



WWPKG Holdings Company Limited
縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8069

2017/2018

First Quarterly Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM of the Stock Exchange, there is a risk that securities traded on GEM of the Stock Exchange may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM of the Stock Exchange.

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This report for which the directors (the “Directors”) of WWPKG Holdings Company Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Yuen Sze Keung (*Chairman*)
Ms. Chan Suk Mei
Mr. Yuen Chun Ning (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Ho Wing Huen
Mr. Lam Yiu Kin
Mr. Yen Yuen Ho Tony

AUDIT COMMITTEE

Mr. Lam Yiu Kin (*Chairman*)
Mr. Ho Wing Huen
Mr. Yen Yuen Ho Tony

REMUNERATION COMMITTEE

Mr. Yen Yuen Ho Tony (*Chairman*)
Mr. Ho Wing Huen
Mr. Lam Yiu Kin
Mr. Yuen Sze Keung

NOMINATION COMMITTEE

Mr. Ho Wing Huen (*Chairman*)
Mr. Lam Yiu Kin
Mr. Yen Yuen Ho Tony
Mr. Yuen Sze Keung

COMPANY SECRETARY

Ms. Ng Ka Man, *ACS, ACIS*

COMPLIANCE OFFICER

Mr. Yuen Chun Ning

AUTHORISED REPRESENTATIVES

Mr. Yuen Sze Keung
Mr. Yuen Chun Ning

REGISTERED OFFICE

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 706-8, 7/F., Lippo Sun Plaza
28 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPLIANCE ADVISER

Lego Corporate Finance Limited

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Fairbairn Catley Low & Kong

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

STOCK CODE

8069

COMPANY'S WEBSITE

<http://www.wwpkg.com.hk>

MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors of the Company (the “Board”) is pleased to announce the unaudited first quarterly financial results of the Group for the three months ended 30 June 2017, together with the comparative figures for the corresponding period in 2016, as set out below.

BUSINESS REVIEW

Founded in 1979, the Group is one of the long-established and well-known travel agents in Hong Kong. The Group markets its travel related products under the brand “縱橫遊”. The Group’s businesses include (i) the design, development and sales of outbound package tours; (ii) the sales of air tickets and hotel accommodations (the “FIT products”); and (iii) the provision of ancillary travel related products and services. The Group’s major business is the provision of outbound package tours to various destinations with particular focus on Japan bound tours.

For the three months ended 30 June 2017, the Group recorded an increase in revenue of 50.4% as compared to the corresponding period in 2016 and had turned around to a profit of approximately HK\$1.0 million from a loss of approximately HK\$7.9 million for the three months ended 30 June 2016. The increase in revenue and such turnaround from loss to profit was mainly due to the following:

- sales of package tours for the three months ended 30 June 2017 improved significantly, when the number of tour participants increased by 51.8% and that the Group was able to adjust the selling prices of certain package tours upwards, especially during the Easter holidays’ period coupled with the cherry blossom season in Japan in April 2017, as compared to the corresponding period in 2016;
- sales of package tours bound for Japan during the three months ended 30 June 2016 was negatively impacted by the Kumamoto Earthquake that occurred in April 2016, when the Group’s package tours bound for Kyushu during the period between 15 April 2016 to 27 June 2016 were completely suspended; and
- no listing expenses were charged for the three months ended 30 June 2017 (three months ended 30 June 2016: approximately HK\$5.7 million).

Going forward, the Directors expect that the overall financial performance of the Group for the year ending 31 March 2018 will continue to benefit from the absence of the adversities affecting the Group’s operations in 2016 (e.g. natural disasters or appreciation of Japanese Yen against Hong Kong dollars) and the non-recurring listing expenses.

