



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

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

Stock Code: 8069

**2019/2020**

Third Quarterly Report



## CONTENTS

Corporate Information	3
Management Discussion and Analysis	4
Other Information	8
Unaudited Condensed Consolidated Statement of Comprehensive Income	11
Unaudited Condensed Consolidated Statement of Changes in Equity	12
Notes to the Unaudited Condensed Consolidated Financial Information	13

## 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 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Fairbairn Catley Low & Kong

### PRINCIPAL BANKERS

Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong) Limited

### AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants*

### STOCK CODE

8069

### COMPANY'S WEBSITE

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

## MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors of the Company (the "Board") hereby presents the unaudited third quarterly financial results of the Group for the nine months ended 31 December 2019, together with the comparative figures for the corresponding period in 2018, 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's businesses include the design, development and sales of outbound package tours, the sales of air tickets and/or hotel accommodations (the "FIT products") and the sales of ancillary travel related products and services (collectively, the "Travel Related Products and Services") and investments in tourism and travel technology related businesses (the "Tourism and Travel Technology Investments"). The Group markets its Travel Related Products and Services under the brand "縱橫遊 WWPKG". Its major Travel Related Products and Services are the provision of outbound package tours to various destinations with particular focus on Japan-bound tours.

The Group's loss before income tax decreased substantially by 57.5% from approximately HK\$25.2 million for the nine months ended 31 December 2018 to approximately HK\$10.7 million for the nine months ended 31 December 2019. The improvement in the Group's loss position was mainly attributable to the following:

- (i) increase in gross profit by 33.5% from approximately HK\$22.7 million for the nine months ended 31 December 2018 to approximately HK\$30.3 million for the nine months ended 31 December 2019 as a result of the following:
  - the Group launched certain relatively low-priced package tours with lower profit margins that were supported by charter flights destined for Kumamoto in Japan between November 2017 and October 2018;
  - the change in the Group's strategy in connection with charter flights and block reservations with airline suppliers for all destinations reduced the amount of forfeiture incurred on flights operated for the nine months ended 31 December 2019 as compared to the corresponding period in 2018; and
  - as a result of the above-mentioned change in the Group's strategy in connection with charter flights and block reservations, the Group in general faced less pricing pressure and was able to improve its package tours' gross profit margin despite the decrease in revenue and number of tour participants.
- (ii) fair value gains of approximately HK\$0.6 million recorded on the Company's investments in the shares of CTEH INC. ("CTEH") and Feiyang International Holdings Group Limited ("Feiyang") as compared to fair value losses of approximately HK\$2.7 million recorded for the nine months ended 31 December 2018; and
- (iii) decrease in selling expenses mainly as a result of decrease in advertising and promotion expenses by 42.0% from approximately HK\$5.0 million for the nine months ended 31 December 2018 to approximately HK\$2.9 million for the nine months ended 31 December 2019.

On 9 January 2020, the Group disposed on-market of a total of 4,760,000 shares of Feiyang at the average price of approximately HK\$1.16 per share of Feiyang for an aggregate gross sale proceeds of approximately HK\$5.5 million (excluding transaction costs) (the "Disposal"). As a result of the Disposal, the Group is expected to recognise an investment gain of approximately HK\$0.5 million. The purpose of the Disposal is to allow the Group to liquidate its securities investment and enhance the liquidity of the Group. The Group intends to apply the proceeds from the Disposal for general working capital purposes. Further details of the Disposal were set out in the announcement of the Company dated 9 January 2020.

