWPKG Management acquired 15,000 shares in Worldwide Package, being its then entire issued capital, from the Ultimate Controlling Shareholder and Mr. CN Yuen. The consideration of the aforesaid acquisition was satisfied by WWPKG Management procuring the Company to allot and issue, at the direction of the Ultimate Controlling Shareholder and Mr. CN Yuen, 5,136 shares of the Company to WWPKG Investment credited as fully paid. After the aforesaid acquisition, Worldwide Package became a wholly-owned subsidiary of WWPKG Management.

(vii) Upon the completion of the Reorganisation and as at the date of this Report, the Company has direct or indirect interests in the following subsidiaries:

Name	Country and date of incorporation	Principal activities	Type of legal status	Issued and paid up capital	Effective interest held as at 31 March 2015	Effective interest held as at 31 March 2016	Effective interest held as at 30 June 2016
Directly held							
WWPKG Management Company Limited	British Virgin Islands 10 June 2016	Investment holding	Limited liability company	1 ordinary share	n/a	n/a	100%
Indirectly held							
Package Tours (Hong Kong) Limited	Hong Kong 1 June 1979	Provision of package tours services	Limited liability company	100,000 ordinary shares	98.53%	98.53%	98.53%
Worldwide Package Travel Service Limited	Hong Kong 19 July 1985	Acting as a travel agent for selling of travel related products	Limited liability company	15,000 ordinary shares	100%	100%	100%

The statutory financial statements of Package Tours (Hong Kong) Limited and Worldwide Package Travel Service Limited for the year ended 31 March 2015 were audited by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong.

No audited financial statements have been issued for WWPKG Investment Holdings Limited and WWPKG Management Company Limited as there is no statutory audit requirement in the place of incorporation.

1.3 Basis of presentation

For the purpose of this report, the Financial Information of the Group have been prepared using the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for each of the years ended 31 March 2015 and 2016 and the three months ended 30 June 2016 (the "Relevant Periods") have been prepared using the financial information of the companies engaged in the Listing Business and now comprising the Group, under the common control of the

Ultimate Controlling Shareholder as if the current group structure had been in existence throughout the Relevant Periods, or since the respective dates of incorporation/ establishment of the combining companies, or since the date when the combining companies first came under the control of the Ultimate Controlling Shareholder, whichever is a shorter period. The combined statements of financial position of the Group as at 31 March 2015 and 2016 and 30 June 2016 have been prepared to present the assets and liabilities of the companies now comprising the Group as at these dates, as if the current group structure had been in existence as at these dates. The net assets and results of the Group were combined using the existing book values from the Ultimate Controlling Shareholder's perspective.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Financial Information are set out below. These policies have been consistently applied throughout the Relevant Periods which are each of the years ended 31 March 2015 and 2016 and the three months ended 30 June 2015 and 2016, unless otherwise stated.

2.1 Basis of preparation

The Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA and has been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments, which are carried at fair value.

The preparation of Financial Information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in Note 4.

New standards and amendments to existing standards not yet adopted by the Group

The following are standards and amendments to existing standards that have been published and are relevant and mandatory for the Group's accounting periods beginning on or after 1 July 2016 or later periods, but have not been early adopted by the Group.

		Effective for accounting year beginning on or after
HKAS 7 Amendments	Disclosure Initiative	1 January 2017
HKAS 12 Amendments	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets Between Investor and its Associate or Joint Venture	To be determined

Under HKAS 17, lessees were required to make a distinction between a finance lease (on the combined statements of financial position) and an operating lease (off balance sheet). HKFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a right-of-use asset for virtually all lease contracts. The new standard will impact both the combined statements of financial position and related ratios (capital adequacy ratio and leverage ratio), but the impact will not be material. If the Group early adopts HKFRS 16, as at 30 June 2016, the amount of operating leasing commitment amounted to HK$7,466,000 (Note 28(b)) would be recognised on the combined statements of financial position as asset and liability. It would have immaterial influences on total assets and liabilities. The impacts on capital adequacy ratio and leverage ratio will also be immaterial.

HKFRS 15 replaces the previous revenue standards: HKAS 18 Revenue and HKAS 11 Construction Contracts, and the related Interpretations on revenue recognition. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) Recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an "earnings processes" to an "asset-liability" approach based on transfer of control. HKFRS 15 provides specific guidance on capitalisation of contract cost, license arrangements and principal versus agent commissions. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group does not plan to early adopt HKFRS 15. The Group assessed the impact of the adoption of HKFRS 15 by analysing the Group's key revenue streams against the 5-step approach and does not expect the adoption would have a material impact other than presenting more disclosures.

HKFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The Group assesses that adopting HKFRS 9 will not have a material impact to the Group's results of operations and financial position.

Management is in the process of making an assessment on the impact of other standards and amendments to existing HKFRSs and is not yet in a position to state whether they will have a significant impact on the Group's results of operations and financial position.

2.2 Subsidiaries

Consolidation

Except for the Reorganisation as stated in Note 1.2, subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations other than business under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with Hong Kong Accounting Standards ("HKASs") 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company who make strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Financial Information is presented in HK$, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into functional currency using exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

All foreign exchange gains and losses that related to foreign currency transactions for land cost are presented in the combined statements of comprehensive income within "cost of sales". All other foreign exchange gains and losses are presented in the combined statements of comprehensive income within "other (losses)/gains, net".

