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

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8069

2018/19

ANNUAL REPORT

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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.

This report will remain on the Stock Exchange website at http://www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting and will also be published on the website of the Company at http://www.wwpkg.com.hk.

The English text of this report shall prevail over the Chinese text in case of inconsistencies.

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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

COMPLIANCE ADVISER

Lego Corporate Finance Limited

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Fairbairn Catley Low & Kong

PRINCIPAL BANKERS

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

STOCK CODE

8069

COMPANY'S WEBSITE

http://www.wwpkg.com.hk

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of the Board of Directors of the Company (the "Board"), I hereby present the annual results of the Group for the financial year ended 31 March 2019.

OUR PERFORMANCE

The year ended 31 March 2019 was a challenging one for the Group as its sales performance was bombarded by unexpected macroeconomic conditions including the downturn led by the China-United States trade war, as well as natural disasters particularly in Japan including the outbreak of measles in Okinawa, typhoons and earthquakes in Kansai region and Hokkaido prefecture. For the year ended 31 March 2019, the Group recorded a decrease in revenue of 23.4% as compared to the year ended 31 March 2018, which was mainly due to the decrease in revenue from package tours by 23.4% led by the decrease in the number of tour participants by 25.6%. The Group's loss and total comprehensive loss increased from approximately HK$1.8 million for the year ended 31 March 2018 to approximately HK$33.4 million for the year ended 31 March 2019. The increase in loss magnitude was attributable to (i) decrease in gross profit from package tours as a result of the abovementioned decrease in the number of tour participants, the increase in cost per customer as a result of the increase in land costs, air fare costs and forfeiture incurred on flights operated, and 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; and (ii) a fair value loss recorded on the Company's investment in the shares of CTEH INC. ("CTEH").

BUSINESS REVIEW AND PROSPECTS

While using our best endeavors to weather the storm, we continued to spend much efforts to uphold the Group's market share in the travel service industry as well as to promote its brand recognition and awareness during the year ended 31 March 2019:

— Additional major enhancements to the Group's online sales platform were made to improve user interface design and user experience. Tasks were performed to increase our search engine optimisation ("SEO") ranking. Also, the Group's first travel blog was created to disseminate useful and timely travel-related content in order to promote engagement with audience.

— The Group kept a keen focus on effective marketing. Following the success of the two series of television travel programme titled "Kansai Raider I" and "Kansai Raider II" sponsored by the Group in 2016 and another series titled "Kyushu Raider" in 2017, the Group's spokesperson hosted another two series of television travel programme titled "Hokkaido Raider" and "Shoryudo Raider" during May to June 2018 and October to November 2018 respectively, which once again became highly rated. The Group continued to engage in an effective digital marketing campaign to promote its brand and travel products through various online social media and search engines to reach out to wider spectrum of potential customers.

— Customer care has always been of utmost importance to us. During the times when natural disasters struck during the year ended 31 March 2019 especially in Japan, the Group voluntarily cancelled certain package tour departures in order to overcome the tour participants' worries. Despite the related air fare costs could not be fully recovered from airline suppliers and hence recorded as forfeiture incurred, the Group's customers were appreciative of the Group's prompt response and actions.

— In view of a growing demand of independent travellers for guided local tours, the Group has recently launched such tours that spanned from one to four days covering popular travel destinations including Japan, China, Taiwan, Vietnam and Malaysia.

CHAIRMAN'S STATEMENT

We will continue to focus on marketing efforts to enhance our brand awareness and popularity of our products through digital marketing as well as conventional advertising. In consideration of the keen competition from online agencies, booking platforms of hotels, budget airlines and other competitors, we will continue to enhance our online sales platform to improve user experience and revamp our customer relationship management ("CRM") system to boost customer loyalty. We will continue to introduce new travel related products and services from time to time with the view of bringing new and/or better travel experience to our customers.

As at 31 March 2019, the Group owned approximately 3.6% of the issued share capital of CTEH, a long-established air ticket consolidator, travel business process management provider and travel products and services provider in Canada, with its shares listed on the Stock Exchange. As at 31 March 2019, Triplabs (BVI) Limited, a joint venture company set up by the Group and CTEH had investments in seven startup companies that engaged in tourism and travel technology related businesses. We consider that the Group's investment in CTEH and Triplabs (BVI) Limited's investments are in line with the Group's investment strategy and will bring returns to the Group. We also believe that all these investments will provide business development opportunities, and that the investees and the Group will offer complementary advantages to each other on strategic developments in the future.

APPRECIATION

On behalf of the Board, I would like to extend my sincere appreciation to all of our business partners, customers and shareholders of the Company (the "Shareholders") for their support. I would also like to thank our management team and staff for their hard work and contribution. With the unfailing faith and effort of our staff of all levels, I have every confidence that the Group will be able to create more values for our investors, and delightful travel experiences for our customers.

WWPKG Holdings Company Limited
Yuen Sze Keung
Chairman and Executive Director

Hong Kong, 12 June 2019

MANAGEMENT DISCUSSION AND ANALYSIS

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.

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:

	Year ended 31 March 2019			Year ended 31 March 2018		
	Revenue HK$ million	**Gross profit HK$ million**	**Gross Profit margin %**	Revenue HK$ million	Gross Profit HK$ million	Gross Profit margin %
Package tours	317.2	25.6	8.1	413.9	52.8	12.8
FIT products [Note]	0.8	0.8	N/A	1.5	1.5	N/A
Ancillary travel related products and services [Note]	4.6	4.6	N/A	5.7	5.7	N/A
Total	322.6	31.0	9.6	421.1	60.0	14.2

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 23.4% from approximately HK$413.9 million for the year ended 31 March 2018 to approximately HK$317.2 million for the year ended 31 March 2019, mainly due to decrease in the number of tour participants as discussed in the sub-section headed "Chairman's Statement — Our Performance" above. Gross profit margin from package tours decreased from 12.8% for the year ended 31 March 2018 to 8.1% for the year ended 31 March 2019, mainly due to (i) increase in cost per customer as a result of the increase in land costs, air fare costs and forfeiture incurred on flights operated; and (ii) 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 FIT products decreased from approximately HK$1.5 million for the year ended 31 March 2018 to approximately HK$0.8 million for the year ended 31 March 2019, 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$5.7 million for the year ended 31 March 2018 to approximately HK$4.6 million for the year ended 31 March 2019, mainly due to decrease in margin income from insurance companies for the sale of travel insurance to tour participants.

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 10.3% from approximately HK$18.5 million for the year ended 31 March 2018 to approximately HK$16.6 million for the year ended 31 March 2019, mainly due to (i) decrease in advertising and marketing expenses on the Group's traditional advertisements in newspapers and hardcopy magazines; and (ii) decrease in credit card charges and levy paid to Travel Industry Council of Hong Kong as a result of decreased number of tour participants.

ADMINISTRATIVE EXPENSES

Administrative expenses mainly consist of (i) staff costs, representing the Directors' remuneration and the salaries and benefits for the Group's administrative and operational staff; (ii) 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 year ended 31 March 2019 remained relatively stable at approximately HK$43.1 million as compared to the corresponding period in 2018.

LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR

The Group's loss and total comprehensive loss increased from approximately HK$1.8 million for the year ended 31 March 2018 to approximately HK$33.4 million for the year ended 31 March 2019, mainly due to (i) decrease in gross profit of approximately HK$29.0 million for reasons as discussed in the sub-sections headed "Chairman's Statement — Our Performance" and "Revenue and Gross Profit" above; and (ii) a fair value loss of approximately HK$3.9 million recorded on the Company's investment in the shares of CTEH.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position as at 31 March 2019 remained healthy with net assets value of approximately HK$67.4 million (31 March 2018: approximately HK$98.3 million). Including the short-term fixed deposit, the Group had total cash and cash equivalents of approximately HK$44.3 million as at 31 March 2019 (31 March 2018: approximately HK$81.0 million). The cash and bank balances of the Group were mainly denominated in Hong Kong Dollars, which accounted for 97.0% (31 March 2018: 95.4%) of the total balances.

Current ratio is calculated as current assets divided by current liabilities. The Group's current ratio as at 31 March 2019 was approximately 2.2 times (31 March 2018: approximately 2.8 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 31 March 2019, the Group was not at a net debt position (31 March 2018: Same).

PLEDGE OF ASSETS

As at 31 March 2019, the Group did not pledge any of its assets as securities for facilities granted to the Group (31 March 2018: Same).

CAPITAL EXPENDITURE

During the year ended 31 March 2019, the Group acquired property, plant and equipment, interests in joint ventures and financial assets at fair value through profit or loss at a total cost of approximately HK$27.4 million (2018: approximately HK$2.6 million), which was financed by internal resources of the Group or net proceeds from the initial public offering ("IPO") of the Company.

CAPITAL STRUCTURE

Details of changes in the Company's share capital are set out in Note 23 to the consolidated financial statements in this annual report.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

On 25 May 2018, the Group completed an acquisition of 20% of the issued share capital of Airbare.com Limited ("Airbare") by way of cash consideration of HK$600,000. 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) the transfer of all of the issued share capital of Airbare held to the subsidiary of the JV Company. Airbare ceased to be a joint venture of the Group upon the abovementioned transfer of its issued share capital on 29 November 2018.

On 12 June 2018, the Company entered into a cornerstone investment agreement with CTEH (as issuer), pursuant to which the Company subscribed for the shares of CTEH as a cornerstone investor with a total consideration of HK$10.0 million (excluding the relevant brokerage and levies). Pursuant to the announcement of the Company dated 3 December 2018, the Company continued to acquire shares of CTEH in the open market. As at 31 March 2019, the total number of shares of CTEH held by the Company amounted to 42,770,000 shares and a fair value loss of approximately HK$3.9 million was recognised in "other (losses)/gains, net" for the year ended 31 March 2019.

