



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

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8069

2020/2021

Interim Report

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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 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
Registered Public Interest Entity Auditor

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 interim financial results of the Group for the six months ended 30 September 2020, together with the comparative figures for the corresponding period in 2019, 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 is the provision of outbound package tours to various destinations with particular focus on Japan-bound tours.

The Group’s loss and total comprehensive loss for the six months ended 30 September 2020 decreased slightly by 2.7% to approximately HK\$10.7 million, as compared to the corresponding period in 2019, amid the coronavirus disease 2019 (“Covid-19”) pandemic. As disclosed in the Company’s annual report for the year ended 31 March 2020 and first quarterly report for the three months ended 30 June 2020, the unprecedented pandemic has taken a heavy toll on the global economy and made the Group’s operating environment extremely difficult. The Group’s business operations have been disrupted by the travel restrictions imposed by nations of its own and across the world. Owing to the pandemic, on the supply side, majority of the Group’s airline suppliers have been operating bare skeleton or limited passenger flight schedules, while on the demand side, leisure travel sentiment has remained low. The Group began to cancel its outbound package tours, starting with those departing for China on 26 January 2020, while package tours bound for Japan have been cancelled since 9 March 2020. As a result, revenue and gross profit for the six months ended 30 September 2020 decreased by 98.6% and 97.2% respectively, as compared to the corresponding period in 2019. Nonetheless, the Group managed to mitigate its loss for the six months ended 30 September 2020 through adopting the following cost-saving measures:

- implemented salary reduction for the Directors;
- streamlined workflows and eliminated non-value added positions or activities;
- encouraged employees to take no-pay leave and/or annual leave;
- obtained rent concessions on certain branch and office premise leases from the landlords;
- reduced advertising and promotion expenses; and
- applied for the Employment Support Scheme (the “ESS”) and the Travel Agents and Practitioners Support Scheme under the Anti-epidemic Fund launched by the Hong Kong SAR Government.

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:

	Six months ended 30 September				Three months ended 30 September			
	2020		2019		2020		2019	
	Gross		Gross		Gross		Gross	
	Revenue	profit/(loss)	Revenue	profit/(loss)	Revenue	profit/(loss)	Revenue	profit/(loss)
	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million
Package tours	0.2	(1.1)	125.7	15.6	0.1	(0.5)	53.5	5.5
FIT products ^(Note)	(0.1)	(0.1)	0.7	0.7	–	–	0.3	0.3
Ancillary travel related products and services ^(Note)	1.7	1.7	1.8	1.8	0.3	0.3	0.8	0.8
Total	1.8	0.5	128.2	18.1	0.4	(0.2)	54.6	6.6

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

Minimal revenue from package tours was recorded during the six months ended 30 September 2020, as all tours were cancelled or suspended by the Group amid the Covid-19 pandemic. Corresponding gross loss of approximately HK\$1.1 million mainly resulted from booking services fees charged to cost of sales at a fixed amount on monthly basis in accordance with the terms of the contract.

FIT products

No sale of FIT products was conducted during the six months ended 30 September 2020 amid the Covid-19 pandemic. Corresponding gross loss of approximately HK\$0.1 million mainly resulted from the reversal of net revenue arising from refunds processed for customers due to cancellation of air ticket and hotel accommodation bookings.

Ancillary travel related products and services

Ancillary travel related products and services generally 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. For the six months ended 30 September 2020, revenue from the above-mentioned products and services decreased by 83.3% amid the Covid-19 pandemic. Yet, total revenue from ancillary travel related products and services remained consistent at approximately HK\$1.7 million due to revenue from new business activities involving trading of imported face masks, health related products and food items online.

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 89.0% to approximately HK\$0.8 million for the six months ended 30 September 2020, mainly due to (i) the decrease in credit card charges; (ii) the decrease in depreciation of right-of-use assets; (iii) termination of tenancy for two of the Group's branches; and (iv) adoption of cost-saving measures as discussed in the sub-section headed "Business Review" above, including reduction in advertising and promotion expenses.

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 decreased by 56.9% to approximately HK\$8.7 million for the six months ended 30 September 2020, mainly due to (i) the decrease in depreciation of right-of-use assets; and (ii) adoption of cost-saving measures as discussed in the sub-section headed "Business Review" above, including salary reduction for the Directors, reduction in staff costs as a result of no-pay leave and/or annual leave taken by the Group's staff and subsidies obtained from the ESS.