Changes in the fair value of debt securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Leasehold improvements	20% or over the lease term, whichever is shorter
Furniture, fixtures and office equipment	20% per annum
Computer software	20% to 33.3% per annum
Motor vehicles	33.3% per annum
Website	20% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Website under construction or pending installation are stated at cost less impairment losses, if any. No amortisation is made on assets under construction in progress until such time as the relevant assets are completed and available for their intended use.

2.6 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Financial assets

(a) Classification

The Group classifies its financial assets as loans and receivables and financial assets at fair values through profit or loss. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade receivables", "deposits and other receivables", "amount due from a related company" and "cash and cash equivalents" in the combined statements of financial position.

(b) Recognition, derecognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the profit or loss in the period in which they arise.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the combined statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.9 Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.10 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group does not designate any derivative as a hedging instrument. Changes in fair value of derivative financial instruments are presented in the combined statements of comprehensive income within "other (losses)/gains, net".

2.11 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated applicable selling expenses.

2.12 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.13 Cash and cash equivalents

In the combined statements of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks.

2.14 Combined capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Current and deferred income tax

The tax expense for the years comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the combined statements of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, the deferred tax liabilities are not recognised if they arise from initial recognition of goodwill, the deferred income tax is not accounted for if it is from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

(a) Pension obligations

The Group has arranged for its employees to join the Mandatory Provident Fund Scheme, which is a defined contribution scheme managed by an independent trustee. A defined contribution plan is a pension plan under which the Group pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) *Long service payments*

Employees who have completed the required number of years of service to the Group are eligible for long service payments. A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group to the reporting date.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services provided, stated net of discounts and returns. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement. Revenue is recognised as follows:

(i) Revenue from sales of package tours is recognised when the services are rendered by the Group per day spent at the destination.

(ii) Margin income from sales of FIT products is recognised when the services are rendered by the Group as an agent on a net basis when the booking is confirmed.

(iii) Margin income from sales of ancillary travel related products and services (such as insurance, transportation passes and admission tickets) are recognised on a net basis when the product is sold to customers.

(iv) Interest income is recognised on a time-proportion basis using the effective interest method.

(v) Dividend income is recognised when the right to receive payment is established.

(vi) Referral income is recognised when the services are rendered.

Determining whether the Group is acting as a principal or as an agent requires consideration of all relevant facts and circumstances, including whether (1) the Group is the primary obligator in the provision of package tours services and sales of air tickets and hotel accommodations; (2) the Group retains the inventory risk of before and after the customer orders, during the provision of services or on return; (3) the Group has latitude in establishing prices; and (4) the Group bears the credit risk for collecting cash from customers. The Group's management performs the assessment based on the above mentioned factors and reaches the conclusion that the Group acts as a principal in the provision of package tours services since it has exposure to the significant risks and rewards associated with the provision of services, and acts as an agent in the sales of air tickets and hotel accommodations since the risks and rewards associated with the sales are borne by the airline companies and hotels. Accordingly, the Group recognises revenue from the provision of package tours services on a gross basis and sales of air tickets and hotel accommodations on a net basis.

The Group operates the customer loyalty programme where certain customers accumulate points for purchases made which entitle them to purchase goods supplied or services provided for free or at a discounted price. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale such that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed or expired. The amount of initial revenue recognised is based on the number of points redeemed relative to the total number expected to be redeemed. The deferred revenue is recognised as revenue when the award credits are redeemed and expired and the Group's obligations have been fulfilled.

2.20 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's combined financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management of the Group. Formal and informal management meetings are held to identify significant risks and to develop procedures to deal with any risks in relation to the Group's businesses.

(a) Foreign exchange risk

The Group operates principally in Hong Kong. It is exposed to foreign exchange risk primarily with respect to Japanese Yen ("JPY") denominated transactions arising from the costs of services consumed in hotel accommodations and other travel-related services.

The foreign exchange risk of the Group mainly arises from cash and cash equivalents, deposits and other receivables, trade payables and amounts due from/(to) related companies denominated in JPY, which are used in the provision of package tours services in Japan.

The table below summarises the financial assets and liabilities denominated in foreign currencies:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Assets			
JPY	9,196	7,370	4,563
Others	190	189	189
	9,386	7,559	4,752
Liabilities			
JPY	2,287	3,096	3,664

As at 31 March 2015 and 2016 and 30 June 2016, if JPY had strengthened/weakened by 10% with all other variables held constant, the post-tax profit/(loss) for the respective years ended 31 March 2015 and 2016 and the three months ended 30 June 2016 would have been approximately HK$577,000 higher/lower, HK$357,000 higher/lower and HK$75,000 lower/higher, mainly as a result of foreign exchange gains/losses on revaluation of JPY denominated cash and cash equivalents, deposits and other receivables, trade payables and amounts due from/to related companies.

The Group manages its exposures to foreign exchange transactions by monitoring the level of foreign currency receipts and payments and using foreign exchange forward contracts to manage against the foreign exchange risk arising from future operational transactions and recognised assets and liabilities. The Group does not designate any derivative as a hedging instruments. The Group ensures that the net exposure to foreign exchange risk is kept to an acceptable level from time to time. The Group also regularly reviews the portfolio of suppliers and the currencies in which the transactions are denominated so as to minimise the Group's exposure to foreign exchange risk.

(b) Credit risk

The credit risk of the Group mainly arises from cash at bank, trade receivables, other receivables and amount due from a related company. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets. In respect of cash deposited at banks, the credit risk is considered to be low as the counterparties are reputable banks.