FINANCIAL REVIEW

Revenue and gross profit

The following table sets out the Group’s revenue and gross profit by major category of products/services during the three months ended 30 June 2017 and 2016:

	Three months ended 30 June 2017			Three months ended 30 June 2016		
	Revenue HK\$’ million	Gross profit HK\$’ million	Gross profit margin %	Revenue HK\$’ million	Gross profit HK\$’ million	Gross profit margin %
Package tours	121.2	14.2	11.7	80.3	8.7	10.8
FIT products ^{Note}	0.6	0.6	N/A	0.8	0.8	N/A
Ancillary travel related products and services ^{Note}	2.1	2.1	N/A	1.3	1.3	N/A
Total	123.9	16.9	13.6	82.4	10.8	13.1

Note: The Group’s revenue from sales of FIT products and ancillary travel related products and services are recognised on net basis as the Group renders its services as an agent.

Package tours

The Group's revenue from package tours increased by 50.9% from approximately HK\$80.3 million for the three months ended 30 June 2016 to approximately HK\$121.2 million for the three months ended 30 June 2017. The increase in revenue was mainly due to increases in both the number of tour participants and the selling prices of the Group's certain package tours as discussed in the sub-section headed "Business Review" above. With the major components of the package tours' cost of sales, being land costs and air fare costs, held relatively constant, gross profit margin improved from 10.8% for the three months ended 30 June 2016 to 11.7% for the three months ended 30 June 2017.

FIT products

FIT products generally include air tickets, hotel accommodations and combination of both. The Group's revenue from the sales of FIT products decreased from approximately HK\$0.8 million for the three months ended 30 June 2016 to approximately HK\$0.6 million for the three months ended 30 June 2017 mainly due to continuous keen competition from online agencies, booking platforms of hotels and budget airlines, as well as the fact that the Group's new online sales platform, one of the key purposes for which is to cater for the increasing trend of booking air tickets and hotel accommodations online, was subject to further major enhancements to be completed by the end of 2017.

Ancillary travel related products and services

Ancillary travel related products and services mainly include travel insurance, admission tickets to attractions such as theme parks and shows, local transportation such as airport transportation, railway tickets and transportation passes. The Group's revenue from the sales of ancillary travel related products and services increased from approximately HK\$1.3 million for the three months ended 30 June 2016 to approximately HK\$2.1 million for the three months ended 30 June 2017 mainly due to (i) the increase in sales of Japan rail passes; (ii) the Group's appointment as the exclusive ticketing agency for Legoland Japan in Hong Kong with admission ticket sales commenced in February 2017; and (iii) the increase in margin income from insurance companies for the sales of travel insurance to customers.

Selling expenses

Selling expenses mainly consist of (i) advertising and promotion expenses, such as sponsoring television travel programmes and films, online and offline media advertisements, participating in tourism fairs and organising travel seminars; (ii) credit card and debit card charges in respect of payments from customers with credit cards and electronic payment services (EPS); and (iii) rental and related expenses for the Group's branches. Selling expenses increased by 14.9% from approximately HK\$4.7 million for the three months ended 30 June 2016 to approximately HK\$5.4 million for the three months ended 30 June 2017 mainly due to the increase in the branches' rental expenses particularly as a result of the Group's expansion of its Shatin branch in October 2016 and the increase in credit card charges as a result of increased sales transactions.

Administrative expenses

Administrative expenses mainly consist of (i) staff costs, representing the Directors' remuneration and the salaries and benefits for the Group's administrative staff; (ii) rental and related expenses for the Group's office premises; (iii) office, telecommunication and utility expenses incurred in the Group's daily operations; (iv) legal and professional fees; and (v) non-recurring listing expenses and other miscellaneous administrative expenses. Administrative expenses decreased by 33.1% from approximately HK\$15.1 million for the three months ended 30 June 2016 to approximately HK\$10.1 million for the three months ended 30 June 2017 mainly due to the recognition of non-recurring listing expenses of approximately HK\$5.7 million during the corresponding period in 2016, partially offset by the increase in legal and professional fees and auditor's remuneration incurred following the Company's listing and the increase in depreciation of property, plant and equipment.