Save as disclosed above, there were no other significant investments, material acquisitions or disposals of subsidiaries by the Company during the year ended 31 March 2019.

CHARGE OVER THE GROUP'S ASSETS

As at 31 March 2019, the finance lease liabilities of approximately HK$0.02 million (31 March 2018: approximately HK$0.1 million) were secured by the Group's motor vehicles with aggregate net book value of approximately HK$0.2 million (31 March 2018: approximately HK$0.3 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, the Group did not have other plans for material investments or capital assets as of 31 March 2019.

CONTINGENT LIABILITIES

As at 31 March 2019, the Group had no significant contingent liabilities (31 March 2018: Same).

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 31 March 2019, the Group did not have any outstanding foreign exchange forward contract (31 March 2018: Same). Management will continue to evaluate the Group's foreign exchange risk management procedures and take actions as appropriate to minimise the Group's exposure whenever necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, the Group had a workforce of 138 employees (31 March 2018: 155), 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 year ended 31 March 2019 amounted to approximately HK$23.8 million (31 March 2018: approximately HK$24.8 million).

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 year ended 31 March 2019, 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 year ended 31 March 2019.

USE OF PROCEEDS

The adjusted net proceeds from the IPO of the Company, after deducting underwriting commissions and all related expenses, amounted to approximately HK$57.0 million (the "Net Proceeds"). As at 31 March 2019, the unused Net Proceeds of approximately HK$29.5 million were deposited into licensed banks in Hong Kong.

Due to the strategic decision of the Board and actual development of the Group, the Net Proceeds were not fully utilized as at 31 March 2019.

The following table sets forth the status of the use of the Net Proceeds as at 31 March 2019:

Objective	Adjusted allocation of Net Proceeds HK$ million	Amount utilised up to 31 March 2019 HK$ million	Balance as at 31 March 2019 HK$ million	Expected timeframe
Promoting brand recognition and awareness	25.4	(10.1)	15.3	To be used in one to two years by continuously engaging in various advertising and marketing campaigns
Strengthening and enhancing sales channels	14.2	(4.3)	9.9	To be used in one to two years for enhancements of the Group's online sales platform, incorporation of a new CRM system, refurbishment of existing branches and/or set up of a new branch
Improving operational efficiency	11.7	(7.4)	4.3	To be used in one to two years
General corporate and working capital purposes	5.7	(5.7)	–	
	57.0	(27.5)	29.5	

DIVIDENDS

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 final dividend for the year ended 31 March 2019 (2018: Nil). The Board will consider future dividend distribution in due course according to the Company's dividend policy.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

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, SEO and other conventional media advertisements such as newspapers and television commercials;

— continuing to (i) evaluate and optimise the Group's online sales platform to improve user interface design and user experience; (ii) revamp the CRM system to boost customer loyalty; and (iii) consider the development of a mobile application; and

— introducing new travel related products, services and elements (including new routes, itineraries, activities and hotel accommodations) from time to time in order to offer new and/or better travel experience to its customers.

The Group has been striving to explore investment opportunities that could create operating synergies, broaden its source of income, and enhance value to Shareholders. As at 31 March 2019, the JV Company had investments in seven startup companies that engaged in tourism and travel technology related businesses including (i) travel metasearch engines for flight tickets; (ii) data-centric advertising solutions; (iii) vacation photography booking platform; (iv) property standardisation and management system for budget and midscale hotels and guest houses; (v) artificial intelligence powered influencer marketing programme; (vi) technology infrastructure solutions for both online and offline travel agents; and (vii) social interaction and group-buying element incorporated travel activity platform. Through the subscription of the shares of the JV Company as discussed in the sub-section headed "Significant Investments Held And Material Acquisitions Or Disposals of Subsidiaries" above, leveraging on the Group's experience and network in travel agents business, and 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.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Yuen Sze Keung ("Mr. SK Yuen"), aged 67, joined the Group in 1984 and was appointed as the Chairman and an executive Director of the Company on 8 June 2016. He is a member of the Nomination Committee and Remuneration Committee of the Board. Mr. SK Yuen also serves as a director of Package Tours (Hong Kong) Limited and WWPKG Management Company Limited, which are subsidiaries of the Company.

Mr. SK Yuen has over 39 years of experience in the tourism industry. He has been involved in and played a critical role in the development of the Group's businesses. He has been responsible for the Group's major decision-making, overall strategic planning and determining corporate policies, as well as overseeing the accounting and human resources functions of the Group. Mr. SK Yuen is the spouse of Ms. Chan Suk Mei and the father of Mr. Yuen Chun Ning, both of whom are executive Directors.

Ms. Chan Suk Mei ("Ms. Chan"), aged 66, joined the Group in 1979 and was appointed as an executive Director of the Company on 8 June 2016. Ms. Chan also serves as a director of Package Tours (Hong Kong) Limited, Worldwide Package Travel Service Limited and WWPKG Management Company Limited, which are subsidiaries of the Company.

Ms. Chan has over 39 years of experience in the tourism industry. She has the overall responsibility for overseeing the Japan outbound tour services and administrative matters of the Group. Ms. Chan is the spouse of Mr. SK Yuen and the mother of Mr. Yuen Chun Ning, both of whom are executive Directors.

Mr. Yuen Chun Ning ("Mr. CN Yuen"), aged 41, joined the Group in 2005 and was appointed as the Chief Executive Officer, an executive Director and the compliance officer of the Company on 8 June 2016. Mr. CN Yuen also serves as a director of Worldwide Package Travel Service Limited and WWPKG Management Company Limited, and a managing director of Package Tours (Hong Kong) Limited, which are subsidiaries of the Company, and a director of Triplabs (BVI) Limited and Triplabs Limited, which are joint ventures of the Company.

Mr. CN Yuen obtained his Bachelor of Environmental Studies degree in Planning from the University of Waterloo, Canada in 2001, and his Master degree of Philosophy from the University of Cambridge, United Kingdom in 2002. Mr. CN Yuen joined the Group in 2005 and has gained over 13 years of experience in the tourism industry through managing the Group's operations. He has been responsible for managing all lines of businesses of the Group and its overall operations, as well as overseeing the Group's IT development. Mr. CN Yuen is the son of Mr. SK Yuen and Ms. Chan, both of whom are executive Directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ho Wing Huen ("Mr. Ho"), aged 73, was appointed as an independent non-executive Director on 16 December 2016. He is the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Board. Mr. Ho obtained his degree of Bachelor of Science (General) from The University of Hong Kong in 1966. He then obtained his Postgraduate Certificate in Education from The University of Hong Kong in 1971 and his degree of Master of Social Sciences in 1989. Mr. Ho is a Chartered Statistician of the Royal Statistical Society in the United Kingdom. Mr. Ho has over 41 years of experience in statistics. He worked in the Census and Statistics Department in Hong Kong since 1972 and retired as the Commissioner in 2006. He was a member of the (Hong Kong) Hang Seng Index Advisory Committee from 1994 to 2006. He was appointed an ordinary officer of the Most Excellent Order of the British Empire by the United Kingdom Government in 1993 and was awarded the Silver Bauhinia Star by the Hong Kong SAR Government in 2006.

Mr. Ho is currently a council member of the St. John's College of The University of Hong Kong. He holds the positions of adjunct professor in the Department of Statistics and Actuarial Science of The University of Hong Kong and adjunct professor in the Department of Statistics of The Chinese University of Hong Kong. Furthermore, he currently is an advisor of the Hong Kong College of Technology, an executive committee member of The Council of Hong Kong Professional Associations and a vice president of The Hong Kong Association for the Advancement of Science and Technology, a member of the Hospital Governing Committee of the Caritas Medical Centre and the chairman of the Hong Kong PHAB Association.

Mr. Lam Yiu Kin ("Mr. Lam"), aged 64, was appointed as an independent non-executive Director on 16 December 2016. Mr. Lam is the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Board. Mr. Lam obtained his Higher Diploma in Accountancy from The Hong Kong Polytechnic University in 1975 and was conferred an Honorary Fellow by The Hong Kong Polytechnic University in 2002. Mr. Lam is a fellow member of the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the Association of Chartered Certified Accountants, the Chartered Accountants of Australia and New Zealand and the Institute of Chartered Accountants in England & Wales. Mr. Lam has over 42 years of experience in accounting, auditing and business consulting. He was a member of the Listing Committee and the Financial Reporting Advisory Panel of the Stock Exchange from 1997 to 2003, a committee member of the HKICPA from 1994 to 2009, and an audit partner of PricewaterhouseCoopers from 1993 to 2013.

Mr. Lam is an independent non-executive director of COSCO SHIPPING Ports Limited (Stock Code: 1199), Global Digital Creations Holdings Limited (Stock Code: 8271), Nine Dragons Paper (Holdings) Limited (Stock Code: 2689), Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (Stock Code: 1349), Shougang Concord Century Holdings Limited (Stock Code: 103), Vital Mobile Holdings Limited (Stock Code: 6133), CITIC Telecom International Holdings Limited (Stock Code: 1883) and Bestway Global Holding Inc. (Stock Code: 3358), all of which are companies listed in Hong Kong, and Spring Asset Management Limited as the manager of Spring Real Estate Investment Trust (Stock Code: 1426), a real estate investment trust the units of which are listed in Hong Kong.

Mr. Yen Yuen Ho, Tony ("Mr. Yen"), aged 71, was appointed as an independent non-executive Director on 16 December 2016. Mr. Yen is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Board. Mr. Yen is a solicitor of Hong Kong and the United Kingdom. He is also a barrister and solicitor of Australia. From 1994 to 2008, Mr. Yen was the Law Draftsman of the Department of Justice of Hong Kong. He was also a member of the Hong Kong Government's Law Reform Commission. He was awarded the Silver Bauhinia Star by the Hong Kong Government in 2000. From 2011 to 2017, Mr. Yen was a member of the Hong Kong Government's Panel of Review Board on School Complaints.