Majority of the Group's revenue is received from individual retail customers in relation to package tours services and are transacted in cash or credit cards. The Group's trade receivables arise from sales of air tickets and hotel accommodations to other travel agents. As at 31 March 2015 and 2016 and 30 June 2016, the top three debtors accounted for approximately 99%, 100% and 100% and the largest debtor accounted for approximately 97%, 98% and 96% of the Group's trade receivables balance, respectively. The Group has set up long-term cooperative relationship with these debtors. In view of the history of business dealings with the debtors and the sound collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivables balance due from these debtors. Management makes periodic assessment on the recoverability of the trade and other receivables based on historical payment records, the length of overdue period, the financial strength of the debtors and whether there are any disputes with the debtors. The directors consider the Group's credit risk of these receivables to be low.

For amounts due from related parties, the directors are of the opinion that the credit risk is low due to the sound collection history of the receivables due from the counterparty. The extent of credit risk relating to the Group's trade and other receivables is disclosed in Note 17 and Note 18.

(c) Liquidity risk

Prudent liquidity risk management is controlled by maintaining sufficient cash and cash equivalents generated from the operating activities. As at 31 March 2015 and 2016 and 30 June 2016, the Group held cash and cash equivalents and trade receivables, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

As at 31 March 2015 and 2016 and 30 June 2016, the Group has banking facilities in the aggregate amount of HK$51,000,000, including a bank guarantee to suppliers in the amount of HK$5,000,000, for future operating activities. The above banking facilities were secured by i) a residential property and an office property (including its rental assignment) owned by related companies; ii) corporate guarantee granted by a related company; iii) cross guarantee granted by Package Tours and a related company; and iv) personal guarantees by Mr. SK Yuen and Ms. Chan, the executive directors of the Company.

The banking facilities do not contain any material covenants and the Group has not breached any covenants on its banking facilities.

All the properties charged and guarantees provided by the related companies, Package Tours, Mr. SK Yuen and Ms. Chan for the Group's banking facilities will be fully released upon Listing.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the combined statements of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On demand	Within 1 year	Between 1 to 2 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 March 2015				
Trade payables	—	5,186	—	5,186
Accruals and other payables	—	2,004	—	2,004
Obligations under finance leases	—	283	353	636
Amounts due to related companies	919	—	—	919
Amount due to a director	16	—	—	16
Dividend payable	—	2,000	—	2,000
Derivative financial instruments	—	771	—	771
	935	10,244	353	11,532
As at 31 March 2016				
Trade payables	—	5,027	—	5,027
Accruals and other payables	—	3,427	—	3,427
Obligations under finance leases	—	370	269	639
Amounts due to related companies	1,393	—	—	1,393
	1,393	8,824	269	10,486
As at 30 June 2016				
Trade payables	—	6,990	—	6,990
Accruals and other payables	—	7,534	—	7,534
Obligations under finance leases	—	370	176	546
Amounts due to related companies	864	—	—	864
	864	14,894	176	15,934

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total obligations under finance leases (including "current" and "non-current" as shown in the combined statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the combined statement of financial position plus net debt.

As at 31 March 2015 and 2016 and 30 June 2016, the Group had net cash position as follows:

	As at 31 March		**As at 30 June**
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Total obligations under finance leases (Note 23)	616	611	524
Less: cash and cash equivalents (Note 19)	(54,516)	(71,622)	(76,909)
Net cash	(53,900)	(71,011)	(76,385)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 2
	HK$'000
As at 31 March 2015	
Liabilities	
Forward exchange contracts	771
As at 31 March 2016	
Assets	
Forward exchange contracts	8

As at 30 June 2016, the Group does not have any financial assets and liabilities measured at fair value.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 31 March 2015 and 2016, instruments included in level 2 represent forward exchange contracts issued by financial institution in Hong Kong which was classified as financial assets/liabilities at fair value through profit or loss, and the fair value is determined using forward exchange rates at the date of the combined statements of financial position.

There were no transfers between levels 1 and 2 during the Relevant Periods.

3.4 Offsetting financial assets and financial liabilities

As at 31 March 2015 and 2016 and 30 June 2016, there were no financial assets or financial liabilities which were subject to offsetting, enforceable master netting or similar agreements.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes

The Group is subject to income taxes in Hong Kong. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

(b) Provision for impairment of trade and other receivables

Significant judgement is exercised in the assessment of the collectability of receivables. In making its judgement, management considers a wide range of factors such as results of follow-up procedures performed, payment trend including subsequent payments, and financial positions of the debtors.

5 Revenue and segment information

(a) Revenue

The Group's businesses include selling of package tours, FIT products and certain ancillary travel related products and services. Revenue recognised during the Relevant Periods is as follows:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Revenue				
Sales of package tours	451,117	443,941	116,481	80,299
Margin income from sales of FIT products	4,383	4,009	958	752
Margin income from sales of ancillary travel related products and services	6,046	4,682	846	1,336
	461,546	452,632	118,285	82,387

(b) Segment information

Management has identified its operating segments based on the reports reviewed by the chief operating decision maker that are used for making strategic decisions. The chief operating decision maker is identified as the executive directors of the Company. The only component in internal reporting to the chief operating decision maker is the Group's travel and travel-related services business during the Relevant Periods. In this regard, management considers there is only one operating segment under the requirements of HKFRS 8 Operating Segments.

There is no single external customer that contributed to more than 10% revenue of the Group's revenue for the years ended 31 March 2015 and 2016 and the three months ended 30 June 2015 and 2016.