## FINANCIAL REVIEW

### Revenue and gross profit

The following table sets out the Group's revenue and gross profit by major category of Travel Related Products and Services:

	Nine months ended 31 December				Three months ended 31 December			
	2019		2018		2019		2018	
	Revenue HK\$'million	%	Revenue HK\$'million	%	Revenue HK\$'million	%	Revenue HK\$'million	%
Package tours	201.0	98.1	251.3	98.5	75.3	98.3	90.8	98.5
FIT products <sup>Note</sup>	1.0	0.5	0.5	0.2	0.3	0.4	0.3	0.3
Ancillary travel related products and services <sup>Note</sup>	2.8	1.4	3.2	1.3	1.0	1.3	1.1	1.2
<b>Total</b>	<b>204.8</b>	<b>100.0</b>	<b>255.0</b>	<b>100.0</b>	<b>76.6</b>	<b>100.0</b>	<b>92.2</b>	<b>100.0</b>

	Nine months ended 31 December				Three months ended 31 December			
	2019		2018		2019		2018	
	Gross profit HK\$'million	Gross profit margin %	Gross profit HK\$'million	Gross profit margin %	Gross profit HK\$'million	Gross profit margin %	Gross profit HK\$'million	Gross profit margin %
Package tours	26.5	13.2	19.0	7.6	10.9	14.5	6.4	7.0
FIT products <sup>Note</sup>	1.0	N/A	0.5	N/A	0.3	N/A	0.3	N/A
Ancillary travel related products and services <sup>Note</sup>	2.8	N/A	3.2	N/A	1.0	N/A	1.1	N/A
<b>Total</b>	<b>30.3</b>	<b>14.8</b>	<b>22.7</b>	<b>8.9</b>	<b>12.2</b>	<b>15.9</b>	<b>7.8</b>	<b>8.5</b>

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

For the nine months ended 31 December 2019, the Group's revenue, gross profit and gross profit margin from package tours decreased by 20.0% to approximately HK\$201.0 million, increased by 39.5% to approximately HK\$26.5 million and increased by 5.6 percentage points to 13.2% respectively, as compared to the corresponding period in 2018.

For the three months ended 31 December 2019, the Group's revenue, gross profit and gross profit margin from package tours decreased by 17.1% to approximately HK\$75.3 million, increased by 70.3% to approximately HK\$10.9 million and increased by 7.5 percentage points to 14.5% respectively, as compared to the corresponding period in 2018.

For both above-mentioned periods, the decrease in the Group's revenues from package tours was mainly due to the decrease in number of tour participants. The improvements in the Group's gross profits and gross profit margins were mainly attributable to (i) launch of relatively low-priced tours with lower profit margins that were destined for Kumamoto during 2018; and (ii) positive impact on the amount of forfeiture incurred and product pricing as a result of the change in the Group's strategy in connection with charter flights and block reservations with airline suppliers, as discussed in the sub-section headed "Business Review" above. Nevertheless, the Group's sales and profit performances particularly during the three months ended 30 September 2019 were bombarded by the effects of the local political atmosphere when outbound tourism demand in Hong Kong hence turned low.

### *FIT products*

Revenue from FIT products increased from approximately HK\$0.5 million for the nine months ended 31 December 2018 to approximately HK\$1.0 million for the nine months ended 31 December 2019, mainly due to active marketing and promotion applied on products covering Japan and Southeast Asia.

### *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, guided local tours and experiences, local transportation such as airport transportation, overseas transportation such as rail passes, car rental, prepaid telephone and internet cards and travel visa applications. The Group's revenue from ancillary travel related products and services decreased from approximately HK\$3.2 million for the nine months ended 31 December 2018 to approximately HK\$2.8 million for the nine months ended 31 December 2019, mainly due to the decrease in margin income from the sales of admission tickets to theme parks and shows.

### **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) short-term lease expense and depreciation of right-of-use assets for the Group's branches. Selling expenses decreased by 17.2% to approximately HK\$10.6 million for the nine months ended 31 December 2019, mainly due to (i) decrease in advertising and promotion expenses on the Group's traditional advertisements in newspapers and sponsorships for travel-related television programmes; and (ii) decrease in credit card charges and levy paid to Travel Industry Council of Hong Kong as a result of decreased number of tour participants.

