



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

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

Stock Code: 8069

**2018/2019**

Third Quarterly Report

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### **Executive Directors:**

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

#### **Independent Non-executive Directors:**

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### COMPANY SECRETARY

Ms. Ng Ka Man, *ACS, ACIS*

### COMPLIANCE OFFICER

Mr. Yuen Chun Ning

### AUTHORISED REPRESENTATIVES

Mr. Yuen Sze Keung  
Mr. Yuen Chun Ning

### REGISTERED OFFICE

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

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

### COMPLIANCE ADVISER

Lego Corporate Finance Limited

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

Fairbairn Catley Low & Kong

### PRINCIPAL BANKERS

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

### AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants*

### STOCK CODE

8069

### COMPANY'S WEBSITE

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

## MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors of the Company (the “Board”) is pleased to announce the unaudited third quarterly financial results of the Group for the nine months ended 31 December 2018, together with the comparative figures for the corresponding period in 2017, as set out below.

### BUSINESS REVIEW

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

For the nine months ended 31 December 2018, the Group record a loss as compared to a profit recorded for the nine months ended 31 December 2017. Such turnaround from profit to loss was mainly attributable to (i) a fair value loss of approximately HK\$2.7 million recorded on the Company’s investment in the shares of CTEH INC. (“CTEH”); and (ii) the significant decrease in gross profit of Japan-bound package tours as a result of the following:

- sales performance (in terms of both number of tour participants and selling prices) for Japan-bound package tours during April 2017 was remarkable as the Easter holidays’ period coincided with the cherry blossom season;
- outbreak of measles in Okinawa, Japan that began in late March 2018 posed major negative impacts on customers’ desire to travel, hence leading to decreased revenues for the months of May and June 2018, including the Golden Week holiday;
- although a declaration of the end of the measles’ outbreak was made by the Okinawa Prefectural Government on 11 June 2018, travellers’ sentiment for visiting Japan remained generally low, especially considering families who were looking for summer holiday vacations during July and August;
- cancellation of package tours destined for Kansai region and Hokkaido prefecture due to typhoon and earthquake respectively in early September contributed to the loss of revenues and gross profits for the month of September 2018;
- travellers’ sentiment for visiting Japan continued to remain relatively low for the three months ended 31 December 2018, where despite being the popular period for viewing autumn leaves, the number of Hong Kong residents who visited Japan during October and November reported a year-on-year drop in six years since October 2013; and
- forfeiture incurred on flights operated increased substantially due to the abovementioned trend.

On 25 October 2018, the Board and the board of directors of CTEH jointly announced that WWPKG Management Company Limited (“WWPKG Management”) and CTEH Ventures Limited (“CTEH Ventures”), each being a wholly-owned subsidiary of the Company and of CTEH respectively, entered into a joint venture agreement (the “JV Agreement”) in relation to the subscription of shares of Triplabs (BVI) Limited (the “JV Company”). Pursuant to the JV Agreement, (i) CTEH Ventures subscribed for 50% of the JV Company’s issued share capital, which was satisfied by cash payment in the sum of HK\$15.0 million; and (ii) WWPKG Management subscribed for 50% of the JV Company’s issued share capital, which was satisfied by (1) cash payment in the sum of HK\$9.4 million; and (2) procuring Worldwide Package Travel Service Limited, being a wholly-owned subsidiary of the Company, transferring 100,000 ordinary shares of Airbare.com Limited, to the subsidiary of the JV Company.

As at 31 December 2018, the JV Company had investments in 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; and (v) artificial intelligence powered influencer marketing programme. Through operating the JV Company, the Group expects to expand its scope of business to tourism and travel technology and other businesses closely related hereto, so as to enhance its future earning capability and potential.

## FINANCIAL REVIEW

### Revenue and gross profit

The following table sets out the Group's revenue and gross profit by major category of products/services:

	Nine months ended 31 December				Three months ended 31 December			
	2018		2017		2018		2017	
	Revenue HK\$'million	%	Revenue HK\$'million	%	Revenue HK\$'million	%	Revenue HK\$'million	%
Package tours	251.3	98.5	324.5	98.1	90.8	98.5	111.2	98.4
FIT products <sup>Note</sup>	0.5	0.2	1.5	0.5	0.3	0.3	0.4	0.4
Ancillary travel related products and services <sup>Note</sup>	3.2	1.3	4.6	1.4	1.1	1.2	1.4	1.2
<b>Total</b>	<b>255.0</b>	<b>100.0</b>	<b>330.6</b>	<b>100.0</b>	<b>92.2</b>	<b>100.0</b>	<b>113.0</b>	<b>100.0</b>