The Group is domiciled in Hong Kong and all revenue was generated from customers located in Hong Kong. As at 31 March 2015 and 2016 and 30 June 2016, all non-current assets were located in Hong Kong.

6 Other income and other (losses)/gains, net

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Other income				
Referral income	162	539	477	26
Subsidies (Note)	—	658	—	—
	162	1,197	477	26
Other (losses)/gains, net				
Exchange (losses)/gains, net	(1,607)	1,083	170	642
Fair value (loss)/gain on derivative financial instruments	(1,914)	20	(76)	18
(Loss)/gain on disposal of property, plant and equipment	(58)	126	130	—
	(3,579)	1,229	224	660

Note:

During the year ended 31 March 2016, subsidies were mainly received from the government of Japan for organising tours to visit certain prefectures in Japan.

7 Expenses by nature

The Group's profit/(loss) for each of the years ended 31 March 2015 and 2016 and the three months ended 30 June 2015 and 2016 is stated after charging/(crediting) the following cost of sales, selling expenses and administrative expenses:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Land costs (Note)	187,175	172,845	50,144	41,607
Air fare cost	205,916	196,101	44,877	28,619
Auditor's remuneration				
— Audit service	601	600	150	150
— Non-audit service	40	64	—	—
Employee benefits expenses, excluding benefits and interests of directors (Note 8)	19,169	23,997	5,139	6,162
Benefits and interests of directors (Note 9)	6,844	4,314	1,079	1,079
Depreciation of property, plant and equipment (Note 14)	671	1,005	202	297
Written off of other receivables	115	—	—	—
Operating lease rentals of:				
— Office and branches premises	6,088	6,909	1,898	2,042
— Equipment rental	271	235	76	112
Advertising and promotion	5,473	7,966	1,586	2,110
Exchange (gain)/loss	(5,958)	(331)	(1,974)	1,191
Credit card fee	3,929	4,100	1,071	908
Entertainment expenses	679	541	154	144
Office, telecommunication and utility expenses	1,882	2,080	414	313
Legal and professional fees	668	715	—	201
Professional expenses incurred in connection with the Company's listing	—	1,209	—	5,732
Others	4,869	4,277	984	694
	438,432	426,627	105,800	91,361

Note:

Land costs mainly consist of direct costs incurred in the provision of package tours services such as hotel fees, transportation expenses, meal expenses and admission tickets costs.

8 Employee benefits expenses, excluding benefits and interests of directors

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Salaries, bonuses and allowances	17,078	21,678	4,652	5,728
Pension costs — defined contribution plan *(Note)*	1,332	1,400	260	354
Other employee benefits	759	919	227	80
	19,169	23,997	5,139	6,162

Note:

The Group has arranged for its employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), which is a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the entities of the Group (the employer) and its employees make monthly contributions to the scheme generally at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employer and the employees are subject to a maximum contribution of HK$1,500 per month since June 2014 (April 2014 to May 2014: HK$1,250) and thereafter contributions are voluntary.

No contribution was payable to the fund as at 31 March 2015. Contributions totalling HK$401,000 and HK$345,000 were payable as at 31 March 2016 and 30 June 2016, respectively.

9 Directors' and highest-paid individuals' remuneration

(a) Benefits and interests of directors

The remuneration of every director of the Company paid/payable by the Group for the years ended 31 March 2015 and 2016 and the three months ended 30 June 2015 and 2016 is set out below:

Year ended 31 March 2015

Name	Fee	Salaries, other allowances and benefits	Discretionary bonuses	Defined contribution pension costs	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Yuen Chun Ning (Chief Executive Officer)	—	1,020	—	18	1,038
Chan Suk Mei, Frances	—	3,600	—	18	3,618
Yuen Sze Keung, Frankie (Chairman)	—	1,080	1,090	18	2,188
	—	5,700	1,090	54	6,844

Year ended 31 March 2016

Name	Fee	Salaries, other allowances and benefits	Discretionary bonuses	Defined contribution pension costs	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Yuen Chun Ning (Chief Executive Officer)	—	1,020	—	18	1,038
Chan Suk Mei, Frances	—	1,800	—	18	1,818
Yuen Sze Keung, Frankie (Chairman)	—	1,440	—	18	1,458
	—	4,260	—	54	4,314

Three months ended 30 June 2015

Name	Fee	Salaries, other allowances and benefits	Discretionary bonuses	Defined contribution pension costs	Total
	HK$'000 *(Unaudited)*	*HK$'000* *(Unaudited)*	*HK$'000* *(Unaudited)*	*HK$'000* *(Unaudited)*	*HK$'000* *(Unaudited)*
Executive directors					
Yuen Chun Ning (Chief Executive Officer)	—	255	—	4	259
Chan Suk Mei, Frances	—	450	—	5	455
Yuen Sze Keung, Frankie (Chairman)	—	360	—	5	365
	—	1,065	—	14	1,079

Three months ended 30 June 2016

Name	Fee	Salaries, other allowances and benefits	Discretionary bonuses	Defined contribution pension costs	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Yuen Chun Ning (Chief Executive Officer)	—	255	—	4	259
Chan Suk Mei, Frances	—	450	—	5	455
Yuen Sze Keung, Frankie (Chairman)	—	360	—	5	365
	—	1,065	—	14	1,079

During the years ended 31 March 2015 and 2016 and the three months ended 30 June 2015 and 2016, the Group has not paid consideration to any third parties for making available directors' services.