### **Administrative expenses**

Administrative expenses mainly consist of (i) staff costs, representing the Directors' remuneration and the salaries and benefits for the Group's administrative and operational staff; (ii) depreciation of right-of-use assets 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) other miscellaneous administrative expenses. Administrative expenses for the nine months ended 31 December 2019 remained relatively stable at approximately HK\$30.6 million as compared to the corresponding period in 2018.

### **(Loss)/profit and total comprehensive (loss)/profit for the period**

The Group's loss and total comprehensive loss decreased from approximately HK\$21.9 million for the nine months ended 31 December 2018 to approximately HK\$10.7 million for the nine months ended 31 December 2019, mainly due to (i) increase in gross profit by approximately HK\$7.6 million for reasons as discussed in the sub-sections headed "Business Review" and "Financial Review — Revenue and gross profit" above; (ii) decrease in selling expenses by approximately HK\$2.2 million for reasons as discussed in the sub-section headed "Financial Review — Selling expenses" above; and (iii) fair value gains of approximately HK\$0.6 million recorded on listed equity securities in Hong Kong held by the Company as compared to fair value losses of approximately HK\$2.7 million recorded for the corresponding period in 2018.

## FUTURE PROSPECTS

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 put forth its best efforts to drive business performance and growth by:

- 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) to raise the awareness of the Group's brand and enhance the popularity of its products through social media, search engine optimisation, travel-related television programmes and other conventional media advertisements such as newspapers and television commercials;
- continuing to (i) evaluate and optimise the Group's online sales platform to improve user interface design and user experience; (ii) revamp the customer relationship management system to boost customer loyalty; and (iii) consider the development of a mobile application; and
- introducing new travel related products, services and elements (including new routes, itineraries, activities and hotel accommodations) from time to time in order to offer new and/or better travel experience to its customers.

As at 31 December 2019, Triplabs (BVI) Limited (the "JV Company"), a joint venture company set up by the Group and CTEH had investments in eight startup companies that engaged in tourism and travel technology related businesses, including (i) travel metasearch engines for flight tickets; (ii) data-centric advertising solutions; (iii) vacation photography booking platform; (iv) property standardisation and management system for budget and midscale hotels and guest houses; (v) artificial intelligence ("AI") powered influencer marketing programme; (vi) technology infrastructure solutions for both online and offline travel agents; (vii) social interaction and group-buying element incorporated travel activity platform; and (viii) AI-powered chatbot solutions. The Group considers that the JV Company's investments are in line with the Group's investment strategy and will bring positive returns to the Group. The Group also believes that certain of these investments will provide business development opportunities, and that the investees and the Group will offer complementary advantages to each other on strategic developments in the future.

The outbreak of the Novel Coronavirus is having negative effect on the tourism industry. Whilst the situation relating to the spread and containment of the virus remains uncertain and fluid, the Group remains confident in its strategy. The Group will try its best endeavor to implement the above strategic initiatives that will enable the Group to grow and move forward.



## OTHER INFORMATION

### DISCLOSURE OF INTERESTS

#### A. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, 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 meaning of Part XV of the Securities and Futures Ordinance (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 they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the required standard of dealings by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) *Long Positions 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") <sup>Note</sup>	Interest in a controlled corporation	300,000,000	75%
Mr. Yuen Sze Keung ("Mr. SK Yuen") <sup>Note</sup>	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 of the Company (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 31 December 2019, none of the Directors and chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 December 2019, the interests 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 which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

### *Long Positions in the Company's Shares*

Name of Shareholder	Capacity/Nature	Number of Shares held/ interested in	Percentage of shareholding
WWPKG Investment <sup>Note</sup>	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 31 December 2019, the Company had not been notified by any persons (other than the 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

Save as disclosed in the sub-section headed "Disclosure of Interests" above, at no time during the nine months ended 31 December 2019 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.

## CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE

The Company's corporate governance practices are based on the 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 (the "Shareholders") and enhance the business growth of the Group.