Mr. Yen is currently an adjunct professor at the Hong Kong Shue Yan University and the Beijing Normal University. Mr. Yen is an honorary court member of the Hong Kong University of Science and Technology and an honorary fellow of the Faculty of Education, The University of Hong Kong. He is the director of two secondary schools, the vice president of the Neighbourhood Advice Action Council and a member of Heep Hong Society's Executive Council. He is an honorary adviser to Pok Oi Hospital and the Hong Kong Academy of Nursing.

Mr. Yen is an independent non-executive director of Alltronics Holdings Limited (Stock Code: 833), Jinchuan Group International Resources Co. Ltd (Stock Code: 2362) and Panda Green Energy Group Limited (Stock Code: 686), all of which are companies listed in Hong Kong.

SENIOR MANAGEMENT

Ms. Hon Piu Kwun Queenie ("Ms. Hon"), aged 41, is the chief financial officer of the Group. Ms. Hon obtained her degree of Bachelor of Commerce in Finance and Accounting from the University of Toronto, Canada in 2001. She became a certified public accountant under the Delaware State Board of Accountancy, United States in 2005. Ms. Hon is a fellow member of the American Institute of Certified Public Accountants. Prior to joining the Group in 2015, Ms. Hon worked in Arthur Andersen, which has been combined with PricewaterhouseCoopers, between 2001 and 2015 with her last position as senior manager of assurance department in PricewaterhouseCoopers. She has over 17 years of experience in accounting, auditing and business consulting. She has been responsible for the supervision and management of financial activities of the Group.

Mr. Lai Ka Fai ("Mr. Lai"), aged 40, is the IT manager of the Group. Mr. Lai attained his Higher Diploma in Computer Studies from the City University of Hong Kong in 1998. He later received his degree of Bachelor Science in Information Systems from the Staffordshire University, United Kingdom by way of online distance learning in 2002. Mr. Lai joined the Group in 1999 as a project executive and was promoted to the position of IT manager in 2011. He has been responsible for the supervision of the IT department and development of IT projects.

Mr. Mak Shing Yip ("Mr. Mak"), aged 45, is the operating manager of the Group. Mr. Mak obtained his degree of Master of Business Administration from Honolulu University, the United States by way of online distance learning in 2010. Mr. Mak joined the Group in 1991 as an operation clerk and was promoted to the position of meetings, incentives, conferences and events ("MICE") team salesperson in 1994, branch manager in 2000 and subsequently operating manager in 2006. He has gained over 27 years of experience in the tourism industry through servicing in the Group. He has been responsible for overseeing the Group's outbound tours and MICE tour operations.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the year ended 31 March 2019.

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 and enhance the business growth of the Group.

During the year ended 31 March 2019, the Company has complied with all the code provisions as set out in the CG Code.

BOARD OF DIRECTORS

As at 31 March 2019 and at the date of this annual report, the Board comprises:

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

The Chairman and executive Director, Mr. SK Yuen, is the spouse of Ms. Chan, an executive Director, and the father of Mr. CN Yuen, the Chief Executive Officer and an executive Director. All of the executive Directors are interested in the shares of the Company (the "Shares") through their interest in WWPKG Investment Holdings Limited ("WWPKG Investment"), the ultimate holding company of the Group. Please refer to the section headed "Biographical Details of Directors and Senior Management" and sub-sections headed "Report of the Directors — 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" and "Report of the Directors — Connected Transactions" on pages 11 to 13, pages 41 to 42 and pages 43 to 45 in this annual report respectively for more details. Save as disclosed above, the Directors and the senior management have no other financial, business, family or other material/relevant relationships with one another.

Each independent non-executive Director has given an annual written confirmation of his independence to the Company, and the Company considers them to be independent under Rule 5.09 of the GEM Listing Rules.

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 year ended 31 March 2019.

CORPORATE GOVERNANCE REPORT

RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies; authorising the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the risk management and internal control systems; and setting the Group's values and standards. The day-to-day management, administration and operation of the Group are delegated to the executive Directors. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

During the year ended 31 March 2019, the Board has met at all times the requirements under Rules 5.05(1) and 5.05(2) of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has also complied with Rule 5.05A of the GEM Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors in respect of any legal actions taken against the Directors arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure a balance of power and authority, the role of the Chairman is separated from that of the Chief Executive Officer. Currently, the Chairman and the Chief Executive Officer of the Company are Mr. SK Yuen and Mr. CN Yuen respectively. The Chairman is responsible for the leadership of the Board, ensuring the effectiveness of the Board in all aspects of its role, while the Chief Executive Officer is delegated with the authorities and responsibilities of overall management, business development and implementation of the Group's strategy determined by the Board in achieving its overall commercial objectives. The division of responsibilities between the Chairman and the Chief Executive Officer has been clearly established and set out in writing.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The current articles of association of the Company (the "Articles of Association") provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

Independent non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election in accordance with the Articles of Association. The term of appointment of the independent non-executive Directors is set out in the sub-section headed "Report of the Directors — Directors' Service Contracts" on page 41 in this annual report. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence and must provide an annual confirmation of his independence to the Company.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company continuously updates the Directors on the Group's businesses and the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. During the year ended 31 March 2019, each of the Directors (namely, Mr. SK Yuen, Ms. Chan, Mr. CN Yuen, Mr. Ho, Mr. Lam and Mr. Yen) participated in appropriate continuous professional development activities by way of attending director training webcasts and in-house training.

BOARD MEETINGS

The Board meets regularly and Board meetings are held at least four times a year at approximately quarterly intervals and at other times as necessary.

Set out below are details of the attendance records of each Director at the Board meetings, committee meetings and general meeting of the Company held during the year ended 31 March 2019:

	Number of meetings attended/held				
Name of Directors	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	General Meeting
Executive Directors					
Mr. Yuen Sze Keung	4/4	N/A	1/1	1/1	1/1
Ms. Chan Suk Mei	4/4	N/A	N/A	N/A	1/1
Mr. Yuen Chun Ning	3/4	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Mr. Ho Wing Huen	4/4	4/4	1/1	1/1	1/1
Mr. Lam Yiu Kin	4/4	4/4	1/1	1/1	1/1
Mr. Yen Yuen Ho Tony	4/4	4/4	1/1	1/1	1/1

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance function such as (i) developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of the Directors and senior management of the Company, (ii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, (iii) developing, reviewing and monitoring the code of conduct of the Directors, and (iv) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Board holds meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Draft minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The company secretary of the Company (the "Company Secretary") is responsible for keeping the minutes of all meetings of the Board and the Board's committees.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that all required procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

BOARD COMMITTEES

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee. All the Board Committees perform their distinct roles in accordance with their respective terms of reference, which are in compliance with the GEM Listing Rules and the CG Code and are available on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

AUDIT COMMITTEE

The Audit Committee currently consists of three members, namely Mr. Lam Yiu Kin (chairman of the Audit Committee), Mr. Ho Wing Huen and Mr. Yen Yuen Ho Tony, all being independent non-executive Directors. The Audit Committee has reviewed this annual report, including the audited consolidated results of the Group for the year ended 31 March 2019.

The Audit Committee performs, amongst others, the following functions:

— To review the financial information of the Group.

— To review the relationship with and terms of appointment of the external auditor.

— To review the effectiveness of the Company's internal audit function.

— To review the effectiveness and adequacy of the Company's financial reporting system, risk management and internal control systems.

According to the current terms of reference, the Audit Committee shall meet at least four times for a financial year. During the year ended 31 March 2019, four meetings of the Audit Committee were held to review the unaudited consolidated quarterly results, the unaudited consolidated interim results and the audited consolidated annual results of the Group and make recommendations to the Board; to review the effectiveness of risk management and internal control systems, including the risk register and assessment conducted by management and the report on internal controls review as prepared by an independent professional consultant; to review the continuing connected transaction; and to make recommendations to the Board on the re-appointment of external auditor.

REMUNERATION COMMITTEE

The Remuneration Committee currently consists of four members, namely Mr. Yen Yuen Ho Tony (chairman of the Remuneration Committee), Mr. Ho Wing Huen and Mr. Lam Yiu Kin, all being independent non-executive Directors, and Mr. Yuen Sze Keung, being an executive Director.

The primary duties of the Remuneration Committee are:

— To make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

— To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.

— To make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment).

— To make recommendations to the Board on the remuneration of non-executive Directors.

— To ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

During the year ended 31 March 2019, one meeting of the Remuneration Committee was held to review the remuneration packages of individual executive Directors and senior management for submission to the Board for approval.

Details of the emoluments of the Directors during the year ended 31 March 2019 are set out in Note 9 to the consolidated financial statements in this annual report. The emoluments paid to the senior management of the Group, who were not directors of the Company during the year ended 31 March 2019 were within the following bands:

Remuneration band	Number of individuals
Nil to HK$1,000,000	2
HK$1,000,000 to HK$2,000,000	1

NOMINATION COMMITTEE

The Nomination Committee currently consists of four members, namely Mr. Ho Wing Huen (chairman of the Nomination Committee), Mr. Lam Yiu Kin and Mr. Yen Yuen Ho Tony, all being independent non-executive Directors, and Mr. Yuen Sze Keung, being an executive Director.

The primary duties of the Nomination Committee are:

— To review the structure, size and diversity of the Board at least annually.

— To identify individuals suitably qualified to become Board members.

— To assess the independence of independent non-executive Directors.