Loss and total comprehensive loss for the period

The Group's loss and total comprehensive loss for the six months ended 30 September 2020 decreased slightly by 2.7% to approximately HK\$10.7 million, which was mainly attributable to the following:

- decrease in selling expenses and administrative expenses by approximately HK\$18.0 million in aggregate, for reasons as discussed in the sub-sections headed "Financial Review — Selling expenses" and "Financial Review — Administrative expenses" above; and
- recognition of rent concessions of approximately HK\$1.1 million as negative variable lease payments in profit or loss; offset by
- decrease in gross profit by approximately HK\$17.6 million, for reasons as discussed in the sub-section headed "Financial Review — Revenue and gross profit" above; and
- increase in the fair value losses on the Company's investment in the shares of CTEH INC. by approximately HK\$1.8 million.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position as at 30 September 2020 remained healthy with net assets value of approximately HK\$30.4 million (31 March 2020: approximately HK\$41.1 million). Including the short-term fixed deposit, the Group's cash and cash equivalents was approximately HK\$19.5 million as at 30 September 2020 (31 March 2020: approximately HK\$19.3 million). The cash and bank balances of the Group were mainly denominated in Hong Kong dollars, which accounted for 90.9% (31 March 2020: 90.6%) of the total balances.

Current ratio is calculated as current assets divided by current liabilities. The Group's current ratio as at 30 September 2020 was 2.7 times (31 March 2020: 2.9 times).

GEARING RATIO

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less trade related debts and cash and cash equivalents. Total capital is calculated as 'equity', as shown in the consolidated statement of financial position. As at 30 September 2020, the Group was not at a net debt position (31 March 2020: same).

PLEDGE OF ASSETS

As at 30 September 2020, the Group did not pledge any of its assets as securities for facilities granted to the Group (31 March 2020: same).

CAPITAL STRUCTURE

Details of changes in the Company's share capital are set out in note 18 to the interim condensed consolidated financial information in this report.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

Save as disclosed in this report, there were no other significant investments, material acquisitions or disposals of subsidiaries by the Company during the six months ended 30 September 2020.

CHARGE OVER THE GROUP'S ASSETS

As at 30 September 2020, the Group did not record any charge over its assets (31 March 2020: same).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other plans for material investments or capital assets as of 30 September 2020.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to the end of the reporting period which would materially affect the Group's operating and financial performance as at the date of this report.

FOREIGN EXCHANGE EXPOSURE

The Group's revenue was mainly denominated in Hong Kong dollars. However, the settlement of substantial portion of its land costs, such as hotel tariffs, transportation costs, meal expenses and admission ticket costs, is denominated in Japanese Yen. The Group is therefore exposed to foreign exchange risk primarily with respect to Japanese Yen. The Group has implemented foreign exchange risk management procedures to manage exposure to foreign exchange risk in relation to Japanese Yen. The procedures were established to control the foreign exchange risk to an acceptable level by ensuring that the Group is able to obtain sufficient amount of Japanese Yen at acceptable exchange rates for meeting its payment obligations arising from business operations and at the same time do not purchase unnecessary amounts of Japanese Yen more than it requires. The purchase amounts were limited to the corresponding costs of the travel elements payable in Japanese Yen for the Japan bound tours for the coming four weeks (or eight weeks during peak seasons). Such amounts were estimated based on the actual enrolment data (i.e. headcount enrolled for the Group's Japan bound tours) and the costs of travel elements payable in Japanese Yen per headcount, of which such costs were determined with reference to the historical spending and the effect of general inflation.

Although the Group may enter into foreign exchange forward contracts with major and reputable financial institutions and foreign currency services companies of long establishment history to manage its exposure to foreign exchange risk, it does not intend to speculate on the future direction of foreign exchange fluctuation. As at 30 September 2020, the Group had outstanding foreign exchange forward contracts denominated in Japanese Yen of notional principal amounts of approximately HK\$0.7 million (31 March 2020: outstanding foreign exchange forward contracts denominated in Japanese Yen of notional principal amounts of approximately HK\$0.7 million). Management will continue to evaluate the Group's foreign exchange risk management procedures and take actions as appropriate to minimize the Group's exposure whenever necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2020, the Group had a workforce of 118 employees (31 March 2020: 121), excluding the Directors. Salaries of employees are maintained at competitive levels. The Group operates a defined contribution mandatory provident fund scheme for all its employees. The Group also offers discretionary bonuses to its employees by reference to the performance of individual employees and the overall performance of the Group. Total employee benefits expenses, excluding Directors' emoluments, incurred by the Group for the six months ended 30 September 2020 amounted to approximately HK\$2.5 million (six months ended 30 September 2019: approximately HK\$11.2 million). The decrease in the Group's employee benefits expenses for the six months ended 30 September 2020 was mainly due to the cost-saving measures adopted in response to the Covid-19 pandemic as discussed in the sub-section headed "Business Review" above.

The Company has adopted a share option scheme on 16 December 2016 with a term of 10 years (the "Share Option Scheme"). The Share Option Scheme is designed to motivate eligible participants, including executives and key employees, who may make a contribution to the Group, and enables the Group to attract and retain individuals with experience and ability and to reward them for their contributions. During the six months ended 30 September 2020, no share options had been granted, exercised, lapsed or cancelled under the Share Option Scheme.

The Group did not experience any significant labour disputes or substantial changes in the number of its employees that led to any disruption of its normal business operations during the six months ended 30 September 2020.