During the nine months ended 31 December 2019, 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 nine months ended 31 December 2019.

## 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 nine months ended 31 December 2019.

## DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

For the nine months ended 31 December 2019, each of the Directors, the controlling Shareholders 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.

## 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 (the "Adoption Date"). No share option had been granted, exercised, lapsed or cancelled under the Share Option Scheme from the Adoption Date to 31 December 2019 and there was no outstanding share option as at the date of this report.

## AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") 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 currently comprises three independent non-executive Directors. The unaudited third quarterly financial results of the Group for the nine months ended 31 December 2019 have been reviewed by the Audit Committee together with the Group's management.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 31 December 2019

	Note	Nine months ended 31 December		Three months ended 31 December	
		2019	2018	2019	2018
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	204,826	255,041	76,613	92,177
Cost of sales	5	(174,541)	(232,339)	(64,407)	(84,411)
Gross profit		30,285	22,702	12,206	7,766
Other gains/(losses) and other income, net	4	863	(688)	2,040	3,732
Selling expenses	5	(10,585)	(12,842)	(3,319)	(4,346)
Administrative expenses	5	(30,616)	(31,619)	(10,429)	(10,595)
<b>Operating (loss)/profit</b>		(10,053)	(22,447)	498	(3,443)
Finance (costs)/income, net	6	(326)	75	(102)	76
Share of results of joint ventures		(290)	(2,828)	(45)	(2,728)
<b>(Loss)/profit before income tax</b>		(10,669)	(25,200)	351	(6,095)
Income tax credit	7	–	3,308	–	1,111
<b>(Loss)/profit and total comprehensive (loss)/profit for the period</b>		(10,669)	(21,892)	351	(4,984)
<b>(Loss)/profit and total comprehensive (loss)/profit attributable to:</b>					
Owners of the Company		(10,589)	(21,706)	366	(4,927)
Non-controlling interests		(80)	(186)	(15)	(57)
		(10,669)	(21,892)	351	(4,984)
Basic and diluted (loss)/earnings per share (expressed in HK cents)	8	(2.65)	(5.43)	0.09	(1.23)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2019

	Attributable to owners of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve (Note) HK\$'000	Other reserve HK\$'000	(Accumulated losses)/ retained earnings HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
<b>Balance at 1 April 2019, as originally presented</b>	<b>4,000</b>	<b>56,667</b>	<b>11,371</b>	<b>2,500</b>	<b>(7,498)</b>	<b>67,040</b>	<b>320</b>	<b>67,360</b>
Impact on initial application of HKFRS 16	-	-	-	-	(135)	(135)	-	(135)
<b>Balance at 1 April 2019 (unaudited)</b>	<b>4,000</b>	<b>56,667</b>	<b>11,371</b>	<b>2,500</b>	<b>(7,633)</b>	<b>66,905</b>	<b>320</b>	<b>67,225</b>
<b>Total comprehensive loss (unaudited)</b>								
Loss for the nine months ended 31 December 2019	-	-	-	-	(10,589)	(10,589)	(80)	(10,669)
<b>Balance at 31 December 2019 (unaudited)</b>	<b>4,000</b>	<b>56,667</b>	<b>11,371</b>	<b>2,500</b>	<b>(18,222)</b>	<b>56,316</b>	<b>240</b>	<b>56,556</b>
<b>Balance at 1 April 2018</b>	<b>4,000</b>	<b>56,667</b>	<b>11,371</b>	<b>-</b>	<b>25,618</b>	<b>97,656</b>	<b>601</b>	<b>98,257</b>
<b>Total comprehensive loss (unaudited)</b>								
Loss for the nine months ended 31 December 2018	-	-	-	-	(21,706)	(21,706)	(186)	(21,892)
Share of changes in reserve of a joint venture	-	-	-	2,500	-	2,500	-	2,500
<b>Balance at 31 December 2018 (unaudited)</b>	<b>4,000</b>	<b>56,667</b>	<b>11,371</b>	<b>2,500</b>	<b>3,912</b>	<b>78,450</b>	<b>415</b>	<b>78,865</b>

Notes: 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.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 1 GENERAL INFORMATION

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 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 the sales of Travel Related Products and Services and Tourism and Travel Technology Investments.