Profit/loss and total comprehensive income/loss attributable to owners of the Company

Profit and total comprehensive income attributable to owners of the Company turned around from a loss and total comprehensive loss of approximately HK\$7.8 million for the three months ended 30 June 2016 to a profit and total comprehensive profit of approximately HK\$1.0 million for the three months ended 30 June 2017 mainly due to the increase in gross profit of approximately HK\$6.1 million because of the increase in revenue as discussed in the sub-section headed "Revenue and gross profit" above and the decrease in administrative expenses of approximately HK\$5.0 million for reasons as discussed in the sub-section headed "Administrative expenses" above, partially offset by the increase in selling expenses of approximately HK\$0.7 million for reasons as discussed in the sub-section headed "Selling expenses" above and the charge of income tax expense amounting to approximately HK\$0.3 million (three months ended 30 June 2016: tax credit of approximately HK\$0.4 million).

FUTURE PROSPECTS

The shares of the Company (the "Shares") have been successfully listed on GEM of the Stock Exchange (the "Listing") since 12 January 2017 (the "Listing Date") by way of placing and public offer (collectively, the "Share Offer"). The Board considers that such public listing status will continue to help promoting the Group to potential customers and enhance its corporate profile and credibility with the public and business partners. This in turn will strengthen the Group's competitiveness and benefit its business performance and growth.

Going forward, the Group intends to continue to use the net proceeds from the Share Offer (i) to promote its brand recognition and awareness; (ii) to strengthen and enhance its sales channels; (iii) to improve its operational efficiency; and (iv) for general corporate and working capital purposes. With its long-established brand name, well-maintained business relationship with suppliers, ability to respond to adversities, and healthy net assets position, the Group will continue to execute its business strategy to expand both revenue streams and customer base by:

- introducing new routes (including collaboration with airline suppliers to develop charter flights and/or charter routes), itineraries, activities and hotel accommodations from time to time in order to offer new and/or better travel experience to its customers;
- enhancing its integrated online sales platform through a number of further major enhancements so that such platform will eventually satisfy most of the travel needs of the Group's customers as a user-friendly and informative one-stop shop;
- boosting its marketing efforts (i) on digital marketing, including advertising on social media and search engine marketing, so as to increase online channel presence and online traffic and drive online inquiry to the Group's product offerings; and (ii) through collaboration with its spokesperson to raise the awareness of the Group's brand and enhance the popularity of its products through travel television programme, social media and other conventional media advertisements such as newspapers and television commercials; and
- exploring investment opportunities that could create operating synergies.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 30 June 2017, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such director or chief executive is taken or deemed to have under such provision of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register of members of the Company, or which were required, pursuant to standard of dealings by Directors as referred to the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long Position in the Company's Shares

Name of Director	Capacity/Nature	Number of Shares held/ interested in	Percentage of shareholding
Ms. Chan Suk Mei ("Ms. Chan") (Note)	Interest in a controlled corporation	300,000,000	75%
Mr. Yuen Sze Keung ("Mr. SK Yuen") (Note)	Interest in a controlled corporation	300,000,000	75%

Note: WWPKG Investment Holdings Limited ("WWPKG Investment") is an investment holding company incorporated in the British Virgin Islands ("BVI") and is owned as to 68.02%, 23.42% and 8.56% by Ms. Chan, Mr. SK Yuen and Mr. Yuen Chun Ning ("Mr. CN Yuen") respectively. Ms. Chan and Mr. SK Yuen are parties acting jointly and are therefore deemed to be interested in all the Shares held by WWPKG Investment under the SFO.