As at 31 March 2015 and 2016 and 30 June 2016, there is no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors.

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of each of the years ended 31 March 2015 and 2016 and the three months ended 30 June 2015 and 2016 or at any time during the Relevant Periods.

The remuneration shown above represents remuneration received from the Group by these directors in their capacity as management to the Group during the Relevant Periods.

There was no arrangement under which a director waived or agreed to waive any emoluments during the Relevant Periods.

Mr. Ho Wing Huen, Mr. Lam Yiu Kin and Mr. Yen Yuen Ho Tony were appointed as the Company's independent non-executive directors ("INEDs") on 16 December 2016. During the Relevant Periods, the INEDs have not yet been appointed nor received any remuneration in the capacity of INED.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for each of the years ended 31 March 2015 and 2016 and the three months ended 30 June 2015 and 2016 include 3, 3, 3 and 3 directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 2, 2, 2 and 2 individuals during the Relevant Periods are as follows:

	Year ended 31 March		**Three months ended 30 June**	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Salaries, other allowances and benefits	924	1,700	429	438
Bonuses	108	143	—	—
Pension cost — defined contribution plan	35	36	9	9
	1,067	1,879	438	447

The emoluments fell within the following bands:

	Number of individuals			
	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
			(Unaudited)	
Emolument bands				
HK$Nil to HK$500,000	—	—	2	2
HK$500,001 to HK$1,000,000	2	1	—	—
HK$1,000,001 to HK$1,500,000	—	1	—	—
	2	2	2	2

No inducement for joining the Group or compensation for loss of office was paid or payable to any five highest paid individuals (including directors and other employees) during the Relevant Periods.

10 Finance costs, net

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Finance income				
Bank interest income	1	2	—	—
Finance costs				
Interest expense on obligations under finance leases	(8)	(25)	(4)	(5)
Bank overdraft	(1)	(3)	—	(1)
	(9)	(28)	(4)	(6)
Finance costs, net	(8)	(26)	(4)	(6)

11 Income tax expense/(credit)

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the Relevant Periods. No overseas profits tax have been calculated as the group companies are incorporated in the BVI or the Cayman Islands and are exempted from tax.

Income tax expense/(credit) charged to the combined statements of comprehensive income represents:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Current income tax	3,318	4,886	2,175	—
Deferred income tax (Note 24)	27	191	50	(423)
	3,345	5,077	2,225	(423)

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the taxation rate in Hong Kong as follows:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Profit/(loss) before income tax	19,689	28,405	13,182	(8,294)
Tax calculated at a tax rate of 16.5%	3,249	4,687	2,175	(1,369)
Income not subject to tax	(1)	(48)	(21)	—
Expenses not deductible for tax purpose	97	438	71	946
	3,345	5,077	2,225	(423)

12 Basic and diluted earnings/(loss) per share

No earnings per share information is presented as its inclusion, for the purpose of the Financial Information, is not considered meaningful due to the Reorganisation and the presentation of the results for each of the years ended 31 March 2015 and 2016 and the three months ended 30 June 2015 and 2016 on a combined basis as disclosed in Note 1.2 above.

13 Dividends

During the year ended 31 March 2015, the Board of Directors of Package Tours and Worldwide Package declared the payment of an interim dividend of HK$20 and HK$528 per ordinary share to their then shareholders totalling HK$2,000,000 and HK$7,915,000, respectively.

14 Property, plant and equipment

	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Computer software	Website under construction	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2015						
Cost						
At 1 April 2014	4,087	5,266	2,590	—	—	11,943
Additions	634	102	858	—	—	1,594
Write-off	(254)	—	—	—	—	(254)
At 31 March 2015	4,467	5,368	3,448	—	—	13,283
Accumulated depreciation						
At 1 April 2014	(3,461)	(4,769)	(2,590)	—	—	(10,820)
Charge *(Note 7)*	(375)	(196)	(100)	—	—	(671)
Write-off	196	—	—	—	—	196
At 31 March 2015	(3,640)	(4,965)	(2,690)	—	—	(11,295)
Closing net book amount						
At 31 March 2015	827	403	758	—	—	1,988
Year ended 31 March 2016						
Cost						
At 1 April 2015	4,467	5,368	3,448	—	—	13,283
Additions	59	516	650	435	—	1,660
Transfer from prepayment	—	434	—	—	—	434
Disposals	(403)	(2,143)	(890)	—	—	(3,436)
At 31 March 2016	4,123	4,175	3,208	435	—	11,941
Accumulated depreciation						
At 1 April 2015	(3,640)	(4,965)	(2,690)	—	—	(11,295)
Charge *(Note 7)*	(367)	(297)	(280)	(61)	—	(1,005)
Disposals	403	2,139	890	—	—	3,432
At 31 March 2016	(3,604)	(3,123)	(2,080)	(61)	—	(8,868)
Closing net book amount						
At 31 March 2016	519	1,052	1,128	374	—	3,073

	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Computer software	Website under construction	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Three months ended 30 June 2016						
Cost						
At 1 April 2016	4,123	4,175	3,208	435	—	11,941
Additions	—	55	—	—	—	55
Transfer from prepayment	—	—	—	—	1,993	1,993
At 30 June 2016	4,123	4,230	3,208	435	1,993	13,989
Accumulated depreciation						
At 1 April 2016	(3,604)	(3,123)	(2,080)	(61)	—	(8,868)
Charge *(Note 7)*	(68)	(82)	(125)	(22)	—	(297)
At 30 June 2016	(3,672)	(3,205)	(2,205)	(83)	—	(9,165)
Closing net book amount						
At 30 June 2016	451	1,025	1,003	352	1,993	4,824

Depreciation expenses of HK$226,000, HK$397,000, HK$51,000 (unaudited) and HK$113,000 has been charged in "administrative expenses" and HK$445,000, HK$608,000, HK$151,000 (unaudited) and HK$184,000 has been charged in "selling expenses" for the years ended 31 March 2015 and 2016 and the three months ended 30 June 2015 and 2016, respectively.