The Shares were listed on GEM on 12 January 2017.

The ultimate holding company of the Group is WWPKG Investment Holdings Limited, 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 AND NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

#### (a) Basis of preparation

The unaudited condensed consolidated financial information for the nine months ended 31 December 2019 has been prepared in accordance with the applicable disclosure provisions of the GEM Listing Rules. This unaudited condensed consolidated financial information 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 2019, except for the adoption of the new Hong Kong Financial Reporting Standards (“HKFRSs”) and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants that are effective for accounting periods beginning on 1 April 2019. 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 2019 and interim condensed consolidated financial information for the six months ended 30 September 2019.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 2 BASIS OF PREPARATION AND NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP (CONTINUED)

#### (b) New and amended standards adopted by the Group

The following new and amended standards have been adopted by the Group for the first time for the financial period beginning on or after 1 April 2019.

HKFRSs (Amendment)	Annual improvements to HKFRSs 2015–2017 cycle
HKFRS 16	Leases
HKFRIC-Int 23	Uncertainty over Income Tax Treatments
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement (amendments)
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures (amendments)

Except for HKFRS 16 Leases as disclosed below, the adoption of the new and amended standards has had no material impact on the Group's accounting policies and did not require retrospective adjustments.

#### *HKFRS 16 Leases*

The Group has adopted HKFRS 16 retrospectively from 1 April 2019, but has not restated comparatives for the 2018/2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new and amended requirements with respect to lease accounting were therefore recognised in the opening consolidated statement of financial position on 1 April 2019.

#### (i) Adjustments recognised on adoption of HKFRS 16

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 April 2019. The weighted average Group's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 4.95%.

The associated right-of-use assets were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The Group's recognised right-of-use assets relate to properties. The net impact on accumulated losses on 1 April 2019 was an increase of HK\$135,000.

#### (ii) Accounting policies adopted since 1 April 2019

The Group leases branches and office premises. Rental contracts are typically made for fixed periods of 2 to 3 years. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 2 BASIS OF PREPARATION AND NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP (CONTINUED)

#### (b) New and amended standards adopted by the Group (Continued)

##### (ii) Accounting policies adopted since 1 April 2019 (Continued)

Until the 2018/2019 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, leases were recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset was available for use by the Group. Each lease payment was allocated between the liability and finance cost. The finance cost was 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 right-of-use asset was depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease were initially measured on a present value basis. Lease liabilities included the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that were based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee was reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflected the lessee exercising that option.

The lease payments were discounted using the interest rate implicit in the lease. If that rate could not be determined, the lessee's incremental borrowing rate was used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets were measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets were recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture and equipment.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 3 REVENUE AND SEGMENT INFORMATION

#### (a) Revenue

	Nine months ended 31 December		Three months ended 31 December	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of package tours	201,008	251,374	75,332	90,806
Margin income from sales of FIT products	1,053	487	297	275
Margin income from sales of ancillary travel related products and services	2,765	3,180	984	1,096
	204,826	255,041	76,613	92,177

#### (b) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker that are used for making strategic decisions. The chief operating decision-maker has been identified as the executive Directors of the Company. They review the Group's internal reporting in order to assess performance and allocate resources.

The Group is organised into two reportable segments:

- (i) Travel Related Products and Services; and
- (ii) Tourism and Travel Technology Investments.