	Nine months ended 31 December				Three months ended 31 December			
	2018		2017		2018		2017	
	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	19.0	7.6	41.6	12.8	6.4	7.0	17.3	15.6
FIT products <sup>Note</sup>	0.5	N/A	1.5	N/A	0.3	N/A	0.4	N/A
Ancillary travel related products and services <sup>Note</sup>	3.2	N/A	4.6	N/A	1.1	N/A	1.4	N/A
<b>Total</b>	<b>22.7</b>	<b>8.9</b>	<b>47.7</b>	<b>14.4</b>	<b>7.8</b>	<b>8.5</b>	<b>19.1</b>	<b>16.9</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

The Group's revenue from package tours decreased by 22.6% from approximately HK\$324.5 million for the nine months ended 31 December 2017 to approximately HK\$251.3 million for the nine months ended 31 December 2018, mainly due to the decrease in both number of tour participants and selling prices as discussed in the sub-section headed "Business Review" above. Gross profit margin from package tours decreased from 12.8% for the nine months ended 31 December 2017 to 7.6% for the nine months ended 31 December 2018, mainly due to (i) decrease in selling prices; (ii) increase in cost per customer as a result of the increase in land costs, air fare costs and forfeiture incurred on flights operated; and (iii) the operation of the Group's certain relatively low-priced tours with lower profit margins that were supported by the charter flights destined for Kumamoto in Japan launched between November 2017 and October 2018.

#### FIT products

The Group's revenue from the sales of the FIT products decreased from approximately HK\$1.5 million for the nine months ended 31 December 2017 to approximately HK\$0.5 million for the nine months ended 31 December 2018, mainly due to continuous keen competition from online agencies, booking platforms of hotels and budget airlines.

### *Ancillary travel related products and services*

Ancillary travel related products and services mainly include travel insurance, admission tickets to attractions such as theme parks and shows, local transportation such as airport transportation, overseas transportation such as rail passes, car rental, prepaid telephone and internet cards and travel visa applications. The Group's revenue from the sales of ancillary travel related products and services decreased from approximately HK\$4.6 million for the nine months ended 31 December 2017 to approximately HK\$3.2 million for the nine months ended 31 December 2018, mainly due to decrease in margin income from insurance companies for the sales of travel insurance to customers.

### **Selling expenses**

Selling expenses mainly consist of (i) advertising and promotion expenses, such as sponsoring television travel programmes and films, online and offline media advertisements, participating in tourism fairs and organising travel seminars; (ii) credit card and debit card charges in respect of payments from customers with credit cards and electronic payment services (EPS); and (iii) rental and related expenses for the Group's branches. Selling expenses decreased by 7.2% from approximately HK\$13.8 million for the nine months ended 31 December 2017 to approximately HK\$12.8 million for the nine months ended 31 December 2018, mainly due to (i) termination of the rental agreement of the Shatin branch of the Group; (ii) decrease in advertising and marketing expenses on the Group's traditional advertisements in newspapers and hardcopy magazines; and (iii) decrease in 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) rental and related expenses for the Group's office premises; (iii) office, telecommunication and utility expenses incurred in the Group's daily operations; (iv) legal and professional fees; and (v) other miscellaneous administrative expenses. Administrative expenses for the nine months ended 31 December 2018 remained relatively stable at approximately HK\$31.6 million as compared to the corresponding period in 2017.

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

The Group turned around from a profit and total comprehensive income of approximately HK\$1.5 million for the nine months ended 31 December 2017 to a loss and total comprehensive loss of approximately HK\$21.9 million for the nine months ended 31 December 2018, mainly due to (i) a fair value loss of approximately HK\$2.7 million recorded on the Company's investment in the shares of CTEH; (ii) decrease in gross profit of approximately HK\$25.0 million for reasons as discussed in the sub-sections headed "Business Review" and "Financial Review — Revenue and gross profit" above; and (iii) the increase in deferred income tax credit of approximately HK\$3.3 million.

## 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 travel television programmes, social media 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 experience; (ii) revamp the customer relationship management system to boost customer loyalty; and (iii) consider the development of a mobile application; and
- introducing new routes (including collaboration with airline suppliers to develop charter flights and/or charter routes), itineraries, activities and hotel accommodations from time to time in order to offer new and/or better travel experience to its customers.

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. Through the subscription of the shares of the JV Company as discussed in the sub-section headed "Business Review" above, leveraging on the Group's experience and network in travel agents business, while capitalising on CTEH's experience and expertise in air ticketing and related businesses, the Group expects to expand its scope of business to tourism and travel technology and other businesses closely related hereto, so as to enhance its future earning capability and potential.

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/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 December 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such director or chief executive is taken or deemed to have under such provision of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register of members of the Company, or which were required, pursuant to standard of dealings by Directors as referred to the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) *Long 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 for disclosed above, as at 31 December 2018, none of the Directors and chief executive of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register of members of the Company or which were required to be notified to the Company and the Stock Exchange, pursuant to standard of dealings by Directors as referred to the GEM Listing Rules.