— To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

Where vacancies on the Board exist or an additional Director is considered necessary, the Nomination Committee will identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of candidates nominated for directorships. The Nomination Committee will take into account the qualification as required by the GEM Listing Rules, including skills, knowledge and working experience, etc. of the candidates and approve if such appointment is considered suitable.

During the year ended 31 March 2019, one meeting of the Nomination Committee was held to review the retirement and re-election of Directors for the 2018 annual general meeting; to review the independence of the independent non-executive Directors; and to review the structure, size and diversity of the Board.

BOARD DIVERSITY POLICY

The Board has established a board diversity policy. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee has reviewed the Board composition pursuant to the above policy and the requirements of the GEM Listing Rules, and considers that the current composition of the Board is characterised by diversity. For details on the composition of the Board, please refer to section headed "Biographical Details of Directors and Senior Management" in this annual report. The Nomination Committee will review the board diversity policy, as appropriate, to ensure its continued effectiveness.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error. The responsibility of the external auditor is to form an independent opinion, based on their audit, on the Group's consolidated financial statements prepared by the Directors and to report its opinion to the Shareholders. A statement by the auditor about their reporting responsibility is set out in the "Independent Auditor's Report" in this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness. These systems are established within the Group for facilitating effective and efficient operations, for safeguarding assets against unauthorised use, for maintaining proper accounting records, for ensuring the reliability of financial reporting and information, and for ensuring compliance with applicable laws and regulations. These systems are designed to meet the Group's particular needs and to minimise the risks to which the Group is exposed, and are designed to manage rather than eliminate the risks to achieve business objectives and by their nature, can only provide reasonable but not absolute assurance against material misstatement or loss.

Executive Directors monitor the business activities closely and management meetings are convened periodically to discuss financial, operational and risk management controls. The key elements of the Group's risk management and internal control systems include the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

The Group has engaged an independent professional consultant to establish and maintain an internal audit function which reports functionally to the Audit Committee. Based on the results of an enterprise-wide risk assessment, a three-year internal audit plan was developed to determine the nature and timing of internal audit activities to cover business activities with material risks across the Group. The three-year internal audit plan, which covers the financial years ended/ending 31 March 2018, 2019 and 2020 has been approved by the Audit Committee. Such plan is subject to annual updates and any major changes to the plan will be reviewed and approved by the Audit Committee.

During the year ended 31 March 2019, internal audit projects covering (i) human resources and payroll functions and (ii) package tour operations management were executed in accordance with the approved internal audit plan. All internal control deficiencies identified were communicated to the management, and significant internal control deficiencies were summarized and reported to the Audit Committee. Remedial actions to mitigate the associated risks have already been implemented in stages by the Group to further improve its risk management and internal control systems.

The Board with the assistance of the Audit Committee has conducted a review of the effectiveness of the Group's risk management and internal control systems. Considering the abovementioned corrective measures and improvements that had been taken by management, the Board is satisfied with the effectiveness and adequacy of the internal control and risk management systems of the Group for the year ended 31 March 2019.

DIVIDEND POLICY

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall strike a balance between making an efficient use of capital to strengthen the Group's business development and rewarding the Shareholders. The Company does not have a pre-determined dividend payout ratio. The Board has the full discretion to declare and distribute dividends to the Shareholders, and any final dividend for a financial year will be subject to Shareholders' approval. In proposing any dividend payout, the Board shall take into account, among other things, the Group's financial results, financial position, cash flow situation, business conditions and strategies, expected future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends and any other factors the Board may consider relevant. Any payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands, the Articles of Association and all other applicable laws and regulations.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities and Futures Ordinance ("SFO") and the GEM Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

AUDITOR'S REMUNERATION

During the year ended 31 March 2019, the fees paid/payable to the Company's external auditor are set out as follows:

	Fee paid/ payable HK$'000
Audit services	1,100
Non-audit services	360

The amount for non-audit services comprised tax advisory and risk consulting services.

COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board procedures are followed and facilitating communications among Directors as well as with Shareholders and management.

During the year ended 31 March 2019, the Company Secretary was Ms. Ng Ka Man ("Ms. Ng"), a manager of the Listing Department of TMF Hong Kong Limited, which is an external company secretarial service provider engaged by the Company. Ms. Ng provided company secretarial services to the Company and reported to the primary corporate contact person of the Company, Ms. Hon, the chief financial officer of the Group.

Ms. Ng obtained her master degree in Corporate Governance from The Open University of Hong Kong in 2011. She is an associate member of the Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom.

During the year ended 31 March 2019, Ms. Ng undertook no less than 15 hours of relevant professional training to update her skill and knowledge.

COMPLIANCE OFFICER

Mr. CN Yuen, the Chief Executive Officer and an executive Director, is the compliance officer of the Company. Please refer to his biographical details as set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhance investor relations. It is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investors.

The Company updates its Shareholders on its latest business developments and financial performance through its quarterly, interim and annual reports. The corporate website of the Company (www.wwpkg.com.hk) has provided an effective communication platform to the public and the Shareholders.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2019, there had been no change in the Company's constitutional documents.

SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide the Shareholders with detailed information about the Company so that they can exercise their rights as Shareholders in an informed manner.

The Company uses a range of communication tools to ensure its Shareholders are kept well informed of key business imperatives. These include general meetings, annual, interim and quarterly reports, various notices, announcements and circulars. The annual general meeting and other general Shareholders meetings of the Company are primary forums for communication between the Company and its Shareholders. The Company provides Shareholders with relevant information on the resolution(s) proposed at general meetings in a timely manner in accordance with the GEM Listing Rules. The information provided is reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the meetings.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting ("AGM") of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an AGM, shall be called an extraordinary general meeting ("EGM").

RIGHT TO CONVENE EXTRAORDINARY GENERAL MEETING

Any one or more member(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal place of business in Hong Kong as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the Company Secretary at the Company's principal place of business in Hong Kong at Unit 706–708, 7/F, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionist(s).

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified not in order, the Shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitionist(s) concerned at the EGM is at least 14 clear days' notice in writing (and not less than 10 clear business days).

RIGHT TO SEND ENQUIRIES TO THE BOARD

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong or by e-mail to ir@wwpkg.com.hk for the attention of the Company Secretary.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Pursuant to Article 113 of the Articles of Association, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected shall have been lodged at the head office or the registration office of the Company provided that the minimum length of the period, during which such notice(s) are given, shall be at least 7 days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the GEM Listing Rules and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions.

CONCLUSION

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of the Group's businesses and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and the CG Code and align with the latest developments.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

The Board hereby presents the Environmental, Social and Governance ("ESG") report of the Group for the year ended 31 March 2019. This ESG report was prepared according to the "comply or explain" provisions set out in Appendix 20, "Environmental, Social and Governance Reporting Guide" (the "ESG Reporting Guide") to the GEM Listing Rules.

The Board has overall responsibility for the Group's ESG strategy and reporting. A management team is designated to handle ESG related matters and relevant staff members are appointed to execute and monitor the implementation of ESG policies. The Group is committed to making continuous improvement in respect of environmental and social responsibilities and is pleased to present the ESG report to demonstrate its effort in sustainable development.

Unless otherwise specified, this ESG report covers the operations of the Group's head office and its four branches in Hong Kong.

STAKEHOLDER ENGAGEMENT

The Group recognises the importance of communication with stakeholders. As such, the Group makes use of various channels to listen to their expectations of the Group. Major stakeholders, whose opinions have great significance to the daily operations of the Group, include employees, customers, suppliers, investors and government and industry bodies. Different channels to communicate with different stakeholders at different intervals have been established in an effort to enhance the Group's management standard and operational efficiency.

The AGM of the Company provides an effective platform for the Board to exchange opinions with the Shareholders. The Group's overall performance is also reported to all investors in its quarterly, interim and annual reports. With an aim to maintain close relationships with customers, suppliers and other stakeholders, the Group maintains communication with them from time to time via visits, teleconferences or meetings (for example, quality review meetings with suppliers), mails and emails, with a view to listen to their opinions and demands. Regarding the Group's internal stakeholders, the Chief Executive Officer holds weekly meetings with departmental heads and branch supervisors to elaborate on the Group's business strategies, encourage the exchange of ideas and promote their sense of belongings.

A. ENVIRONMENTAL SUSTAINABILITY

The Group's daily operations and its package tour arrangements are causing an impact on the environment in terms of the consumption of energy and emissions from transportation. The Group is committed to strike a balance between business development and environmental protection on the road to sustainable development. The Group has begun to collect and analyse environmental data and will continue to enhance its staff's performance and awareness on environmental protection. During the year ended 31 March 2019, there was no violated case related to environmental regulations.

A1. Emissions

The Group primarily engages in the provision of travel-related products and services. In view of its principal business activities, the Group is not aware of any relevant laws and regulations that have a significant impact on itself in respect of air emissions, discharges into water and land, and generation of hazardous and non- hazardous wastes.

The Group considers greenhouse gas emissions reduction as one of its long-term objectives. Led by the tour escorts, package tours organised by the Group departed from Hong Kong. The emissions of the tours arising from air transportation cause pollution to the environment. When selecting airline suppliers, their environmental protection policies are considered by the Group in the hope of minimising the damage to the environment without compromising the tour operations. During the year ended 31 March 2019, the Group's total greenhouse gas emissions were approximately 1,720 tonnes of carbon dioxide equivalent (2018: 1,748 tonnes).

Hazardous wastes, which mainly include fluorescent light bulbs and toner cartridges for printers, are collected and disposed by property management offices and licensed contractors respectively. Printed flyers used to be the traditional method to showcase the Group's travel-related products to its customers. With the establishment of the Group's online sales platform, product flyers can now be easily downloaded online and shared via emails or mobile messaging applications. Product flyers will only be printed when needed. Please refer to the sub-section headed "A3. The Environment and Natural Resources" below for details on the reduction initiatives implemented in respect of the use of paper. During the year ended 31 March 2019, approximately 10 tonnes of non-hazardous office wastes were generated (2018: 11 tonnes).