The chief operating decision-maker assesses the performance of the operating segments based on a measure of profit before interest and tax. Information provided to the chief operating decision-maker is measured in a manner consistent with that in the consolidated financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

**3 REVENUE AND SEGMENT INFORMATION (CONTINUED)**

**(b) Segment information (Continued)**

Segment results and other segment items are as follows:

	Nine months ended 31 December					
	Travel Related Products and Services HK\$'000	2019 Tourism and Travel Technology Investments HK\$'000	Total HK\$'000	Travel Related Products and Services HK\$'000	2018 Tourism and Travel Technology Investments HK\$'000	Total HK\$'000
<b>Reportable segment revenue</b>	204,826	–	204,826	255,041	–	255,041
<b>Reportable segment loss</b>	(8,938)	(290)	(9,228)	(22,680)	–	(22,680)
Unallocated expenses, net			(1,115)			(2,595)
Finance income			48			78
Finance costs			(374)			(3)
Loss before income tax			(10,669)			(25,200)
Income tax credit			–			3,308
Loss and total comprehensive loss			(10,669)			(21,892)
Share of results of joint ventures	–	(290)	(290)	(160)	(2,668)	(2,828)
Depreciation of property, plant and equipment	2,144	–	2,144	1,826	–	1,826
Depreciation of right-of-use assets	3,710	–	3,710	–	–	–

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	Three months ended 31 December					
	2019			2018		
	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Total HK\$'000	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Total HK\$'000
<b>Reportable segment revenue</b>	76,613	–	76,613	92,177	–	92,177
<b>Reportable segment loss</b>	(1,027)	(45)	(1,072)	(8,872)	–	(8,872)
Unallocated gains, net			1,525			2,701
Finance income			16			77
Finance costs			(118)			(1)
Profit/(loss) before income tax			351			(6,095)
Income tax credit			–			1,111
Profit/(loss) and total comprehensive profit/(loss)			351			(4,984)
Share of results of joint ventures	–	(45)	(45)	(60)	(2,668)	(2,728)
Depreciation of property, plant and equipment	864	–	864	604	–	604
Depreciation of right-of-use assets	1,393	–	1,393	–	–	–

For the nine months and three months ended 31 December 2019 and 2018, unallocated expenses or gains, net represent corporate expenses and gains.

(c) Geographic information

The Group's business is domiciled in Hong Kong and all revenue was generated from customers located in Hong Kong and Macau.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

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

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
<b>Other income</b>				
Referral income	313	253	130	86
Management services fee income	108	12	36	12
Aviation business cooperation income	100	100	–	75
Dividend income	197	–	–	–
Subsidies	23	–	5	–
	741	365	171	173
<b>Other gains/(losses), net</b>				
Exchange losses, net	(361)	(970)	(228)	(143)
Fair value losses on derivative financial instruments	(121)	(71)	(56)	(7)
Fair value gains/(losses) on listed equity securities in Hong Kong	604	(2,672)	2,153	1,049
Gain on bargain purchase	–	2,500	–	2,500
Gain on disposal of interests in a joint venture	–	160	–	160
	122	(1,053)	1,869	3,559
<b>Other gains/(losses) and other income, net</b>	863	(688)	2,040	3,732

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 5 EXPENSES BY NATURE

The Group's profit/(loss) is stated after charging/(crediting) the following cost of sales, selling expenses and administrative expenses:

	Nine months ended		Three months ended	
	31 December		31 December	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Land costs <i>Note</i>	96,158	122,212	35,134	43,273
Air fare costs	78,076	109,689	29,203	40,954
Operating lease rentals of:				
— Office and branches premises	—	7,292	—	2,434
— Equipment rental	—	245	—	99
Short-term lease expenses	1,937	—	458	—
Low-value assets leases expenses	298	—	100	—
Advertising and promotion	2,947	4,983	951	1,715
Credit card fees	2,231	2,537	888	849
Employee benefits expenses, excluding				
Directors' benefits and interests				
— Salaries, discretionary bonus and allowances	15,506	16,252	5,004	5,441
— Pension costs — defined contribution plan	869	1,012	286	361
— Other employee benefits	196	305	41	46
	16,571	17,569	5,331	5,848
Directors' benefits and interests	3,598	3,603	1,190	1,200
Depreciation of property, plant and equipment	2,144	1,826	864	604
Depreciation of right-of-use assets	3,710	—	1,393	—
Office, telecommunication and utility expenses	879	921	292	311
Exchange (gains)/losses, net	37	(107)	(8)	1
Legal and professional fees	1,531	1,833	519	598
Auditor's remuneration				
— Audit services	775	850	275	323
Others	4,850	3,347	1,565	1,143
	215,742	276,800	78,155	99,352