Motor vehicles include the following amounts where the Group is a lessee under finance leases:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Costs	3,448	3,208	3,208
Accumulated depreciation	(2,690)	(2,080)	(2,205)
Net book amount	758	1,128	1,003

15 Financial instruments by category

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Financial assets at fair value through profit or loss			
Derivative financial instruments	—	8	—
Loans and receivables			
Trade receivables	2,630	226	79
Deposits and other receivables	30,824	15,990	14,137
Amount due from a related company	92	13	288
Cash and cash equivalents	54,516	71,622	76,909
	88,062	87,851	91,413
	88,062	87,859	91,413
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Derivative financial instruments	771	—	—
Other financial liabilities at amortised cost			
Trade payables	5,186	5,027	6,990
Accruals and other payables	2,004	3,427	7,534
Amount due to a director	16	—	—
Amounts due to related companies	919	1,393	864
Obligations under finance leases	616	611	524
Dividend payable	2,000	—	—
	10,741	10,458	15,912
	11,512	10,458	15,912

16 Inventories

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Merchandise for sales	—	431	1,000

The cost of inventories included in cost of sales during the years ended 31 March 2015 and 2016 and three months ended 30 June 2015 and 2016 amounted to approximately HK$Nil, HK$1,631,000, HK$631,000 (unaudited) and HK$1,081,000, respectively.

17 Trade receivables

Trade receivables represent income receivable from travel agents. The credit terms granted by the Group generally ranged up to 90 days.

The carrying amounts of trade receivables approximate their fair values.

As at 31 March 2015 and 2016 and 30 June 2016, the ageing analysis of trade receivables based on invoice date is as follows:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
1 to 30 days	2,570	226	18
31 to 60 days	—	—	60
61 to 90 days	—	—	1
91 to 120 days	60	—	—
	2,630	226	79

As at 31 March 2015 and 2016 and 30 June 2016, trade receivables of HK$89,000, HK$Nil and HK$Nil were considered past due but not impaired. These relate to a customer for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis based on due date of these trade receivables is as follows:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
1 to 30 days	29	—	—
31 to 60 days	60	—	—
	89	—	—

The maximum exposure to credit risk is the carrying amounts of trade receivables and the Group does not have any collateral as security. The Group's trade receivables are denominated in HK$.

18 Prepayments, deposits and other receivables

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Non-current portion			
Rental deposits	716	874	1,424
Prepayments for property, plant and equipment	434	—	—
Prepayments for website development costs	—	1,832	—
	1,150	2,706	1,424
Current portion			
Trade deposits	25,524	12,456	10,951
Rental, utilities and other deposits	1,362	980	739
Prepayments for professional fee incurred in connection with the Company's listing	—	1,453	2,315
Amounts due from employees	2,633	927	723
Other prepayments	785	909	1,173
Other receivables	589	753	300
	30,893	17,478	16,201

The carrying amounts of prepayment, deposits and other receivables approximate their fair values as at 31 March 2015 and 2016 and 30 June 2016.

Prepayments, deposits and other receivables are denominated in the following currencies:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
HK$	29,819	16,984	16,673
JPY	2,224	3,200	952
	32,043	20,184	17,625

19 Cash and cash equivalents

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Cash on hand	5,588	3,012	1,428
Cash at bank	48,928	68,610	75,481
Cash and cash equivalents	54,516	71,622	76,909

Cash and cash equivalents are denominated in the following currencies:

	As at 31 March		As at 30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
HK$	47,354	67,263	73,397
JPY	6,972	4,170	3,323
Others	190	189	189
	54,516	71,622	76,909

20 Combined capital

Combined capital during the Relevant Periods represents the combined share capital of the companies now comprising the Group after elimination of inter-company investments, if any.

21 Trade payables

The ageing analysis of the trade payables based on invoice dates as at 31 March 2015 and 2016 and 30 June 2016 were as follows:

	As at 31 March		As at 30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
1 to 30 days	3,756	4,418	6,033
31 to 60 days	644	258	238
61 to 90 days	294	60	300
91 to 120 days	410	276	155
Over 120 days	82	15	264
	5,186	5,027	6,990

The carrying amounts of trade payables approximate their fair values as at 31 March 2015 and 2016 and 30 June 2016 and are denominated in the following currencies:

	As at 31 March		As at 30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
HK$	3,510	3,828	4,171
JPY	1,676	1,199	2,819
	5,186	5,027	6,990

22 Accruals and other payables and other non-current liabilities

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Other non-current liabilities			
Provisions for reinstatement cost	430	436	436
Long service payment	178	172	187
	608	608	623
Accruals and other payables			
Advanced receipts from customers	39,234	19,639	27,834
Accrued staff costs	1,321	1,732	1,530
Accrued professional fee in connection with the Company's listing	—	762	4,751
Other payables	2,507	2,665	2,783
	43,062	24,798	36,898

The carrying amounts of other payables approximate their fair values as at 31 March 2015 and 2016 and 30 June 2016.