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

As at 31 December 2018, the interest and short positions of the persons (other than the Directors or chief executive of the Company) in the Shares and underlying Shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

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

Name of Shareholder	Capacity/Nature	Number of Shares held/ interested in	Percentage of shareholding
WWPKG Investment <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 2018, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in the sub-section headed "Disclosure of Interests" above, at no time during the nine months ended 31 December 2018 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 and enhance the business growth of the Group.

During the nine months ended 31 December 2018, 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 2018.

## **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 2018.

## **DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS**

For the nine months ended 31 December 2018, each of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interests in any company that competes or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group.

## **INTERESTS OF THE COMPLIANCE ADVISER**

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Lego Corporate Finance Limited as its compliance adviser, which provides advices and guidance to the Company in respect of compliance with the GEM Listing Rules including various requirements relating to the Directors' duties. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 5 July 2016, neither the compliance adviser nor any of its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 December 2018.

## 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. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during the nine months ended 31 December 2018 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”) on 16 December 2016 with written terms of reference in compliance with the requirements as set out in Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee reviews, amongst others, the financial information of the Group; the relationship with and terms of appointment of the external auditors; and the Group’s financial reporting system, risk management and internal control systems, and provides advices and comments to the Board. The Audit Committee consists of three independent non-executive Directors, chaired by Mr. Lam Yiu Kin, and the other two members are Mr. Ho Wing Huen and Mr. Yen Yuen Ho Tony. The unaudited third quarterly financial results of the Group for the nine months ended 31 December 2018 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 2018

	Note	Nine months ended 31 December		Three months ended 31 December	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Revenue	3	255,041	330,567	92,177	113,059
Cost of sales	5	(232,339)	(282,894)	(84,411)	(93,938)
Gross profit		22,702	47,673	7,766	19,121
Other income and other (losses)/gains, net	4	(688)	(44)	3,732	23
Selling expenses	5	(12,842)	(13,798)	(4,346)	(4,892)
Administrative expenses	5	(31,619)	(31,661)	(10,595)	(11,337)
<b>Operating (loss)/profit</b>		(22,447)	2,170	(3,443)	2,915
Finance income/(costs), net	6	75	51	76	8
Share of results of joint ventures		(2,828)	–	(2,728)	–
<b>(Loss)/profit before income tax</b>		(25,200)	2,221	(6,095)	2,923
Income tax credit/(expense)	7	3,308	(761)	1,111	(621)
<b>(Loss)/profit and total comprehensive (loss)/ income for the period</b>		(21,892)	1,460	(4,984)	2,302
<b>(Loss)/profit and total comprehensive (loss)/ income attributable to:</b>					
Owners of the Company		(21,706)	1,457	(4,927)	2,275
Non-controlling interests		(186)	3	(57)	27
		(21,892)	1,460	(4,984)	2,302
Basic and diluted (loss)/earnings per share (expressed in HK cents)	8	(5.43)	0.36	(1.23)	0.57

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2018

	Attributable to owners of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 <i>(Note)</i>	Share-based payment reserve HK\$'000	Retained earnings HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
<b>Balance at 1 April 2018</b>	4,000	56,667	11,371	–	25,618	97,656	601	98,257
<b>Total comprehensive loss (unaudited)</b>								
Loss for the nine months ended 31 December 2018	–	–	–	–	(21,706)	(21,706)	(186)	(21,892)
<b>Total transactions with owners (unaudited)</b>								
Share-based payment	–	–	–	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>
<b>Balance at 1 April 2017</b>	4,000	69,166	11,371	–	34,876	119,413	622	120,035
<b>Total comprehensive income (unaudited)</b>								
Profit for the nine months ended 31 December 2017	–	–	–	–	1,457	1,457	3	1,460
<b>Total transactions with owners (unaudited)</b>								
Dividend paid	–	–	–	–	(20,000)	(20,000)	–	(20,000)
<b>Balance at 31 December 2017 (unaudited)</b>	<b>4,000</b>	<b>69,166</b>	<b>11,371</b>	<b>–</b>	<b>16,333</b>	<b>100,870</b>	<b>625</b>	<b>101,495</b>

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.

## 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 (i) the design, development and sales of outbound package tours; (ii) the sales of the FIT products; and (iii) the sales of ancillary travel related products and services.

The Shares were listed on GEM of the Stock Exchange on 12 January 2017.

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

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

### 2 BASIS OF PREPARATION

The unaudited condensed consolidated financial information for the nine months ended 31 December 2018 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 2018, except for the adoption of the new Hong Kong Financial Reporting Standards (“HKFRSs”) and amendments to HKFRSs that are relevant and effective for the annual period beginning on 1 April 2018. 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 2018 and interim condensed consolidated financial information for the six months ended 30 September 2018.