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 (COSTS)/INCOME, NET**

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
<b>Finance income</b>				
Bank interest income	48	78	16	77
<b>Finance costs</b>				
Interest expense on lease liabilities	(374)	–	(118)	–
Interest expense on obligations under finance leases	–	(3)	–	(1)
<b>Finance (costs)/income, net</b>	<b>(326)</b>	<b>75</b>	<b>(102)</b>	<b>76</b>

**7 INCOME TAX CREDIT**

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the nine months ended 31 December 2019 (nine months ended 31 December 2018: 16.5%).

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

Income tax credit credited to the unaudited condensed consolidated statement of comprehensive income represents:

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Over-provision in prior years	–	50	–	50
Deferred income tax credit	–	3,258	–	1,061
	–	3,308	–	1,111

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

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

#### (a) Basic

Basic (loss)/earnings per Share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Nine months ended		Three months ended	
	31 December 2019 (unaudited)	2018 (unaudited)	31 December 2019 (unaudited)	2018 (unaudited)
(Loss)/profit attributable to owners of the Company (HK\$'000)	(10,589)	(21,706)	366	(4,927)
Weighted average number of ordinary shares in issue ('000)	400,000	400,000	400,000	400,000
Basic (loss)/earnings per Share (HK cents per Share)	(2.65)	(5.43)	0.09	(1.23)

#### (b) Diluted

Diluted (loss)/earnings per Share is the same as basic (loss)/earnings per Share due to the absence of potential dilutive ordinary shares during the nine months ended 31 December 2019 (nine months ended 31 December 2018: same).

### 9 DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2019 (nine months ended 31 December 2018: same).

### 10 CONTINGENCIES

As at 31 December 2019, the Group did not have any significant contingent liabilities (31 December 2018: same).

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 11 RELATED PARTY TRANSACTIONS

The ultimate parent of the Company is WWPKG Investment Holdings Company Limited, a company incorporated in the BVI.

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 for the nine months ended 31 December 2019 and 2018:

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
HCNY 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
Triplabs Limited	A joint venture of the Group

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 nine months ended 31 December 2019 and 2018:

#### (a) Transactions with related parties

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
<b>Rental expenses</b>				
Sky Right Investment Limited	2,115	2,115	705	705
<b>Venue fee</b>				
HCNY Consultancy Limited	–	176	–	59
<b>Tour bus services fee</b>				
JCS Limited	–	5,706	–	1,897
<b>Booking services fee</b>				
Y's Japan Limited	2,120	1,906	713	625
<b>Management services fee income</b>				
Triplabs Limited	108	12	36	12

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.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 11 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (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.

	Nine months ended		Three months ended	
	31 December		31 December	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Salaries and allowances	5,113	5,058	1,705	1,650
Discretionary bonuses	–	–	–	–
Pension costs — defined contribution plan	27	32	9	9
	5,140	5,090	1,714	1,659

### 12 EVENTS AFTER THE REPORTING PERIOD

On 9 January 2020, the Group disposed on-market of a total of 4,760,000 shares of Feiyang at the average price of approximately HK\$1.16 per share of Feiyang for an aggregate gross sale proceeds of approximately HK\$5.5 million (excluding transaction costs). As a result of the Disposal, the Group is expected to recognise an investment gain of approximately HK\$0.5 million.