USE OF PROCEEDS

The net proceeds from the initial public offering of the Company, after deducting underwriting commissions and all related expenses, amounted to approximately HK\$57.0 million (the "Net Proceeds"). As at 30 September 2020, the unutilised Net Proceeds of approximately HK\$8.7 million were deposited into licensed banks in Hong Kong.

Due to the generally volatile operating environment of the Group in face of the Covid-19 pandemic, the Net Proceeds were not fully utilised as at 30 September 2020.

The following table sets forth the status of the use of the Net Proceeds as at 30 September 2020:

Objective	Adjusted allocation of Net Proceeds HK\$ million	Amount utilised up to 30 September 2020 HK\$ million	Balance as at 30 September 2020 HK\$ million	Expected timeframe
Promoting brand recognition and awareness	16.0	(13.9)	2.1	To be used in one to two years by continuously engaging in various advertising and marketing campaigns
Strengthening and enhancing sales channels	8.1	(7.2)	0.9	To be used in one to two years for enhancements of the Group's online sales platform, incorporation of a new customer relationship management system and/or refurbishment of existing branches
Improving operational efficiency	11.7	(11.6)	0.1	To be used in one year
Reserving seats for non-series flights or charter flights	13.1	(7.5)	5.6	To be used in one year
General corporate and working capital purposes	8.1	(8.1)	–	
	57.0	(48.3)	8.7	

INTERIM DIVIDEND

In order to retain more cash to finance the working capital requirements and future development of the Group, the Board does not recommend the payment of interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: nil). The Board will consider future dividend distribution according to the Company's dividend policy.

PROSPECTS

The ongoing Covid-19 pandemic has been casting severe implications for many business sectors including tourism. A number of governments have issued entry restrictions, visa suspensions and quarantine measures that are impacting international travel. Moreover, on the supply side, majority of the Group's airline suppliers have been operating bare skeleton or limited passenger flight schedules. Given the Group derives a majority of its revenue from the provision of outbound package tours, the above-mentioned restrictions, together with the low sentiment for leisure travel, will continue to have significant adverse impact on the Group's operational and financial performance for the third quarter ending 31 December 2020, if not longer.

The Group is closely monitoring the development of the pandemic and continues to adopt necessary measures to control costs and to enhance cash flow and operational efficiency. Whilst the situation relating to the spread and containment of Covid-19 remains uncertain and fluid, many countries are in the beginning stages of reopening their borders for and promoting international tourism. In Hong Kong, government officials have been in discussions with foreign countries, including Japan, Thailand, Malaysia, Vietnam, Australia and New Zealand, who have expressed interests in negotiating "travel bubbles" with Hong Kong. On 15 October 2020, the governments of Hong Kong SAR and Singapore reached an in-principle agreement to establish a bilateral quarantine-free travel bubble, which marked a milestone arrangement to help reviving cross-border travel between the two destinations. This agreement was followed by an announcement made by both governments on 11 November 2020 confirming further detailed arrangements of the bilateral travel bubble with designated flights to be launched on 22 November 2020. Furthermore, the Hong Kong SAR Government cited that a universal health code system was underway to facilitate people travelling between Hong Kong and Guangdong province or Hong Kong and Macau. The Group takes an optimistic view over tourism recovery and remains confident in its strategy. The Group will put forth its best endeavor to drive business performance on its road to recovery and profitability when the pandemic recedes.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 30 September 2020, 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") ^(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 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 30 September 2020, 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 30 September 2020, the interests and short positions of the persons (other than the Directors or chief executive of the Company) in the Shares, underlying Shares and debentures 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 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 September 2020, 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 six months ended 30 September 2020 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 six months ended 30 September 2020, 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 six months ended 30 September 2020.

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 six months ended 30 September 2020.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

For the six months ended 30 September 2020, 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.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors since the date of annual report of the Company for the year ended 31 March 2020 are set out below:

On 31 October 2020, Mr. Lam Yiu Kin has resigned as an independent non-executive director of Vital Innovations Holdings Limited (stock code: 6133), which is listed on the Main Board of the Stock Exchange.

Save as disclosed above, there is no other change in information of the Directors to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