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

### 3 REVENUE

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

	Nine months ended 31 December		Three months ended 31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of package tours	251,374	324,533	90,806	111,168
Margin income from sales of the FIT products	487	1,461	275	448
Margin income from sales of ancillary travel related products and services	3,180	4,573	1,096	1,443
	255,041	330,567	92,177	113,059

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

	Nine months ended 31 December		Three months ended 31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Other income</b>				
Referral income	253	49	86	16
Management services fee income	12	–	12	–
Aviation business cooperation income	100	–	75	–
	365	49	173	16
<b>Other (losses)/gains, net</b>				
Exchange (losses)/gains, net	(970)	(116)	(143)	20
Fair value (losses)/gains on derivative financial instruments	(71)	24	(7)	(13)
Loss on disposal of property, plant and equipment	–	(1)	–	–
Fair value (losses)/gains on listed equity securities in Hong Kong	(2,672)	–	1,049	–
Gain on bargain purchase	2,500	–	2,500	–
Gain on disposal of interests in a joint venture	160	–	160	–
	(1,053)	(93)	3,559	7
<b>Other income and other (losses)/gains, net</b>	(688)	(44)	3,732	23

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

### 5 EXPENSES BY NATURE

The Group's 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	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Land costs <i>(Note)</i>	122,212	160,632	43,273	51,616
Air fare costs	109,689	121,619	40,954	42,126
Operating lease rentals of:				
— Office and branches premises	7,292	7,506	2,434	2,423
— Equipment rental	245	235	99	96
Advertising and promotion	4,983	5,550	1,715	2,201
Credit card fees	2,537	2,662	849	974
Employee benefits expenses, excluding Directors' benefits and interests				
— Salaries, discretionary bonus and allowances	16,252	16,041	5,441	5,334
— Pension costs - defined contribution plan	1,012	973	361	321
— Other employee benefits	305	203	46	97
	17,569	17,217	5,848	5,752
Directors' benefits and interests	3,603	3,615	1,200	1,204
Depreciation of property, plant and equipment	1,826	1,693	604	608
Office, telecommunication and utility expenses	921	1,182	311	345
Exchange (gains)/losses, net	(107)	94	1	43
Legal and professional fees	1,833	2,101	598	681
Auditor's remuneration				
— Audit services	850	848	323	275
Others	3,347	3,399	1,143	1,823
	276,800	328,353	99,352	110,167

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

**6 FINANCE INCOME/(COSTS), NET**

	Nine months ended 31 December		Three months ended 31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Finance income</b>				
Bank interest income	78	57	77	9
<b>Finance costs</b>				
Interest expense on obligations under finance leases	(3)	(6)	(1)	(1)
<b>Finance income/(cost), net</b>	<b>75</b>	<b>51</b>	<b>76</b>	<b>8</b>

**7 INCOME TAX CREDIT/(EXPENSE)**

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 2018 (nine months ended 31 December 2017: 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/(expense) credited/(charged) to the unaudited condensed consolidated statement of comprehensive income represents:

	Nine months ended 31 December		Three months ended 31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current income tax expense	–	(777)	–	(237)
Over-provision in prior years	50	–	50	–
Deferred income tax credit/(expense)	3,258	16	1,061	(384)
	<b>3,308</b>	<b>(761)</b>	<b>1,111</b>	<b>(621)</b>

## 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		31 December	
	2018	2017	2018	2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
(Loss)/profit attributable to owners of the Company (HK\$'000)	(21,706)	1,457	(4,927)	2,275
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)	(5.43)	0.36	(1.23)	0.57

#### (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 2018 (nine months ended 31 December 2017: same).

### 9 DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2018 (nine months ended 31 December 2017: same).

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

### 10 RELATED PARTY TRANSACTIONS

The Directors are of the view that the following individuals and companies were related parties that had transactions with the Group for the periods ended 31 December 2018 and 2017:

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 periods ended 31 December 2018 and 2017:

#### (a) Transactions with related parties

	Nine months ended 31 December		Three months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 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	237	59	78
<b>Tour bus services fee</b>				
JCS Limited	5,706	6,786	1,897	2,061
<b>Booking services fee</b>				
Y's Japan Limited	1,906	1,897	625	629
<b>Management services fee income</b>				
Triplabs Limited	12	–	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)

### 10 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 31 December		Three months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Salaries and allowances	5,058	4,933	1,650	1,645
Discretionary bonuses	–	–	–	–
Pension costs - defined contribution plan	32	44	9	14
	5,090	4,977	1,659	1,659

### 11 CONTINGENCIES

As at 31 December 2018, the Group did not have any significant contingent liabilities (31 December 2017: same).