A2. Use of Resources

The Group's head office and its branches are primarily for office use, with electricity as the greatest consumption. The following table sets out the Group's use of resources:

Resources	Unit	Year ended 31 March 2019	Year ended 31 March 2018	Movement
Electricity	Kwh	184,021	184,647	↓0.3%
Water	Litres	167	181	↓7.7%

Energy consumption

The Group takes various environmental protection measures to reduce the use of resources and creates a greener working environment with the following measures:

- Use natural lighting and energy-saving lighting system in the office premises

- Zone air conditioning and lighting systems
- Maintain room temperature at 25.5°C
- Clean air conditioning systems and filters regularly to improve efficiency
- Use environmental-friendly and energy-saving office equipment, such as fax and copy machines
- Circulate notices demanding staff members to shut down computers, lightings, copy machines and printers after work

Water consumption
Due to the fact that washrooms and pantries are shared amongst occupants of the entire buildings and patrons at which the Group's head office and branches are situated, water is effectively considered as a minor consumption and there is no material issue in sourcing water that is fit for purpose.

Packaging materials
Minimal packaging materials have been used as a result of the nature of the Group's businesses as a travel agent.

A3. The Environment and Natural Resources

Printed materials are indispensable to the Group's operations despite advancements in electronic systems. To reduce the use of paper in its operations, the Group has implemented the following measures:

- Print product flyers only at the request of customers or when needed
- Set up paper recycling facilities in the head office and all branches
- Use paper with international environmental certification only
- Add a reminder in emails encouraging staff members to print only when necessary
- Use copy machines and printers with double-sided and black-and-white printing functions
- Circulate internal notices by electronic means, such as intranet or emails
- Despatch internal documents in reusable envelopes
- Use e-Fax and print only when necessary to reduce the use of paper
- Reuse single-sided old documents as draft or recycled paper

The Group's principal business activities do not have significant impact on the environment and natural resources. Environmental protection is an ongoing process. The Group is working to improve its environmental policies and strengthen enforcement to promote a green working environment.

B. SOCIAL SECURITY

EMPLOYMENT AND LABOUR PRACTICES

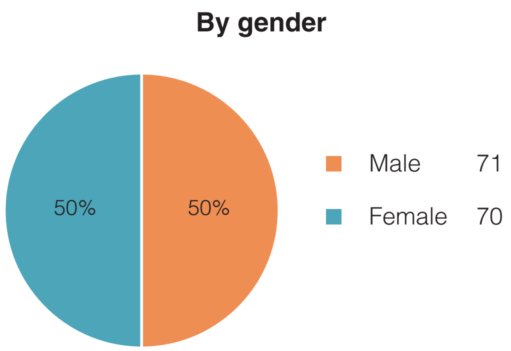
B1. Employment

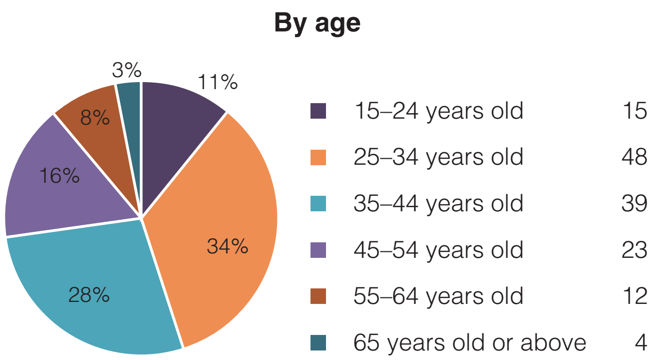
The Group adopts a fair recruitment policy that prohibits damage to equal employment opportunity or unfair treatment caused by factors such as ethnicity, race, gender, religious belief, social origin or identity, geographic location, age, physical condition and marital status. Only the capabilities of candidates and the needs of the Group will be considered during recruitment. The Group strictly complies with the Employment Ordinance and the Mandatory Provident Fund Schemes Ordinance of Hong Kong and has relevant policies and procedures in place. The Group's promotion policy primarily depends on the length of service of the employees and their performance appraisals. An internal transfer programme is also in place to minimise staff turnover. In the past, employees applied for internal transfers for reasons concerning overseas travelling, continuous education, family and other matters. The Group used its best endeavours to accommodate their applications and make arrangements according to their will and job commitment and situation. During the year ended 31 March 2019, the Group has not identified any complaints or violation of laws in relation to compensation and dismissal, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti-discrimination and other entitlements and benefits.

The Group has to respond swiftly to the changing tourism market. To attract new talents, the Group offers competitive remuneration packages to employees. However, salary alone is not enough to retain outstanding employees, a suitable working environment and benefits are taken into consideration as well. In this regard, the Group provides flexible and diversified benefits to suit the actual needs of its staff members. Morale among the staff members is also boosted by a dynamic working environment. During the year ended 31 March 2019, the Group organised lunch gatherings and Christmas gala for its employees that facilitated inter-departmental interactions and exchange of ideas. The Group fully understands the importance of work-life balance and allow staff members to get off early on festivals as well as provide them with special offers to travel with families and friends. During the year ended 31 March 2019, the Group was nominated and awarded as a "Family-Friendly Employer" by the Home Affairs Bureau and the Family Council.

As at 31 March 2019, the Group had a workforce of 141 employees, including the 3 executive Directors, who are all located in Hong Kong (31 March 2018: 158 employees).

Overview of the Group's employees as at 31 March 2019





The Group's employee turnover rate	Unit	Year ended 31 March 2019	Year ended 31 March 2018
Total turnover rate	percentage (%)	3.3	2.3
By gender			
Male	percentage (%)	3.2	1.2
Female	percentage (%)	3.3	3.7
By age			
15–24 years old	percentage (%)	6.1	6.5
25–34 years old	percentage (%)	4.0	3.1
35–44 years old	percentage (%)	2.4	1.0
45–54 years old	percentage (%)	2.9	0.7
55–64 years old	percentage (%)	1.4	0.8
65 years old or above	percentage (%)	–	–

B2. *Health and Safety*

The health and safety of employees are always the Group's top priority under any circumstance. The Group provides a safe working environment to its employees in order to achieve zero accident. In the event of natural disasters or when the Outbound Travel Alert is issued by the Hong Kong Government, the Group may change or cancel the tour itinerary accordingly. The Group understands the unpredictability of the conditions when working abroad. As such, in addition to purchase of the employees' compensation insurance policy as required by the Employees' Compensation Ordinance of Hong Kong, every tour escort of the Group has been covered by corporate business travel insurance policy for additional protection while on tour.

To enhance the Group's responsiveness to emergencies and accidents, the Group has established the Emergencies and Accidents Handling Policy that provides details of a three-tier contingency plan and protocols for any possible incident, pursuant to which effective measures will be implemented promptly to protect lives and personal properties. In the unfortunate event of emergencies, a crisis management command centre will be set up by the Group immediately comprising representatives from various departments, as led by the Chairman and the Chief Executive Officer to direct and supervise different departments to gather real-time information and contact relevant parties to take effective measures and follow-up actions. Depending on the severity of the emergency situation, the Group will take appropriate actions such as (i) adjusting itinerary of the tours to avoid going to the affected areas; (ii) keeping contact with the tour escorts and land operators to ensure the Group's customers and tour escorts are safe and that they will be afforded such assistance as may be required; (iii) arranging with airlines for early return of the Group's customers and tour escorts to Hong Kong; and (iv) contacting the insurance company and informing the TIC, the TAR, the Security Bureau and Immigration Department of the Hong Kong Government and the PRC Embassy in the affected destination to coordinate and render all necessary assistance to the Group's customers and tour escorts.

The Group has stipulated safety guidelines in accordance with the Occupational Safety and Health Ordinance of Hong Kong. Besides interior decoration, the design of the Group's branches also takes occupational safety and practicality into account. For instance, desk height is designed to match the height of most staff members and facilitate communication with customers. Suggestion boxes are available in the Group's office premises to collect opinions about occupational safety and other issues anonymously for the consideration of the human resources department. The Group has not identified any casualties and accidents in relation to workplace health and safety, hence no material non-compliance relating to working environment and protecting employees from occupational hazards, during the year ended 31 March 2019.

B3. Development and Training

Quality service is the key to the Group's success. As service quality is reflected by the performance of its employees, the Group recognises the importance of different types of training available to its employees. New employees are invited to the orientation programme followed by one-to-one on-the-job coaching to learn about frontline and back office operations. It is necessary to provide clear and detailed product information to customers. In this respect, the Group organises product training for frontline staff regularly so that they can keep up with the latest product information and market news and in turn promote better interaction with customers.

Classroom training distribution	**Unit**	**Year ended 31 March 2019**	Year ended 31 March 2018
Total training hours	hours	1,707	1,964
Average training hours			
Male	hours	29	33
Female	hours	36	31
Senior management	hours	47	56
Middle management	hours	43	33
Supervisors	hours	51	74
General staff	hours	19	11
Percentage of trained employees by category			
Male	percentage (%)	23.9	27.9
Female	percentage (%)	47.1	51.4
Senior management	percentage (%)	66.7	100.0
Middle management	percentage (%)	100.0	100.0
Supervisors	percentage (%)	100.0	100.0
General staff	percentage (%)	20.2	27.1

Apart from classroom training, the Group strongly believes that practical training is more effective in understanding the needs of its customers and business operations. Learning tours have been arranged for frontline staff and staff members of product development department and tour operations department, who would accompany the Group's package tours led by the tour escorts and have the opportunity to interact with customers and to better understand the tour itinerary and its operations, with the objective of improving service and product quality.

