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WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8069)

DISCLOSEABLE TRANSACTION ACQUISITION OF CTEH SHARES IN THE OPEN MARKET

THE ACQUISITION

On 3 December 2018, the Company acquired an aggregate of 13,220,000 CTEH Shares in the open market for an aggregate consideration of approximately HK\$3.9 million (excluding stamp duty and related expenses) at an average price of approximately HK\$0.298 per CTEH Share.

Immediately upon completion of the Acquisition, the Company will hold an aggregate of 40,990,000 CTEH Shares, representing approximately 3.4% of the issued share capital of CTEH.

POSSIBLE FURTHER ACQUISITIONS

In order to increase and/or maintain its level of shareholding interests in CTEH, the Company may further acquire CTEH Shares at such time(s) and price(s) as the Directors may determine appropriate for the period of three months from the date of this announcement. The estimated aggregate consideration to be payable for the Acquisition and all Possible Acquisitions shall not exceed HK\$8,000,000, which was determined with reference to the maximum amount of funding presently expected to be available for such acquisitions.

GEM LISTING RULES IMPLICATIONS

Pursuant to the Cornerstone Investment as disclosed in the announcement of the Company dated 12 June 2018, the Company has subscribed 27,770,000 CTEH Shares, which constituted a discloseable transaction of the Company. Such Cornerstone Investment, the Acquisition and the Possible Acquisitions are required to be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 19.22 of the GEM Listing Rules. As the relevant applicable percentage ratios of the Cornerstone Investment, the Acquisition and the Possible Acquisitions in aggregate exceed 5% but are less than 25%, the Acquisition and the Possible Acquisitions and the transactions contemplated thereunder constitute discloseable transactions of the Company under Chapter 19 of the GEM Listing Rules and are subject to the reporting and announcement requirements under the GEM Listing Rules.

THE ACQUISITION

On 3 December 2018, the Company acquired an aggregate of 13,220,000 CTEH Shares in the open market for an aggregate consideration of approximately HK\$3.9 million (excluding stamp duty and related expenses) at an average price of approximately HK\$0.298 per CTEH Share.

As the Acquisition was made in the open market, the Company is not aware of the identities of the seller(s) of such CTEH Shares and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the seller(s) of such CTEH Shares and their ultimate beneficial owners is a third party independent of the Company and its connected persons.

Shareholding of the Company in CTEH

Immediately prior to the Acquisition, the Company held 27,770,000 CTEH Shares, representing approximately 2.3% of the issued share capital of CTEH. Immediately after completion of the Acquisition, the Company will hold an aggregate of 40,990,000 CTEH Shares, representing approximately 3.4% of the issued share capital of CTEH.

Consideration

The aggregate consideration of the Acquisition was approximately HK\$3.9 million (excluding stamp duty and related expenses), representing an average price of approximately HK\$0.298 per CTEH Share. As the Acquisition was conducted in the open market, the price of each trade represented the then market prices quoted on the Stock Exchange of the CTEH Shares at the relevant time of Acquisition.

The average acquisition price per CTEH Share represents:

- (a) a premium of approximately 12.5% to the closing price of HK\$0.265 per CTEH Share on 30 November 2018, being the last trading day of the CTEH Shares prior to the date of the Acquisition;

- (b) a premium of approximately 8.8% to the average closing price of approximately HK\$0.274 per CTEH Share for the five trading days up to and including 30 November 2018; and
- (c) a premium of approximately 7.2% to the average closing price of approximately HK\$0.278 per CTEH Share for the 10 trading days up to and including 30 November 2018.

The consideration of the Acquisition was funded by the Group's internal resources.

Completion

Settlement for the 13,220,000 CTEH Shares acquired by the Company under the Acquisition will take place on the second trading day after the orders regarding the Acquisition have been made.

POSSIBLE FURTHER ACQUISITIONS

In order to increase and/or maintain its level of shareholding interests in CTEH, the Company may further acquire CTEH Shares in the open market through the trading system of the Stock Exchange at such time(s) and price(s) as the Directors may determine appropriate for a period of three months from the date of this announcement.

Pricing of the CTEH Shares to be acquired

The consideration of each CTEH Share to be acquired under the Possible Acquisitions shall not exceed 110% of the higher of (i) the closing price for CTEH Shares on the last trading day prior to an acquisition; and (ii) the average price of CTEH Shares last acquired by the Company on a trading day prior to an acquisition.

Consideration of the Possible Acquisitions

The estimated aggregate consideration to be payable for all acquisitions under the Acquisition and the Possible Acquisitions will not exceed HK\$8,000,000, which was determined with reference to the maximum amount of funding presently expected to be available for such acquisitions. The actual consideration payable by the Company under the Acquisition and the Possible Acquisitions may be lower than such ceiling having regard to the then prevailing market price of the CTEH Shares and financial position of the Group that the Directors may consider appropriate from time to time.

The consideration payable under the Possible Acquisitions will be satisfied in cash and financed by the Group's internal resources.