SHARE OPTION SCHEME

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 30 September 2020 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 interim financial results of the Group for the six months ended 30 September 2020 have been reviewed by the Audit Committee together with the Group's management.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	Note	Six months ended 30 September		Three months ended 30 September	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue	6	1,773	128,213	440	54,637
Cost of sales	8	(1,226)	(110,134)	(674)	(48,039)
Gross profit/(loss)		547	18,079	(234)	6,598
Other income and other (losses)/gains, net	7	(1,508)	(1,177)	(260)	(835)
Selling expenses	8	(763)	(7,266)	(305)	(3,563)
Administrative expenses	8	(8,718)	(20,187)	(3,666)	(9,783)
Operating loss		(10,442)	(10,551)	(4,465)	(7,583)
Finance income and finance costs, net	9	(178)	(224)	(109)	(91)
Share of results of a joint venture		(60)	(245)	(27)	(135)
Loss before income tax		(10,680)	(11,020)	(4,601)	(7,809)
Income tax expense	10	–	–	–	–
Loss and total comprehensive loss for the period		(10,680)	(11,020)	(4,601)	(7,809)
Loss and total comprehensive loss attributable to:					
Owners of the Company		(10,601)	(10,955)	(4,572)	(7,757)
Non-controlling interests		(79)	(65)	(29)	(52)
		(10,680)	(11,020)	(4,601)	(7,809)
Basic and diluted loss per share (expressed in HK cents)	11	(2.65)	(2.74)	(1.14)	(1.94)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Note	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13(a)	1,672	2,490
Right-of-use assets	13(b)	1,394	2,186
Prepayments, deposits and other receivables	15	535	535
Interest in a joint venture	16	11,810	11,870
		15,411	17,081
Current assets			
Inventories		607	48
Financial assets at fair value through profit or loss	17	6,073	9,409
Trade receivables	14	10	49
Prepayments, deposits and other receivables	15	9,307	13,107
Derivative financial instruments		35	23
Amount due from a related company	25(c)	79	28
Short-term fixed deposit		3,000	3,000
Cash and cash equivalents		16,462	16,327
		35,573	41,991
Total assets		50,984	59,072
EQUITY			
Equity attributable to owners of the Company			
Share capital	18	4,000	4,000
Reserves		26,389	36,990
		30,389	40,990
Non-controlling interests		58	137
Total equity		30,447	41,127
LIABILITIES			
Non-current liabilities			
Lease liabilities	13(b)	1,391	2,747
Bank borrowings	21	5,657	–
Other non-current liabilities	20	344	601
		7,392	3,348
Current liabilities			
Trade payables	19	10	972
Accruals and other payables	20	7,457	8,918
Bank borrowings	21	2,343	–
Lease liabilities	13(b)	3,335	4,707
		13,145	14,597
Total liabilities		20,537	17,945
Total equity and liabilities		50,984	59,072

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Other reserve	Accumulated losses			
	HK\$'000	HK\$'000	(Note) HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2020	4,000	56,667	11,371	2,500	(33,548)	40,990	137	41,127
Total comprehensive loss (unaudited)								
Loss for the six months ended 30 September 2020	-	-	-	-	(10,601)	(10,601)	(79)	(10,680)
Balance at 30 September 2020 (unaudited)	4,000	56,667	11,371	2,500	(44,149)	30,389	58	30,447
Balance at 1 April 2019	4,000	56,667	11,371	2,500	(7,633)	66,905	320	67,225
Total comprehensive loss (unaudited)								
Loss for the six months ended 30 September 2019	-	-	-	-	(10,955)	(10,955)	(65)	(11,020)
Balance at 30 September 2019 (unaudited)	4,000	56,667	11,371	2,500	(18,588)	55,950	255	56,205

Note: 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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	Note	Six months ended 30 September	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Cash flows from operating activities			
Cash used in operations	22	(6,022)	(9,210)
Interest paid		(209)	(256)
Income tax refunded		–	3,033
Net cash used in operating activities		(6,231)	(6,433)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2)	(972)
Purchase of right-of-use assets		–	(12)
Interest received		31	4
Investments in listed equity securities		–	(4,998)
Net cash generated from/(used in) investing activities		29	(5,978)
Cash flows from financing activities			
Payments for lease liabilities/finance lease liabilities (including interest)		(1,663)	(2,238)
Proceeds from bank borrowings		8,000	–
Net cash generated from/(used in) financing activities		6,337	(2,238)
Net increase/(decrease) in cash and cash equivalents		135	(14,649)
Cash and cash equivalents at beginning of the period		16,327	41,329
Cash and cash equivalents at end of the period		16,462	26,680

NOTES TO THE INTERIM 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 interim 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 interim condensed consolidated financial information for the six months ended 30 September 2020 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the GEM Listing Rules. The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2020, except for the changes in accounting policies disclosed in note 3 below. The interim 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 Group’s audited consolidated financial statements for the year ended 31 March 2020.

2.1 Going concern basis

Following the outbreak of the Covid-19 in January 2020, precautionary and control measures have since been implemented in various countries, which included entry restrictions and quarantine measures over international travel. Given the Group derives a majority of its revenue from the provision of outbound package tours to customers located in Hong Kong and Macau with its particular focus on Japan-bound tours, the Group’s business operations have been adversely affected by the pandemic and the travel restrictions imposed by nations of its own and across the world. In March 2020, the Government of Japan announced a temporary suspension of its visa-free policy applicable to Hong Kong and Macau passport holders and all foreign nationals have been barred from visiting the country as tourists. Besides, the Hong Kong SAR Government has imposed compulsory quarantine measures on travellers returning to Hong Kong. As a result, the Group’s package tours bound for Japan have been cancelled since 9 March 2020 and the suspension continues up to the date of this report.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2 BASIS OF PREPARATION (Continued)