The Group has participated in the "ERB Manpower Developer Award Scheme" organized by the Employees Retraining Board as a Manpower Developer, who has been recognised for demonstrating outstanding achievements in manpower training and development.

B4. Labour Standards

The Group does not tolerate any illegal behaviours and employment of child and forced labour is prohibited according to the Employment Ordinance of Hong Kong. Candidates must provide identification documents at interviews to ensure legal age requirement is met. The Group also understands the importance of work-life balance. The Group's employees will not be forced to work overtime and may apply for flexible working hours depending on their job commitment and situation. In case of discrimination, staff members can file complaint directly to the human resources manager. During the year ended 31 March 2019, the Group did not identify any non-compliance issue relating to preventing child and forced labour.

OPERATING PRACTICES

B5. Supply Chain Management

The Group's operations closely collaborates with its suppliers. Long-term and good relationships with suppliers have been established to provide quality and reliable services to customers. Suppliers of the Group mainly include airlines, land operators, tour bus operators and hotels. In addition to pricing, service quality, reputation, safety standards and cleanliness, responsiveness and reliability are taken into consideration, and the suppliers must also comply with all the local laws and regulations.

Supplier selection criteria	
Airlines	Flight safety standards is the top priority
Land operators	Service agreements are signed by every land operator to ensure that all local transport, relevant suppliers, tour bus drivers, local tour guides, restaurants, tour activities and related arrangements are in compliance with the local laws and regulations and in line with the service quality and contents stated in the agreements
Tour bus operators	Operators with valid licences and proper permits to transport tourists are selected; the length of service of the vehicles cannot exceed local limits; drivers must possess valid driving licences with sound driving experience; third-party liability insurance must be maintained when serving the Group's package tours; and seats must be sufficient for all tour participants
Hotels	Reputable hotels are selected; site visits are conducted at new hotels to ensure that service quality, safety standards and cleanliness meet the Group's requirements

The Group has in place on-going evaluation processes to monitor the performance of its suppliers. The tour escorts record information of the tour buses, restaurants, hotels and other service providers engaged during the tours and report to the customer service department afterwards to monitor the service standards of the suppliers. In addition, post-tour telephone interviews and customers' feedback surveys are used for suppliers' evaluation purposes.

B6. Product Responsibility

Provision of quality and safe travel products is the Group's mission. The Group communicates with the TIC and relevant government authorities of destination countries concerned frequently to obtain the latest market information. The Group strictly complies with the relevant local laws and regulations of Hong Kong and the places where outbound package tours are operated, including the Trade Descriptions Ordinance, Travel Agents Ordinance, Advertisement Control Regulations, Code of Conduct for Outbound Tour Escorts and Travel Industry Compensation Fund.

In view of raising the standard of outbound tour escorts, the TIC decided that all tour escorts leading outbound tours must hold a valid Tour Escort Pass ("TEP"). To apply for a TEP, one needs to complete the Certificate Course for Outbound Tour Escorts organised by the TIC with a full attendance record (or hold other certificates recognised by the TIC) and pass the Certificate Examination for Outbound Tour Escorts given by the TIC. The TEP is valid for three years, and may be renewed for additional terms of three years. During the year ended 31 March 2019, all tour escorts of the Group held valid TEPs. The Certificate Course for Outbound Tour Escorts covers the roles and duties of a tour escort, Package Tour Accident Contingency Fund Scheme, general travel insurance policies, basic principles and skillset on crisis management, emergencies' handling and first-aid skills. In addition, the Group provides on-the-job training for its tour escorts to ensure the delivery of customer satisfaction.

To protect the interest of customers, the Group's staff explain the itinerary and the terms stated on the tour enrolment form in detail during registration at the branches. Branch staff members emphasize on the terms and conditions of the tour enrolment to ensure customers have a clear understanding of the contents before signing to avoid potential disputes in the future. Prior to departure, tea parties are arranged by the Group, during which the hotels and itinerary of the tour will be confirmed in order to give confidence to customers. To ensure their safety, customers are required to purchase "WWPKG Peace of Mind" travel insurance policy at registration if they do not have annual travel insurance policy already in place.

Despite the Group's effort in providing quality service to customers, it is impossible to meet the expectations of every one of them. During the year ended 31 March 2019, the Group received complaints filed by its customers to the TIC mainly regarding tour cancellation due to insufficient patrons. The Group uses its best endeavors to provide viable solutions, for example, proposals to transfer the customers to other package tours departing on the same date and/or to other package tours with similar itineraries. In case of adverse weather conditions, the safety of the Group's customers must first be considered. If a tour is delayed or cancelled due to natural disasters or other reasons, the Group makes every effort to provide alternative arrangements. If a tourist attraction is inaccessible, the Group will compensate the customers with another tourist attraction or refund the admission fees (if any), so that the journey of the customers will not be affected.

Customer Data Protection and Privacy Policy

During the course of its business operations, the Group may need to obtain customers' identification documents for the purposes of visa application, air ticket and hotel reservations, which may involve the handling of personal data. The Group is committed to protecting the privacy of its customers and has taken adequate security measures to ensure its customers' personal data are protected against unauthorised use or disclosure. The Group complies with the Personal Data (Privacy) Ordinance of Hong Kong to protect customer information. All information collected will only be used pursuant to the Group's privacy policy available on its website. To enhance employees' awareness of the importance of personal data, all newly recruited employees are required to sign a confidentiality agreement and are reminded that any violation will be subject to legal liability.

Save as disclosed herein, the Group has not identified any material non-compliance relating to health and safety, advertising, labelling and privacy matters relating to goods or services provided during the year ended 31 March 2019.

B7. Anti-corruption

The Group is committed to upholding integrity in its business operations. Any form of bribery, extortion, fraud and money laundering can destroy the Group's long established reputation and brand image. Therefore, we strictly comply with the Prevention of Bribery Ordinance of Hong Kong. To ensure a clear guidance for its employees, the Group has formulated the Employees' Code of Ethics and Conduct to regulate the offer of gifts and entertainment, money laundering, terrorist fundraising and conflict of interests, and to set out suggested actions and reporting protocols in details. The Group has also established the Anti-Fraud and Whistle Blowing Policy to strengthen corporate governance and internal controls to safeguard the interests of the Group and its Shareholders, and to cultivate a culture of integrity. The policy covers professional behaviour of Directors and employees as well as associated remedies and penalties. The identity of the whistle blower is kept confidential and investigation is carried out anonymously depending on the circumstances. Any suspected illegal behaviour will be reported to the judicial authority once discovered. In case of false or malicious allegation, the whistle blower may be subject to disciplinary actions.

During the year ended 31 March 2019, the Group has not identified any confirmed or suspected cases of bribery, extortion, fraud and money laundering. The Group upholds the code of good faith in any circumstance to ensure that its operations are in compliance with the laws and regulations.

COMMUNITY

B8. Community Investment

The Group assumes corporate social responsibility while actively developing its businesses. The Group has been capitalising on its existing resources and advantages to serve the community. The Group believes the community needs help in many aspects and monetary donation alone may not be the most beneficial to the community. As such, the Group collaborates with various organisations to serve the community and encourage its employees to actively participate in community development. The Group has been named as "Caring Company" by the Hong Kong Council of Social Service for seven consecutive years.

Supporting Pok Oi Hospital

The Group has been a keen supporter of Pok Oi Hospital for seven consecutive years. During the year ended 31 March 2019, management and staff members of the Group formed a corporate elite team to take part in the Shanghai Commercial Pok Oi Cycle for Millions fundraiser. Also, a team of volunteers organised by the Group visited and spent a joyful day with the children at Pok Oi Hospital Mrs. Yam Wing Yin Day Nursery.

Flight sponsorships to charitable organizations

During the year ended 31 March 2019, the Group made sponsorships on flight tickets to various charitable organizations to support their charitable events, including Benji's Centre Charity Raffle and The Women's Foundation Mentoring Programme.

"Partner Employer Award" Scheme

The Group always looks forward to having new talents to join this fast-growing travel industry. The Group has therefore joined the "Partner Employer Award" Scheme organised by the Hong Kong General Chamber of Small and Medium Business to provide internship opportunities to local students, allowing them to accumulate work experience, explore career development and enhance competitiveness. Six interns participated in the scheme during the year ended 31 March 2019 and were deployed to frontline and back office under the supervision of the Group's staff members.

Community investment requires multi-faceted cooperation. In the future, the Group will continue to capitalise on its existing resources and advantages to promote a better community.

REPORT OF THE DIRECTORS

The Board hereby presents its annual report with the audited consolidated financial statements of the Group for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES

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.

BUSINESS REVIEW

A review of the Group's businesses, an analysis of the Group's performance during the year ended 31 March 2019 using financial key performance indicators, a description of the principal risks and uncertainties facing the Group and an indication of the future development in the Group's businesses, are set out in the sections headed "Chairman's Statement" on pages 3 to 4 and "Management Discussion and Analysis" on pages 5 to 10 in this annual report, the sub-section headed "Principal Risks and Uncertainties" below and the notes to the consolidated financial statements.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with the requirements of relevant laws and regulations. During the year ended 31 March 2019, as far as the Board and management are aware of, there was no material breach or non-compliance with any applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to contributing to the sustainability of the environment and has implemented policies to minimise the impact on the environment from its business activities. The Group endeavours to refine the approach to addressing its environmental, social and ethical responsibilities along with improving its corporate governance in order to generate greater value for all stakeholders.

Details of the environmental, social and governance of the Group are set out in the section headed "Environmental, Social and Governance Report" on pages 24 to 33 in this annual report.