Scope of authority of the Directors in acquiring CTEH Shares

The Directors will determine the number and price of CTEH Shares to be acquired on each occasion and the timing of each acquisition under the Possible Acquisitions, subject to the following:

- (i) no further CTEH Shares shall be acquired when the Company is directly or indirectly interested in 5% of the issued share capital of CTEH from time to time;

- (ii) no acquisition under the Possible Acquisitions can be made if, when aggregated with the Cornerstone Investment, the Acquisition and any other transaction pursuant to Rule 19.22 of the GEM Listing Rules, such acquisition will constitute a major transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules;
- (iii) an acquisition shall be made only when the Directors reasonably consider that the Group will have sufficient internal resources and cash flow after the acquisition; and
- (iv) all acquisitions will be made in the open market through the trading system of the Stock Exchange.

The Company will report on the details of the acquisitions under the Possible Acquisitions in the relevant quarterly, interim and annual reports of the Company.

Since the acquisitions will be conducted in the open market through the trading system of the Stock Exchange, the Company will be unable to know the identities of the sellers. The Directors will make all reasonable enquiries to confirm whether the sellers are third parties independent of the Company and its connected persons. In the event that the Company becomes aware that any CTEH Shares are to be acquired from a connected person of the Company, the Company will comply with the applicable GEM Listing Rules as and when necessary.

INFORMATION OF CTEH

CTEH is a company incorporated in Canada and registered by way of continuation in the Cayman Islands with limited liability. The CTEH Group is a long established air ticket consolidator, travel business process management provider and travel products and services provider in Canada and principally engaged in (i) air ticket distribution in which it distributes air tickets to travel agents and travelers and issue air tickets directly on behalf of contracted airlines; (ii) travel business process management in which it provides mid-office and back-office support services to travel agents; and (iii) travel products and services in which it designs, develops and sells package tours, as well as other travel products and services to travel agents and travelers.

The selected audited financial information of CTEH for the two years ended 31 December 2016 and 2017 is set out below:

	For the year ended	
	31 December	
	2016	2017
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Profit before income taxation	48,062	17,897
Profit after taxation	34,998	12,365

According to the interim report of CTEH for the six months ended 30 June 2018, the unaudited net asset value of CTEH as at 30 June 2018 was approximately HK\$153.0 million.

INFORMATION OF THE GROUP

The Group is one of the long-established and well-known travel agents in Hong Kong who markets its travel related products under the brand “縱橫遊” and principally engaged in (i) the design, development and sales of outbound package tours; (ii) the sales of air tickets and/or hotel accommodations; and (iii) the sales of ancillary travel related products and services.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE POSSIBLE ACQUISITIONS

The Group has been striving to explore investment opportunities that could create operating synergies, broaden its source of income, and enhance value to its shareholders. References are made to the Company’s announcement dated 12 June 2018 in relation to the Cornerstone Investment and the joint announcement issued by CTEH and the Company dated 25 October 2018 in relation to the formation of a joint venture company to develop, manage and operate the business of tourism and travel technology and other business closely related thereto. The Company’s investment into CTEH is expected to provide overseas development opportunity for the Group’s business, and CTEH Group and the Group may offer complementary advantages to each other on strategic development. The formation of the joint venture company is a step to cooperate and capitalise on both groups’ experience and expertise in the travel industry to create synergies and expand their scope of business. The Directors consider that the Acquisition and the Possible Acquisitions will further strength the strategic ties between CTEH Group and the Group and the acquisitions of CTEH Shares under the Acquisition and Possible Acquisitions are in line with the Group’s investment strategy and expected to bring investment returns to the Group.

Having considered the above, the Directors are of the view that the Acquisition and the Possible Acquisitions are in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Pursuant to the Cornerstone Investment, the Company subscribed 27,770,000 CTEH Shares, which constituted a discloseable transaction of the Company. Such Cornerstone Investment, the Acquisition and the Possible Acquisitions are required to be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 19.22 of the GEM Listing Rules. As the relevant applicable percentage ratios of the Cornerstone Investment, the Acquisition, and the Possible Acquisitions in aggregate exceed 5% but are less than 25%, the Acquisition, the Possible Acquisitions and the transactions contemplated thereunder constitute discloseable transactions of the Company under Chapter 19 of the GEM Listing Rules and are subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	acquisition of an aggregate of 13,220,000 CTEH Shares by the Company in the open market for total consideration of approximately HK\$3.9 million (excluding stamp duty and related expenses) on 3 December 2018
“Board”	the board of Directors
“Company”	WWPKG Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM (Stock Code: 8069)
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Cornerstone Investment”	the subscription of CTEH Shares as described in the announcement of the Company dated 12 June 2018
“CTEH”	CTEH INC. (加達控股有限公司), a company incorporated in Canada and registered by way of continuation in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1620)
“CTEH Group”	CTEH and its subsidiaries
“CTEH Share(s)”	ordinary share(s) with a nominal value of HK\$0.0001 each in the share capital of CTEH
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Possible Acquisitions”	possible acquisitions of CTEH Shares in the open market by the Company from time to time for a period of three months from the date of this announcement
“Shareholder(s)”	holder(s) of the shares of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By order of the Board
WWPKG Holdings Company Limited
Yuen Sze Keung
Chairman and Executive Director

Hong Kong, 3 December 2018

As at the date of this announcement, the executive Directors are Mr. Yuen Sze Keung, Ms. Chan Suk Mei and Mr. Yuen Chun Ning; and the independent non-executive Directors are Mr. Ho Wing Huen, Mr. Lam Yiu Kin and Mr. Yen Yuen Ho Tony.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the website of the GEM at www.hkgem.com for at least seven days from the date of its posting and on the Company’s website at www.wwpkg.com.hk.