2.1 Going concern basis (Continued)

In view of these circumstances and the uncertainties related to the possible impact of the Covid-19 pandemic, the Directors have given careful consideration to the future liquidity requirements and operating performance of the Group and its available sources of financing to assess whether the Group would have sufficient financial resources to fulfill its financial obligations to continue as a going concern. The Group has taken measures to deal with the potential impact of the pandemic to improve its financial position and to alleviate its liquidity pressure, which include but not limited to the following:

- (i) The Group has been closely monitoring the latest developments of travel restrictions worldwide and consulting with the relevant authorities from time to time to obtain the latest updates on the Covid-19 situation concerning Japan and other destinations. Furthermore, the Group has been maintaining close communication with its suppliers, particularly those supporting the Group's tours bound for Japan, to understand the latest situation locally and their readiness to resume operations upon uplifting of the travel restrictions.
- (ii) As discussed in the sub-section headed "Management Discussion And Analysis — Business Review" on page 4 in this report, the Group has been adopting a series of measures to control costs and to enhance cash flow and operational efficiency.
- (iii) In respect of the Group's available bank overdraft facilities of HK\$10,000,000 as at 30 September 2020 that is subject to annual review, the Directors are of the opinion that the Group would be able to renew its financial facilities with the bank upon expiry given their long established relationship.
- (iv) The Group has successfully applied for subsidies through the second tranche of the ESS and the Travel Industry Support Scheme under the third round of the Anti-epidemic Fund launched by the Hong Kong SAR Government.
- (v) The Group continues to leverage its relationships with suppliers in Japan and expand its online trading activities.
- (vi) The Group is endeavouring to seek additional sources of financing.

Notwithstanding the above, whether the Group is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions, are subject to inherent uncertainties. In particular, whether the Group will be able to generate adequate operating cash flows to continue as a going concern would depend upon when international travel restrictions and quarantine measures will be uplifted such that the Group could resume the operation of its outbound tours on a timely basis, especially Japan. The Directors have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 30 September 2020, and believe that the Group will have sufficient financial resources to satisfy its future working capital requirements as and when they fall due within the next twelve months from 30 September 2020. Accordingly, the Directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2 BASIS OF PREPARATION (Continued)

2.2 Amended standards adopted by the Group

The following amendments to standards that are effective for the accounting period of the Group beginning on 1 April 2020 have been published:

HKAS 1 and HKAS 8	<i>Definition of Material (amendments)</i>
HKAS 39, HKFRS 7 and HKFRS 9	<i>Hedge Accounting (amendments)</i>
HKFRS 3	<i>Definition of a Business (amendments)</i>
Conceptual Framework for Financial Reporting 2018	<i>Revised Conceptual Framework for Financial Reporting</i>

The Group has applied, for the first time, the above amendments to standards issued by the HKICPA. The adoption of the above amendments to standards has had no material effect on the amounts reported and/or disclosures set in this interim condensed consolidated financial information.

The Group has early adopted the amendment to HKFRS 16 *Covid-19-Related Rent Concessions*, which is effective for accounting periods beginning on or after 1 June 2020, and had to change its accounting policies following such adoption as disclosed in note 3.

The Group has not early adopted any other new and amended standards that have been issued but are not yet effective.

3 CHANGES IN ACCOUNTING POLICIES

The amendment to HKFRS 16 *Covid-19-Related Rent Concessions* provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for accounting periods beginning on or after 1 June 2020 with earlier application permitted.

During the six months ended 30 September 2020, certain monthly lease payments for the leases of the Group's branch and office premises have been reduced or waived by the lessors as a result of the Covid-19 pandemic and there were no other changes to the terms of the leases. The Group has early adopted the amendment to HKFRS 16 on 1 April 2020 and elected not to apply lease modification accounting for all Covid-19-related rent concessions granted by the lessors during the six months ended 30 September 2020. Accordingly, Covid-19-related rent concessions of HK\$1,065,000 have been accounted for as a reduction in the variable lease payments by derecognising part of the lease liabilities and crediting to profit or loss for the six months ended 30 September 2020.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

4 ESTIMATES

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 March 2020.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose itself to a variety of financial risks, including foreign exchange risk, credit risk and liquidity risk. The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2020. There have been no significant changes in the risk management policies since the last year end.