RELATIONSHIP WITH STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its key stakeholders, including its employees, customers and suppliers, to meet its immediate and long-term business goals. During the year ended 31 March 2019, there were no material and significant disputes between the Group and its employees, customers and suppliers.

The Group recognises employees as one of its valuable assets and strictly complies with the labour laws and regulations in Hong Kong and reviews regularly the existing staff benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as medical insurance. The Group provides good quality services to its customers and keeps a database for direct communications with recurring customers for developing a long-term trusted relationship. The Group also maintains effective communication and develops a long- term business relationship with the suppliers.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The following are the key risks and uncertainties identified by the Group.

Catastrophic events, political instability and issuance of any outbound travel alert

The Group's operation is vulnerable to interruption and damage from natural disasters including snowstorms, typhoons, tornado, volcanic eruption, earthquakes, fire, floods and similar events. Occurrence of natural disasters may reduce customers' sentiment to travel to those affected regions or countries since customers would generally perceive such occurrence as a risk that endangers their safety. For the same reason, occurrence of wars and acts or threats of terrorism, the outbreak or general apprehension of outbreak of any contagious or infectious disease and any material adverse change in the political and social situation in the destinations for which the Group's tours are bound could reduce customers' demand in travelling to those affected regions or countries. In addition, the issuance of an outbound travel alert by the government of Hong Kong as a result of any of the aforementioned events may defer the Group's customers from travelling to the affected destination, which may adversely affect the Group's business.

The Group's continuing success depends on its reputation and brand recognition

The reputation of a travel agent is one of the major consideration for customers in their choice of travel agents. The Group believes its success in the past was largely dependent on its reputation and established brand built over the last 39 years of business. However, the Group's reputation and brand may be damaged by various factors including adverse publicity, customers' complaints over the Group's products and services, misconduct or negligence committed by the Group's employees or service providers and accidents during the tours giving rise to injuries to customers. The Group's quality control system will not completely eliminate the risk of substandard quality or safety issues relating to its products and services. If customers are dissatisfied with the Group's products or services or if incidents attracting adverse publicity arise, it may damage the Group's reputation and brand, which in turn will adversely affect its business, results of operation and prospects.

Material portion of the Group's revenue derives from the sales of tours bound for Japan

Tours bound for Japan accounted for 81.7% (2018: 87.9%) of the Group's total revenue from package tours for the year ended 31 March 2019. Demand for Japan bound tours may be adversely affected by the happening of natural or other disasters, changes in Japan's political, economical or social environment, changes in the preference of the customers in Hong Kong or the exchange rate of Japanese Yen against Hong Kong dollars. If the demand for the Group's Japan bound tours decreases and the Group is unable to increase its sales of package tours bound for other destinations to compensate for the decrease in demand for Japan bound tours, its business and results of operation may be adversely affected.

Exposure to foreign exchange risk particularly in relation to Japanese Yen

The Group derives a majority of its revenue from the sales of travel products bound for Japan. Receipts from customers are denominated in Hong Kong dollars while the settlement of substantial portion of the Group's land costs, such as hotel tariffs, transportation costs, meal expenses and admission ticket costs are denominated in Japanese Yen. The difference in the exchange rates at which the payables are recorded and finally settled may give rise to transactional foreign currency exchange gain or loss. Moreover, certain of the Group's financial assets and liabilities, such as cash and cash equivalents, deposits and other receivables, trade payables and amounts due to related companies, are denominated in Japanese Yen and are therefore subject to translation difference at year-end exchange rates. Accordingly, the Group is exposed to foreign currency risk mainly arising from business transactions and assets and liabilities denominated in Japanese Yen, when significant fluctuations in the exchange rate of Japanese Yen against Hong Kong dollars could materially and adversely affect the Group's financial condition and results of operation.

IT security issue and loss of data

The Group's online sales platform and operating systems are exposed to potential attacks from malicious intruders, which may significantly impact the Group's operations and adversely affect its reputation and reliability.

BUSINESS OBJECTIVES AND PROGRESS

The table below sets out the progress of the Group's achievement of its business objectives as disclosed in the prospectus of the Company dated 30 December 2016 (the "Prospectus") during the period from 12 January 2017 (the "Listing Date") up to 31 March 2019:

Business objective	Implementation plan	Actual business progress
Promoting brand recognition and awareness	— Placing advertisements.	— Advertisements were made on newspapers, travel and lifestyle magazines and public transportation.
	— Sponsoring television travel programmes and films.	— The Group sponsored a number of series of television travel programme.
	— Implementing and monitoring a digital marketing campaign.	— The Group's digital marketing campaign had been on-going.
	— Organising travel seminars and participating in tourism fairs.	— Travel seminars were organised to introduce the Group's special tours and deluxe tours to potential customers. — The Group participated in tourism fairs to promote its travel products destined for Japan, Korea and Taiwan.
	— Cooperating with credit card companies and banks to offer promotion and discounts on products and services.	— The Group had been closely cooperating with a major bank to offer promotions, special discounts and year-round discounts on its travel products.
Strengthening customer relationship management efforts	— Reviewing customers' feedback and monitoring members' movements and redemption activities on existing membership.	— Customers' feedback were reviewed on a timely basis, and movements of members and redemption activities were reviewed on a monthly basis.
	— Adopting a CRM system to conduct customer data analysis system.	— Evaluation of the current membership system was completed, results of which including proposed improvements and new features (for example, membership benefits) would be incorporated into the Group's new CRM system, which would also possess the capability of conducting customer data analytics to formulate sales and marketing action plans. Sourcing and selection of CRM system vendor had been completed and infrastructural work including data migration was being planned.

Business objective	Implementation plan	Actual business progress
Developing new products and services	— Researching for new destinations or new travel elements for existing tours.	— The Group has been incorporating new travel elements (for example sign-seeing spots, hotels, gourmet experience) into existing tours. — Guided local tours that span from one to four days covering popular travel destinations including Japan, China, Taiwan, Vietnam and Malaysia were launched since December 2018.
	— Developing one to two new destination(s) for package tours.	— The Group engaged one of its major airline suppliers on a new exclusive flight route, whereby charter flights destined for Kumamoto in Japan were launched on a bi-weekly basis during the period from 16 November 2017 to 17 May 2018. The Group continued to support this Kumamoto to route by engaging in a bulk-buy contract for the period from 18 May 2018 to 27 October 2018.
Strengthening and enhancing sales channels	— Revamping website and incorporating an integrated online sales platform with package tours, flight tickets, hotels, and ancillary travel related products modules.	— All planned modules were incorporated in April 2018.
	— Evaluating and improving the Group's integrated online sales platform.	— Improvements on user interface design and user experience were considered and made on a continual basis. — The Group's first travel blog was created to disseminate useful and timely travel-related content. — Additional implementation of sales and marketing functions, including artificial intelligence based chatbot, downloadable pre-tour key information and reminder (which would replace most of the physical pre-tour gatherings) and electronic feedback surveys were in progress.
	— Opening an additional branch in strategic location.	— The Group had already set up branches at prime locations in Hong Kong and had continued to identify locations for an additional branch that could be strategically justified and with reference to the retail leasing market trend.
	— Refurbishing one of the existing branches to give a unified and new image across all branches.	— The Group's branch in Shatin was refurbished as a Kumamoto-themed shop around the period when the Group engaged one of its major airline suppliers on the exclusive flight route destined for Kumamoto in Japan. — Preliminary interior design plan for the Group's branch in Tsim Sha Tsui was being considered.

Business objective	Implementation plan	Actual business progress
Increasing operational efficiency by improving information systems	— Upgrading or replacing hotlines telephone system.	— Replacement of the Group's hotlines telephone system was completed.
	— Evaluating and improving accounting system and tour operating system.	— The Group's tour operating system was upgraded, which enhanced both systems security and operational efficiency.
		— Additional programmes were being implemented by stages to enhance integration between the tour operating system and the online sales platform.
	— Renovating offices to improve working environment and efficient use of office space.	— Instead of renovation, an additional office was leased in May 2017 to improve the working environment.
Expanding staff team	— Recruiting a supervisor to oversee the business operations.	— Recruitment of supervisor for FIT business operations was completed.
	— Recruiting one to two experienced IT specialist(s) to support the new online sales platform.	— Recruitment process had been on-going with the ideal candidate(s) to be identified.
	— Recruiting one to two advertising officer(s) to plan and manage advertising campaigns.	— Recruitment of advertising officer was completed.
	— Recruiting one to two accounting officer(s) to support the chief financial officer to meet financial reporting requirements.	— Recruitment process had been on-going with the ideal candidate(s) to be identified.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2019 are set out in the consolidated statement of comprehensive income on page 52 in this annual report.

The Directors does not recommend the payment of final dividend for the year ended 31 March 2019 (2018: Nil).

DONATIONS

Charitable and other donations made by the Group during the year ended 31 March 2019 amounted to approximately HK$146,000 (2018: approximately HK$49,000).

SHARE CAPITAL

Details of the movements in the share capital of the Company during the years ended 31 March 2019 and 2018 are set out in Note 23 to the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

On 10 June 2019, the Company as an investor entered into a cornerstone investment agreement with Feiyang International Holdings Group Limited ("Feiyang") (as issuer) and Giraffe Capital Limited, pursuant to which the Company has agreed to subscribe for the investor shares of Feiyang (the "Investor Shares") at the offer price under and as part of Feiyang's international offering (the "Cornerstone Investment Agreement"). The maximum aggregate subscription price for the Investor Shares payable by the Company under the Cornerstone Investment Agreement shall be HK$5.0 million. On 12 June 2019, the Group entered into a framework cooperation agreement with Feiyang, pursuant to which both parties shall collaborate to create and provide travel related products and services for the tourism market in Hong Kong and the People's Republic of China. Further details are set out in the announcement of the Company dated 12 June 2019.