(ii) Long Positions in the ordinary shares of Associated Corporations

Name of Director	Name of associated corporation	Capacity/Nature	Number of Shares held/ interested in	Percentage of shareholding
Ms. Chan	WWPKG Investment	Beneficial owner	6,802	68.02%
		Interest of spouse	2,342	23.42%
Mr. SK Yuen	WWPKG Investment	Beneficial owner	2,342	23.42%
		Interest of spouse	6,802	68.02%
Mr. CN Yuen	WWPKG Investment	Beneficial owner	856	8.56%

Save as disclosed above, as at 30 June 2017, none of the Directors and chief executive of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register of members of the Company or which were required to be notified to the Company and the Stock Exchange, pursuant to standard of dealings by Directors as referred to the GEM Listing Rules.

B. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, the interest and short positions of the persons (other than the Directors or chief executive of the Company) in the Shares and underlying Shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long Position in the Company's Shares

Name of Shareholder	Capacity/Nature	Number of Shares held/ interested in	Percentage of shareholding
WWPKG Investment (Note)	Beneficial owner	300,000,000	75%

Note: WWPKG Investment is an investment holding company incorporated in the BVI and is owned as to 68.02%, 23.42% and 8.56% by Ms. Chan, Mr. SK Yuen and Mr. CN Yuen respectively. Ms. Chan and Mr. SK Yuen are parties acting jointly and are therefore deemed to be interested in all the Shares held by WWPKG Investment under the SFO.

Save as disclosed above, as at 30 June 2017, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in the sub-section headed "Disclosure of Interests" above, at no time during the three months ended 30 June 2017 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

For the three months ended 30 June 2017, each of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interests in any company that competes or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Lego Corporate Finance Limited as its compliance adviser, which provides advices and guidance to the Company in respect of compliance with the GEM Listing Rules including various requirements relating to the Directors' duties. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 5 July 2016, neither the compliance adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 June 2017.

CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE

The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules (the "CG Code"). The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the shareholders of the Company and enhance the business growth of the Group. During the three months ended 30 June 2017, the Company has complied with all the code provisions as set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having been enquired by the Company, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct concerning securities transactions by the Directors during the three months ended 30 June 2017.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2017.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted pursuant to a resolution passed by the Company's then shareholders on 16 December 2016 for the primary purpose of providing eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants of the Share Option Scheme include any employee, adviser, consultant, service provider, agent, customer, partner or joint venture partner of the Company or any of its subsidiaries. The Share Option Scheme became effective on the Listing Date and, unless otherwise cancelled or amended, will remain in force for 10 years commencing on the Listing Date, the principal terms of which were summarised in the sub-section headed "Share Option Scheme" in the Report of the Directors of the Company's annual report for the year ended 31 March 2017. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during the three months ended 30 June 2017 and there was no outstanding share option as at the date of this report.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Company has established an audit committee (the "Audit Committee") on 16 December 2016 with written terms of reference in compliance with the requirements as set out in Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee reviews, amongst others, the financial information of the Group; the relationship with and terms of appointment of the external auditors; and the Group's financial reporting system, risk management and internal control systems, and provides advices and comments to the Board. The Audit Committee consists of three independent non-executive Directors, chaired by Mr. Lam Yiu Kin, and the other two members are Mr. Ho Wing Huen and Mr. Yen Yuen Ho Tony. The unaudited first quarterly financial results of the Group for the three months ended 30 June 2017 have been reviewed by the Audit Committee.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2017

	Note	Three months ended 30 June	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (audited)
Revenue	3	123,893	82,387
Cost of sales	5	(107,030)	(71,560)
Gross profit		16,863	10,827
Other income and other (losses)/gains, net	4	(24)	686
Selling expenses	5	(5,415)	(4,675)
Administrative expenses	5	(10,087)	(15,126)
Operating profit/(loss)		1,337	(8,288)
Finance income/(costs), net	6	20	(6)
Profit/(loss) before income tax		1,357	(8,294)
Income tax (expense)/credit	7	(335)	423
Profit/(loss) and total comprehensive income/(loss) for the period		1,022	(7,871)
Profit/(loss) and total comprehensive income/(loss) attributable to:			
Owners of the Company		1,042	(7,771)
Non-controlling interests		(20)	(100)
		1,022	(7,871)
Basic and diluted earnings/(loss) per share for profit/(loss) attributable to owners of the Company (expressed in HK cents)	8	0.26	(2.59)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2017