5.2 Fair value estimation

The carrying amounts of the Group's financial assets and financial liabilities, including short-term fixed deposit, cash and cash equivalents, trade and other receivables, amount due from a related company and trade and other payables, approximate their fair values due to their short-term maturities.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the interim condensed consolidated financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 30 September 2020				
Assets				
Financial assets at fair value through profit or loss				
Listed equity securities in Hong Kong	6,073	–	–	6,073
Derivative financial instruments				
Forward exchange forward contracts	–	35	–	35

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

5 FINANCIAL RISK MANAGEMENT(Continued)

5.2 Fair value estimation (Continued)

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 31 March 2020				
Financial assets at fair value through profit or loss				
Listed equity securities in Hong Kong	9,409	–	–	9,409
Derivative financial instruments				
Forward exchange forward contracts	–	23	–	23

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data 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. The fair value of foreign exchange forward contracts held by the Group is determined using forward exchange rates at the period-end date, with the resulting value discounted back to present value.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no transfers between levels during the period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6 REVENUE AND SEGMENT INFORMATION

(a) Revenue

	Six months ended 30 September		Three months ended 30 September	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of package tours	182	125,676	145	53,469
Margin income from sales of FIT products	(104)	756	(50)	344
Margin income from sales of ancillary travel related products and services	1,695	1,781	345	824
	1,773	128,213	440	54,637

(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 interim condensed consolidation financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

Segment results and other segment items are as follows:

	Six months ended 30 September					
	Travel Related Products and Services HK\$'000	2020 Tourism and Travel Technology Investments HK\$'000	Total HK\$'000	Travel Related Products and Services HK\$'000	2019 Tourism and Travel Technology Investments HK\$'000	Total HK\$'000
Reportable segment revenue	1,773	–	1,773	128,213	–	128,213
Reportable segment loss	(6,285)	(60)	(6,345)	(7,911)	(245)	(8,156)
Unallocated expenses			(4,157)			(2,640)
Finance income			31			32
Finance costs			(209)			(256)
Loss before income tax			(10,680)			(11,020)
Income tax expense			–			–
Loss and total comprehensive loss			(10,680)			(11,020)
Share of results of a joint venture	–	(60)	(60)	–	(245)	(245)
Depreciation of property, plant and equipment	820	–	820	1,280	–	1,280
Depreciation of right-of-use assets	792	–	792	2,317	–	2,317

	Three months ended 30 September					
	Travel Related Products and Services HK\$'000	2020 Tourism and Travel Technology Investments HK\$'000	Total HK\$'000	Travel Related Products and Services HK\$'000	2019 Tourism and Travel Technology Investments HK\$'000	Total HK\$'000
Reportable segment revenue	440	–	440	54,637	–	54,637
Reportable segment loss	(1,992)	(27)	(2,019)	(6,029)	(135)	(6,164)
Unallocated expenses			(2,473)			(1,554)
Finance income			17			16
Finance costs			(126)			(107)
Loss before income tax			(4,601)			(7,809)
Income tax expense			–			–
Loss and total comprehensive loss			(4,601)			(7,809)
Share of results of a joint venture	–	(27)	(27)	–	(135)	(135)
Depreciation of property, plant and equipment	372	–	372	681	–	681
Depreciation of right-of-use assets	488	–	488	371	–	371

For the six months ended 30 September 2020 and 2019, unallocated expenses represent corporate expenses.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

Segment assets and liabilities are as follows:

	Six months ended 30 September 2020				Year ended 31 March 2020			
	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Unallocated HK\$'000	Total HK\$'000	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Unallocated HK\$'000	Total HK\$'000
Reportable segment assets	31,355	11,810	7,819	50,984	33,134	11,870	14,068	59,072
Reportable segment liabilities	(20,426)	-	(111)	(20,537)	(17,913)	-	(32)	(17,945)
Capital expenditure	2	-	-	2	7,100	-	-	7,100

Capital expenditure comprises additions to property, plant and equipment, interest in a joint venture and financial assets at fair value through profit or loss.

Segment assets and liabilities are reconciled to the Group's assets and liabilities as follows:

	Six months ended 30 September 2020		Year ended 31 March 2020	
	Assets HK\$'000	Liabilities HK\$'000	Assets HK\$'000	Liabilities HK\$'000
Reportable segment assets/(liabilities)	43,165	(20,426)	45,004	(17,913)
Unallocated:				
Prepayments, deposits and other receivables	113	-	286	-
Financial assets at fair value through profit or loss	6,073	-	9,409	-
Cash and cash equivalents	1,633	-	4,373	-
Accruals and other payables	-	(111)	-	(32)
	50,984	(20,537)	59,072	(17,945)

(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. As at 30 September 2020 and 31 March 2020, all non-current assets were located in Hong Kong.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

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

	Six months ended 30 September		Three months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Other income				
Referral income	–	183	–	61
Management services fee income	72	72	36	36
Aviation business cooperation income	–	100	–	25
Rent concessions ^{(Note (i))}	1,065	–	1,065	–
Dividend income	173	197	173	–
Subsidies ^{(Note (ii))}	452	18	450	9
	1,762	570	1,724	131
Other (losses)/gains, net				
Exchange gains/(losses), net	54	(133)	55	(22)
Fair value gains/(losses) on derivative financial instruments	12	(65)	14	(70)
Fair value losses on listed equity securities in Hong Kong	(3,336)	(1,549)	(2,053)	(874)
	(3,270)	(1,747)	(1,984)	(966)
Other income and other (losses)/gains, net	(1,508)	(1,177)	(260)	(835)