As at 31 March 2015 and 30 June 2016, the carrying amounts of other payables were denominated in HK$. As at 31 March 2016, majority of the balance were denominated in HK$, except for certain other payables amounted to HK$504,000 which were denominated in JPY.

23 Obligations under finance leases

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Gross finance lease liabilities — minimum lease payments			
No later than 1 year	283	370	370
Later than 1 year and no later than 2 years	283	159	88
Later than 2 years and no later than 5 years	70	110	88
	636	639	546
Future finance charges on finance leases	(20)	(28)	(22)
Present values of finance lease liabilities	616	611	524
The present values of finance lease liabilities are as follows:			
No later than 1 year	269	353	356
Later than 1 year and no later than 2 years	277	151	82
Later than 2 years and no later than 5 years	70	107	86
Total obligations under finance leases	616	611	524

Assets arranged under finance leases represent motor vehicles. The lease terms are 3 to 4 years with effective interest rate of 3.84% and 5.68% and 5.52% per annum as at 31 March 2015 and 2016 and 30 June 2016, respectively.

24 Deferred income tax

The analysis of deferred income tax assets and liabilities are as follows:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Deferred income tax assets			
— to be recovered after more than 12 months	244	102	525
Deferred income tax liabilities			
— to be recovered after more than 12 months	—	(49)	(49)
Deferred income tax assets, net	244	53	476

The net movements on the deferred income tax account is as follows:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
At 1 April	271	244	53
(Charged)/credit to the combined statements of comprehensive income (Note 11)	(27)	(191)	423
Deferred income tax assets	244	53	476

The movements in deferred income tax assets and liabilities during the Relevant Periods, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	As at 31 March						As at 30 June		
	2015			2016			2016		
	HK$'000			*HK$'000*			*HK$'000*		
	Decelerated tax depreciation	Tax losses	Total	Decelerated tax depreciation	Tax losses	Total	Decelerated tax depreciation	Tax losses	Total
Deferred income tax assets									
At 1 April	271	—	271	284	—	284	214	—	214
Recognised in profit or loss	13	—	13	(70)	—	(70)	—	423	423
Deferred income tax assets	284	—	284	214	—	214	214	423	637

	As at 31 March		As at 30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Deferred income tax liabilities			
Accelerated tax depreciation			
At 1 April	—	(40)	(161)
Recognised in profit or loss	(40)	(121)	—
Deferred income tax liabilities	(40)	(161)	(161)

The Group has tax losses arising in Hong Kong of HK$Nil, HK$Nil, HK$Nil and HK$2,564,000 for the years ended 31 March 2015 and 2016 and the three months ended 30 June 2015 and 2016, which are available for offsetting against future taxable profits of the companies in which the losses arose. These tax losses are subject to further approval by relevant tax authority. The tax losses arising in Hong Kong do not have any expiry date.

Among the tax losses arising in Hong Kong, tax losses amounting HK$Nil, HK$Nil and HK$2,564,000 has been recognised as deferred tax assets of HK$Nil, HK$Nil and HK$423,000 as at 31 March 2015 and 2016 and the three months ended 30 June 2016 as the directors are of opinion that it is probable future taxable profits will be available against which these unused tax losses can be utilised.

25 Derivative financial instruments

	As at 31 March		As at 30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Forward exchange contracts — at fair value through profit or loss			
— Current assets	—	8	—
— Current liabilities	(771)	—	—

During the years ended 31 March 2015 and 2016 and three months ended 30 June 2016, the Group entered into forward exchange contracts to manage its foreign exchange rate exposures in relation to the settlement of land costs in JPY which did not meet the criteria for hedge accounting. The Group's policy is not to utilise trading derivative financial instruments for speculative purposes. The notional principal amounts of the outstanding forward exchange contracts as at 31 March 2015 and 2016 and 30 June 2016 were HK$6,000,000, HK$1,372,000 and HK$Nil respectively.

26 Cash generated from operations

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Profit/(loss) before income tax	19,689	28,405	13,182	(8,294)
Adjustments for:				
Depreciation of property, plant and equipment	671	1,005	202	297
Loss/(gain) on disposal of property, plant and equipment	58	(126)	(130)	—
Finance costs, net	8	26	4	6
Written off of other receivables	115	—	—	—
Fair value loss/(gain) on derivative financial instruments	771	(779)	(771)	8
Operating cash flows before changes in working capital	21,312	28,531	12,487	(7,983)
Changes in working capital:				
Inventories	—	(431)	(711)	(569)
Trade receivables	(2,168)	2,404	684	147
Prepayments, deposits and other receivables	(16,059)	13,923	3,660	3,042
Amount due from/(to) a director	16	(16)	(122)	—
Amounts due from/(to) related companies	3,448	553	(302)	(804)
Trade payables	(473)	(159)	3,176	1,963
Accruals, other payables and other non-current liabilities	2,570	(18,264)	(4,934)	11,954
Cash generated from operations	8,646	26,541	13,938	7,750

In the combined statements of cash flows, proceeds from disposal of property, plant and equipment comprise:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Cost disposed *(Note 14)*	254	3,436	890	—
Accumulated depreciation *(Note 14)*	(196)	(3,432)	(890)	—
(Loss)/gain on disposal of property, plant and equipment *(Note 7)*	(58)	126	130	—
Proceeds from disposal of property, plant and equipment	—	130	130	—

27 Contingencies

As at 31 March 2015 and 2016 and 30 June 2016, the Group did not have any significant contingent liabilities.