	Attributable to owners of the Company						
	Share capital	Share premium	Capital reserve (Note a)	Retained earnings	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balances at 1 April 2016	—	—	11,371	49,108	60,479	802	61,281
Total comprehensive loss							
Loss for the three months ended 30 June 2016	—	—	—	(7,771)	(7,771)	(100)	(7,871)
Issue of Share (Note b)	—	—	—	—	—	—	—
Balances at 30 June 2016	—	—	11,371	41,337	52,708	702	53,410
Balances at 1 April 2017	4,000	69,166	11,371	34,876	119,413	622	120,035
Total comprehensive income							
Profit for the three months ended 30 June 2017	—	—	—	1,042	1,042	(20)	1,022
Balances at 30 June 2017	4,000	69,166	11,371	35,918	120,455	602	121,057

Notes:

- (a) Capital reserve represents the difference between the value of net assets of the subsidiaries acquired by the Company and the share capitals in acquired subsidiaries under common control.
- (b) On 8 June 2016, the Company was incorporated in the Cayman Islands with authorised share capital of HK\$380,000 divided into 38,000,000 Shares. On the same date, 1 Share was allotted and issued at par to the first subscriber, who then transferred the Share to WWPKG Investment at par.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 2017

1. GENERAL INFORMATION

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. The registered address of the Company is at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at Unit 706-8, 7/F, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are (i) the design, development and sales of package tours; (ii) the sales of FIT products; and (iii) the sales of ancillary travel related products and services.

The Shares were listed on GEM of the Stock Exchange on the Listing Date.

The ultimate holding company of the Group is WWPKG Investment, a company incorporated in the BVI.

The unaudited condensed consolidated financial information is presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial information for the three months ended 30 June 2017 has been prepared in accordance with the same accounting policies adopted in the Company's annual consolidated financial statements for the year ended 31 March 2017, except for the adoption of the new Hong Kong Financial Reporting Standards ("HKFRSs") and amendments to HKFRSs that are relevant and effective for the annual period beginning on 1 April 2017. The unaudited condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 March 2017.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group's businesses include (i) the design, development and sales of package tours; (ii) the sales of FIT products; and (iii) the sales of ancillary travel related products and services. Revenue recognised are as follows:

	Three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Revenue		
Sales of package tours	121,192	80,299
Margin income from sales of FIT products	562	752
Margin income from sales of ancillary travel related products and services	2,139	1,336
	123,893	82,387

(b) Segment information

Management has identified its operating segments based on the reports reviewed by the chief operating decision makers that are used for making strategic decisions. The chief operating decision makers are identified as the executive Directors of the Company. The only component in internal reporting to the chief operating decision makers are the Group's travel and travel-related services business for the three months ended 30 June 2017 (three months ended 30 June 2016: same). 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 three months ended 30 June 2017 (three months ended 30 June 2016: same).

The Group's business is domiciled in Hong Kong and all revenue was generated from customers located in Hong Kong and Macau. As at 30 June 2017 and 2016, all non-current assets were located in Hong Kong.

4. OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

	Three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Other income		
Referral income	13	26
Other (losses)/gains, net		
Exchange (losses)/gains, net	(107)	642
Fair value gains on derivative financial instruments	70	18
	(37)	660
	(24)	686

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

5. EXPENSES BY NATURE

The Group's profit/(loss) for the three months ended 30 June 2017 and 2016 is stated after charging/(crediting) the following cost of sales, selling expenses and administrative expenses:

	Three months ended 30 June	
	2017	2016
	HK\$'000 (unaudited)	HK\$'000 (audited)
Land costs (Note)	61,991	41,607
Air fare costs	44,819	28,619
Auditor's remuneration		
— Audit service	275	150
Employee benefits expenses, excluding Directors' benefits and interests	5,785	6,162
Directors' benefits and interests	1,207	1,079
Depreciation of property, plant and equipment	555	297
Office, telecommunication and utility expenses	432	313
Operating lease rentals of:		
— Office and branches premises	2,499	2,042
— Equipment rental	95	112
Advertising and promotion	2,189	2,110
Credit card fees	1,204	908
Exchange losses, net	15	1,191
Legal and professional fees	602	201
Professional expenses incurred in connection with the Company's listing	—	5,732
Others	864	838
	122,532	91,361

Note:

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)

6. FINANCE INCOME/(COSTS), NET

	Three months ended 30 June	
	2017	2016
	HK\$'000 (unaudited)	HK\$'000 (audited)
Finance income		
Bank interest income	23	—
Finance costs		
Interest expense on obligations under finance leases	(3)	(5)
Bank overdraft	—	(1)
	(3)	(6)
	20	(6)

7. INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2016: 16.5%) on the estimated assessable profits for the three months ended 30 June 2017.

No overseas profits tax have been calculated as the group companies are incorporated in the Cayman Islands or the BVI and are exempted from tax.

Income tax expense/(credit) charged/(credit) to the consolidated statement of comprehensive income represents:

	Three months ended 30 June	
	2017	2016
	HK\$'000 (unaudited)	HK\$'000 (audited)
Current income tax	660	—
Deferred income tax credit	(325)	(423)
	335	(423)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

8. BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods. In determining the weighted average number of ordinary shares, the additional 299,990,000 Shares issued pursuant to the capitalisation issue in respect of the Listing were treated as if they had been in issue since 1 April 2015.

	Three months ended 30 June	
	2017 (unaudited)	2016 (unaudited)
Profit/(loss) attributable to owners of the Company (HK\$'000)	1,042	(7,771)
Weighted average number of ordinary shares in issue ('000)	400,000	299,990
Basic earnings/(loss) per Share (HK cents per share)	0.26	(2.59)

(b) Diluted

Diluted earnings/(loss) per Share is the same as basic earnings/(loss) per Share due to the absence of potential dilutive ordinary shares during the three months ended 30 June 2017 (three months ended 30 June 2016: same).

9. DIVIDENDS

The Directors do not recommend the payment of any dividend for the three months ended 30 June 2017 (three months ended 30 June 2016: nil).

10. 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 three months ended 30 June 2017 and 2016:

Name of related party	Relationship with the Group
Ms. Chan	Director of the Company
Mr. SK Yuen	Director of the Company
Mr. CN Yuen	Director of the Company
Sky Right Investment Limited	Controlled by a Director of the Company
HCONY Consultancy Limited	Controlled by a Director of the Company
JCS Limited	Controlled by a connected person of the Director of the Company
Y's Japan Limited	Controlled by a connected person of the Director of the Company

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

10. RELATED PARTY TRANSACTIONS (CONTINUED)

Other than those transactions and balances disclosed elsewhere in the unaudited condensed consolidated financial information, the following transactions were carried out with related parties during the three months ended 30 June 2017 and 2016:

(a) Transactions with related parties

	Three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Rental expenses		
Sky Right Investment Limited	705	678
Venue fee		
HCNY Consultancy Limited	89	66
Tour bus services fee		
JCS Limited	2,547	3,765
Booking services fee		
Y's Japan Limited	629	647

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

The remuneration of the Directors and other members of key management, who have the responsibility for planning, directing and controlling the activities of the Group, are set out below.

	Three months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
Salaries and allowances	1,643	1,503
Discretionary bonuses	—	—
Pension costs – defined contribution plan	17	23
	1,660	1,526

11. CONTINGENCIES

As at 30 June 2017, the Group did not have any significant contingent liabilities (30 June 2016: nil).