Notes:

- (i) Rent concessions represent benefits derived from changes in lease payments arising from Covid-19-related rent concessions.
- (ii) Subsidies mainly represent grants received from local governments in Hong Kong and Japan. There are no unfulfilled conditions or contingencies relating to these grants.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

8 EXPENSES BY NATURE

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

	Six months ended 30 September		Three months ended 30 September	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Land costs <i>(Note (i))</i>	1,321	61,024	757	26,512
Air fare costs	–	48,873	–	21,387
Short-term lease expenses	112	1,479	–	650
Low-value assets leases expenses	181	198	81	99
Advertising and promotion	194	1,996	136	920
Credit card fees	90	1,343	15	622
Employee benefits expenses, excluding Directors' benefits and interests				
— Salaries, discretionary bonuses and allowances <i>(Note (ii))</i>	2,070	10,502	310	5,219
— Pension costs – defined contribution plan	258	583	141	287
— Other employee benefits	134	155	111	43
	2,462	11,240	562	5,549
Directors' benefits and interests	1,096	2,408	521	1,204
Depreciation of property, plant and equipment	820	1,280	372	681
Depreciation of right-of-use assets	792	2,317	488	371
Office, telecommunication and utility expenses	314	587	160	274
Exchange (gains)/losses, net	(20)	45	–	12
Legal and professional fees	754	1,012	411	535
Auditor's remuneration				
— Audit services	505	500	302	250
Others	2,086	3,285	840	2,319
	10,707	137,587	4,645	61,385

Notes:

- (i) 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, admission tickets costs and booking services fees.
- (ii) Subsidies obtained from the ESS were recognised in employee benefits expenses.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

9 FINANCE INCOME AND FINANCE COSTS, NET

	Six months ended 30 September		Three months ended 30 September	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Finance income				
Bank interest income	31	32	17	16
Finance costs				
Interest expense on lease liabilities/finance lease liabilities	(151)	(256)	(71)	(107)
Interest expense on bank borrowings	(58)	–	(55)	–
Finance income and finance costs, net	(178)	(224)	(109)	(91)

10 INCOME TAX EXPENSE

The applicable rate of Hong Kong profits tax is 16.5% (six months ended 30 September 2019: 16.5%). No provision for Hong Kong profits tax has been made in the interim condensed consolidated financial information as the Group did not have any assessable profit arising in Hong Kong during the six months ended 30 September 2020 (six months ended 30 September 2019: same).

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.

11 BASIC AND DILUTED LOSS PER SHARE

(a) Basic

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

	Six months ended 30 September		Three months ended 30 September	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss attributable to owners of the Company (HK\$'000)	(10,601)	(10,955)	(4,572)	(7,757)
Weighted average number of ordinary shares in issue ('000)	400,000	400,000	400,000	400,000
Basic loss per Share (HK cents per share)	(2.65)	(2.74)	(1.14)	(1.94)

(b) Diluted

Diluted loss per Share is the same as basic loss per Share due to the absence of potential dilutive ordinary shares during the six months ended 30 September 2020 (six months ended 30 September 2019: same).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

12 INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: nil).

13 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Property, plant and equipment

	HK\$'000 (unaudited)
Six months ended 30 September 2020	
Net book value as at 1 April 2020	2,490
Additions	2
Depreciation ^(Note 6)	(820)
Net book value as at 30 September 2020	1,672
Six months ended 30 September 2019	
Net book value as at 1 April 2019	9,115
Additions	1,356
Depreciation ^(Note 6)	(1,280)
Disposals	(52)
Net book value as at 30 September 2019	9,139

(b) Right-of-use assets

	HK\$'000 (unaudited)
Six months ended 30 September 2020	
Net book value as at 1 April 2020	2,186
Depreciation ^(Note 6)	(792)
Net book value as at 30 September 2020	1,394
Six months ended 30 September 2019	
Net book value as at 1 April 2019	11,211
Additions	1,127
Depreciation ^(Note 6)	(2,317)
Net book value as at 30 September 2019	10,021

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(b) Right-of-use assets (Continued)

- (i) Amounts recognised in the interim condensed consolidation statement of financial position

The interim condensed consolidation statement of financial position shows the following amounts relating to leases:

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Right-of-use assets		
Office premises and office equipment	1,394	2,186
Lease liabilities		
Current	3,335	4,707
Non-current	1,391	2,747
	4,726	7,454

14 TRADE RECEIVABLES

As at 30 September 2020 and 31 March 2020, the ageing analysis of trade receivables based on invoice date are as follows:

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
1 to 30 days	10	49

The carrying amounts of trade receivables approximate their fair values as at 30 September 2020 and 31 March 2020 and the credit terms granted by the Group generally ranged up to 90 days.

As at 30 September 2020 and 31 March 2020, no trade receivables are considered past due or impaired.

The maximum exposure to credit risk is the carrying amounts of trade receivables and the Group does not have any collateral or other credit enhancements over the trade receivables.