28 Commitments

(a) Capital commitment

Capital expenditure contracted for at the end of the year ended 31 March 2015 and 2016 and period ended 30 June 2016 but not provided is as follows:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Website development	—	1,896	1,716

Subsequent to the Relevant Periods, capital expenditure authorised by the directors is as follows:

	HK$'000
Property, plant and equipment	195

(b) Operating lease commitments

As a lessee

As at 31 March 2015 and 2016 and 30 June 2016, the Group leases a number of premises under non-cancellable operating leases, except for office premises under cancellable operating lease agreements with a related company (Note 29). The leases terms are for 3 years and are renewable at the end of the lease period at market rate. The Group can terminate the leases by giving a 3-month written notice to the landlord.

The Group also leases various office equipment under cancellable operating lease agreements. The Group is required to give a 1-month notice for the termination of these agreements. The lease expenditure charged to the combined statements of comprehensive income during the Relevant Periods is disclosed in Note 7.

The future aggregate minimum lease payments under non-cancellable operating leases, including 3-month non-cancellable leases for office premises and 1-month non-cancellable leases for office equipment, are as follows:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
No later than one year	4,550	5,513	4,517
Later than one year and no later than five years	4,102	2,967	2,949
	8,652	8,480	7,466

Subsequent to the Relevant Periods, the Group leases a new branch under a non-cancellable operating lease agreement. The lease term is for 3 years with no early termination clause.

The future aggregate minimum lease payment under non-cancellable operating lease for this new branch are as follows:

	HK$'000
No later than one year	1,165
Later than one year and no later than five years	3,108
	4,273

29 Related party transactions

The directors are of the view that the following individuals and companies were related parties that had transactions or balances with the Group as at and during the years ended 31 March 2015 and 2016 and for the three months ended 30 June 2015 and 2016:

Name of related party	Relationship with the Group
Chan Suk Mei, Frances	Director of the Company, Ultimate Controlling Shareholder
Yuen Sze Keung, Frankie	Director of the Company
Yuen Chun Ning	Director of the Company
Sky Right Investment Limited	Controlled by the Ultimate Controlling Shareholder
HCNY Consultancy Limited	Controlled by the Ultimate Controlling Shareholder
Japan Super Company Limited	Controlled by the Ultimate Controlling Shareholder
JCS Limited	Controlled by a connected person of the Ultimate Controlling Shareholder
Y's Japan Limited	Controlled by a connected person of the Ultimate Controlling Shareholder

Other than those transactions and balances disclosed elsewhere in the Financial Information, the following transactions were carried out with related parties during the Relevant Periods:

Related party transactions

(a) Transactions with related parties

Other than disclosed elsewhere in this report, the following transactions were undertaken by the Group with related parties during the Relevant Periods:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Continuing transactions:				
Rental expenses				
Sky Right Investment Limited	2,712	2,712	678	678
Venue fee				
HCNY Consultancy Limited	373	343	100	66
Tour bus services fee				
JCS Limited	12,314	13,622	3,563	3,765
Booking services fee				
Y's Japan Limited	2,610	2,398	575	647
Discontinued transactions:				
Purchase of theme park admission tickets				
HCNY Consultancy Limited	1,282	—	—	—

All of the above transactions with related parties were conducted in the ordinary course of the business of the Group based on the terms mutually agreed between the relevant parties.

(b) Key management compensation

Key management personnel are deemed to be the members of the Board of Directors of the Company who have responsibility for the planning directing and controlling the activities of the Group (Note 9).

(c) Amount due to a director

The amount represented rental deposits paid by a director on behalf of the Group. The amount was unsecured, interest-free and repayable on demand and are denominated in HK$.

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Yuen Sze Keung, Frankie	(16)	—	—

(d) Amounts due from/(to) related companies

As at 31 March 2015 and 2016 and 30 June 2016, there was no impairment for the amounts due from related companies, as the amounts have not been past due and they have no history of default in payment.

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Amount due from related companies			
— Japan Super Company Limited	92	13	—
— Y's Japan Limited	—	—	288
	92	13	288
Amounts due to related companies			
— Y's Japan Limited	(45)	(77)	—
— JCS Limited	(566)	(1,316)	(845)
— HCNY Consultancy Limited	(308)	—	(19)
	(919)	(1,393)	(864)

Amount due from a related company is unsecured, interest-free, repayable on demand and denominated in HK$, except for the amount due from Y's Japan Limited which is denominated in JPY.

Amounts due to related companies arise from trading activities are unsecured, interest-free, repayable on demand and are denominated in JPY, except for the amount due to HCNY Consultancy Limited which is denominated in HK$.

(e) Guarantees and security

Other than disclosed in Note 3.1(c), a director of the Company has given personal guarantees in relation to an operating lease agreement entered into by the Group. The personal guarantees received in relation to this operating lease has been released subsequent to the period ended 30 June 2016.

The guarantees and security received by the Group as disclosed in Note 3.1(c) will be released upon Listing.

30 Subsequent events

Other than those disclosed elsewhere in the Financial Information, there have been no material events subsequent to the Relevant Periods, which require adjustment or disclosure in accordance with HKFRSs.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies comprising the Group in respect of any period subsequent to 30 June 2016 and up to the date of this report. No dividend or distribution has been declared or paid by the Company or any of the companies comprising the Group in respect of any period subsequent to 30 June 2016.

Yours faithfully
PricewaterhouseCoopers
Certified Public Accountants
Hong Kong