The Group's trade receivables are denominated in HK\$.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Non-current portion		
Rental deposits	535	535
Current portion		
Trade deposits	4,848	8,715
Rental, utilities and other deposits	1,812	1,681
Amounts due from employees	–	60
Other prepayments	1,364	1,918
Other current assets	1,283	733
	9,307	13,107

The carrying amounts of prepayment, deposits and other receivables approximate their fair values as at 30 September 2020 and 31 March 2020.

16 INTEREST IN A JOINT VENTURE

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
At the beginning of the period	11,870	12,230
Share of post-tax results of a joint venture	(60)	(360)
At the end of the period	11,810	11,870

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Listed equity securities in Hong Kong ^(Note)	6,073	9,409

Note:

The listed equity securities were designated as financial assets at fair value through profit or loss at inception. The fair values of the listed equity securities were based on their bid prices in an active market. Fair value losses on the listed equity securities of HK\$3,336,000 (year ended 31 March 2020: HK\$1,112,000) was recognised in "other income and other (losses)/gains, net" for the period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

18 SHARE CAPITAL

	Number of Shares	Share capital HK\$'000
Authorised:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 30 September 2020 and 31 March 2020	10,000,000,000	100,000
Issued and fully paid:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 30 September 2020 and 31 March 2020	400,000,000	4,000

19 TRADE PAYABLES

As at 30 September 2020 and 31 March 2020, the ageing analysis of trade payables based on invoice date are as follows:

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
1 to 30 days	10	276
31 to 60 days	–	355
61 to 90 days	–	6
91 to 120 days	–	221
Over 120 days	–	114
	10	972

The carrying amounts of trade payables approximate their fair values as at 30 September 2020 and 31 March 2020.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

20 ACCRUALS AND OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Other non-current liabilities		
Provisions for reinstatement cost	100	374
Provision for long service payment	244	227
	344	601
Accruals and other payables		
Contract liabilities	3,527	4,235
Accrued staff costs	1,413	1,358
Other payables	2,517	3,325
	7,457	8,918

The carrying amounts of accruals and other payables approximate their fair values as at 30 September 2020 and 31 March 2020.

21 BANK BORROWINGS

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Current		
Bank borrowings, secured ^(Note)	2,343	–
Non-current		
Bank borrowings, secured ^(Note)	5,657	–
	8,000	–

Note:

As at 30 September 2020, the bank borrowings were secured by undertakings provided by the executive Directors.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

21 BANK BORROWINGS (CONTINUED)

The maturity of bank borrowings is as follows:

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Within one year	2,343	–
In the second year	3,199	–
In the third year	2,458	–
	8,000	–

The carrying amounts of bank borrowings approximate their fair values as at 30 September 2020.

The Group's bank borrowings are denominated in HK\$.

As at 30 September 2020, the bank borrowings were interest-bearing at 2.75% per annum.

22 CASH USED IN OPERATIONS

	Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Loss before income tax	(10,680)	(11,020)
Adjustments for:		
Depreciation of property, plant and equipment	820	1,280
Depreciation of right-of-use assets	792	2,317
Rent concessions	(1,065)	–
Finance income and finance costs, net	178	224
Fair value (gains)/losses on derivative financial instruments	(12)	34
Fair value losses on listed equity securities in Hong Kong	3,336	1,549
Share of results of a joint venture	60	245
Operating cash flows before changes in working capital	(6,571)	(5,371)
Changes in working capital:		
Inventories	(559)	101
Trade receivables	39	(593)
Prepayments, deposits and other receivables	3,800	2,253
Amounts due from/to related companies	(51)	(82)
Trade payables	(962)	(1,153)
Accruals, other payables and other non-current liabilities	(1,718)	(4,365)
Cash used in operations	(6,022)	(9,210)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

23 CONTINGENCIES

As at 30 September 2020, the Group did not have any significant contingent liabilities (31 March 2020: same).

24 CAPITAL COMMITMENT

As at 30 September 2020, there was no capital expenditure contracted for but not yet provided by the Group.

25 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 periods ended 30 September 2020 and 31 March 2020:

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 interim condensed consolidated financial information, the following transactions were carried out with related parties during the periods ended 30 September 2020 and 2019:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

25 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties

	Six months ended 30 September		Three months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Rental expenses				
Sky Right Investment Limited	936	1,410	231	705
Booking services fees				
Y's Japan Limited	1,438	1,407	723	722
Management services fee income				
Triplabs Ltd	72	72	36	36

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.

	Six months ended 30 September		Three months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Salaries and allowances	1,891	3,408	899	1,705
Discretionary bonuses	–	–	–	–
Pension costs — defined contribution plan	29	27	14	14
	1,920	3,435	913	1,719

(c) Amount due from a related company

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
— Y's Japan Limited	79	28

Amount due from a related company arising from trading activities were unsecured, interest-free, repayable on demand and denominated in JPY.