DISTRIBUTABLE RESERVES

Under the Companies Law of the Cayman Islands, share premium is distributable to Shareholders, subject to the condition that immediately following the date on which the distribution or dividend is proposed to be made, the Company is able to pay its debts as they fall due in the ordinary course of business. Distributable reserves of the Company as at 31 March 2019, calculated according to the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK$46,706,000 (2018: approximately HK$53,686,000).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years ended 31 March is set out in the section headed "Financial Highlights" in this annual report.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as set out in the sub-section headed "Share Option Scheme" below, no equity- linked agreements were entered into by the Group, or existed during the year ended 31 March 2019.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2019.

SHARE OPTION SCHEME

The Share Option Scheme was adopted pursuant to a resolution passed by the Company's then shareholders on 16 December 2016 for the primary purpose of providing eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants (the "Eligible Participants") of the Share Option Scheme include any employee, adviser, consultant, service provider, agent, customer, partner or joint venture partner of the Company or any of its subsidiaries. The Share Option Scheme became effective on the Listing Date and, unless otherwise cancelled or amended, will remain in force for 10 years commencing on the Listing Date. As at the date of this annual report, (i) the remaining life of the Share Option Scheme is about 7.6 years; and (ii) the total number of Shares available for issue under the Share Option Scheme is 40,000,000 Shares, representing 10% of the issued share capital of the Company.

Upon acceptance of an option to subscribe for Shares granted pursuant to the Share Option Scheme (the "Option"), the Eligible Participant shall pay HK$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 21 days from the date on which the Option is granted. The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a day on which trading of Shares take place on the Stock Exchange (the "Trading Day"); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share. The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme does not exceed 10% of the Shares in issue from the Listing Date.

The Company may at any time refresh such limit, subject to the Shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue at the time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the Shareholders has been obtained in accordance with the GEM Listing Rules.

There is no minimum period for which the Options must be held before the Options can be exercised unless otherwise determined by the Board. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during the year ended 31 March 2019 and there was no outstanding share option as at the date of this annual report.

DIRECTORS

The Directors during the year ended 31 March 2019 and up to the date of this annual report were:

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

Pursuant to article 108 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation, whereby Mr. Lam Yiu Kin and Mr. Yen Yuen Ho Tony will retire from office as Directors at the forthcoming AGM, and being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service agreement with the Company. Each service contract is for an initial term of three years and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing. No Director proposed for re-election at the forthcoming AGM has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESSES

Save as disclosed in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's businesses to which the Company, any of its subsidiaries or its parent company was a party and in which a Director or the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 31 March 2019.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

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 March 2019, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the 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 (Note)	Interest in a controlled corporation	300,000,000	75%
Mr. SK Yuen (Note)	Interest in a controlled corporation	300,000,000	75%

Note: 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. CN Yuen respectively. Ms. Chan and Mr. SK Yuen are parties acting jointly and are therefore deemed to be interested in all the Shares held by WWPKG Investment under the SFO.

(ii) Long Positions in the Ordinary Shares of Associated Corporations

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

Save for disclosed above, as at 31 March 2019, 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 March 2019, the interest and short positions of the persons (other than the Directors or chief executive of the Company) in the Shares and underlying Shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long Position in the Company's Shares

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

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

Save as disclosed above, as at 31 March 2019, 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 year ended 31 March 2019 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into or existed during the year ended 31 March 2019.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31 March 2019, the aggregate amount of sales attributable to the Group's five largest customers represent less than 30% of the Group's total sales.

The percentages of purchases for the year ended 31 March 2019 attributable to the Group's major suppliers are as follows:

	Percentage of the Group's total purchases
The largest supplier	28.5%
Five largest suppliers in aggregate	50.4%

Saved as disclosed in the sub-section headed "Continuing Connected Transaction" below, none of the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of the Company's issued Shares) had any interest in the major suppliers noted above.

CONNECTED TRANSACTIONS

The related party transactions as disclosed in Note 31(a) to the consolidated financial statements constituted connected transactions as defined under Chapter 20 of the GEM Listing Rules. The Group had entered into the following continuing connected transaction which is subject to the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

Continuing Connected Transaction

Package Tours (Hong Kong) Limited entered into a services framework agreement with JCS Limited, pursuant to which JCS Limited would provide certain tour bus services for the Group's package tours. Details of the transaction was disclosed in the Prospectus. The annual caps, consideration for the year ended 31 March 2019 and other details are as follows:

Connected person	JCS Limited
Date of agreement	21 December 2016
Term	From 12 January 2017 to 31 March 2019 (both dates inclusive)
Particulars	Provision of certain tour bus services, inclusive of charter and non-charter buses, drivers and fuel, in Japan (except Okinawa) for the Group's package tours
Annual caps	HK$15.3 million, HK$16.0 million and HK$17.1 million for each of the three financial years ended/ending 31 March 2017, 31 March 2018 and 31 March 2019
Consideration for the year ended 31 March 2019	HK$5.0 million
Nature and extent of the connected person's interest	JCS Limited is a limited liability company incorporated in Japan whose business includes the provision of tour bus services in Japan. It is wholly and beneficially owned by Mr. Yuen Chun Yu Adrian, who is a son of Ms. Chan and Mr. SK Yuen, and the brother of Mr. CN Yuen. As such, JCS Limited is an associate of the controlling shareholders of the Company and hence a connected person of the Company under the GEM Listing Rules

The independent non-executive Directors have reviewed the above continuing connected transaction during the year ended 31 March 2019 and confirmed that the transaction has been entered into on the following basis:

(i) in the ordinary and usual course of the business of the Group;

(ii) either on normal commercial terms or better; and

(iii) in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The external auditor of the Company was engaged to report on the Group's continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transaction disclosed by the Group as above in accordance with Rule 20.54 of the GEM Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

In addition, the auditor of the Company has confirmed to the Board that nothing has come to their attention that causes them to believe that the above continuing connected transaction for the year ended 31 March 2019:

(i) has not been approved by the Board;

(ii) was not, in all material respects, in accordance with the pricing policies of the Group if the transaction involves the provision of goods or services by the Group;

(iii) was not entered into, in all material respects, in accordance with the relevant agreement governing the transaction; and

(iv) has exceeded the relevant annual cap.

The Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules in respect of the continuing connected transaction mentioned above.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Board on the basis of their performance, qualifications, competence and job nature. The remuneration of the Directors and senior management of the Group is recommended by the Remuneration Committee and is decided by the Board, having regard to the Group's operating results, comparable market statistics, the responsibilities and duties assumed by each Director and senior management member as well as their individual performance.

PERMITTED INDEMNITY PROVISIONS

The Articles of Association provide that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty in their offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any Director.

During the year under review and up to the date of this annual report, the Company has taken out and maintained appropriate insurance to cover potential legal actions against its Directors.

CONTROLLING SHAREHOLDERS' NON-COMPETING UNDERTAKING

Each of Ms. Chan, Mr. SK Yuen, Mr. CN Yuen and WWPKG Investment (the "Controlling Shareholders") has executed a deed of non-competition through which they shall not and shall procure each of their close associates and/or companies controlled by them (excluding any member of the Group) not to, whether on their own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (whether as an investor, a shareholder, partner, principal, agent, director, employee or otherwise and whether for profit, reward, interest or otherwise) any restricted business. In addition, the Controlling Shareholders and/or each of their close associates and/or companies controlled by them (excluding any member of the Group) is offered or becomes aware of any project or new business opportunity that relates to the restricted business. For details of the deed of non-competition, please refer to the section headed "Relationship with Our Controlling Shareholders" in the Prospectus.

The Controlling Shareholders have confirmed in writing to the Company of their compliance with the deed of non-competition for disclosure in this annual report for the year ended 31 March 2019.

The independent non-executive Directors have reviewed the compliance by each of the Controlling Shareholders with the confirmations provided by or obtained from the Controlling Shareholders, they have confirmed that, as far as they can ascertain, there is no breach by any of the Controlling Shareholders of the undertakings in the deed of non-competition given by them.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2019, the Directors were not aware of any business or interest of the Directors and their respective close associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares at the date of this annual report.

INTERESTS OF THE COMPLIANCE ADVISER AND ITS DIRECTORS, EMPLOYEES AND CLOSE ASSOCIATES

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 March 2019.

AUDITOR

There has been no change of auditor of the Company since the Listing Date.

The consolidated financial statements have been audited by PricewaterhouseCoopers and the resolution for the re-appointment as independent auditor of the Company will be proposed at the forthcoming AGM.

By order of the Board

Yuen Sze Keung
Chairman
12 June 2019

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF WWPKG HOLDINGS COMPANY LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of WWPKG Holdings Company Limited (the "Company") and its subsidiaries ("the Group") set out on pages 52 to 109, which comprise:

- the consolidated statement of financial position as at 31 March 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BASIS FOR OPINION (CONTINUED)

Key audit matters identified in our audit is summarised as follows:

- Revenue and cost of sales recognition of sales of package tours

Key Audit Matters	How our audit addressed the Key Audit Matters
Revenue and cost of sales recognition of sales of package tours *(Refer to Notes 5 and 7 to the consolidated financial statements)* Revenue from sales of package tours is recognised when the services are rendered by the Group. At each month end, manual calculations are prepared to recognise revenue based on the number of days spent at the destination for each individual tours and the portion of customer deposits received for incomplete tours will be recorded as advanced receipts from customers. Similarly, cost of sales for the provision of package tours are recognised when the goods and services are received by the Group. Monthly adjustment to defer a portion of the deposits paid to the suppliers and accruals for land costs based on a time proportion basis is prepared manually. During the year, the Group recorded revenue from sales of package tours of HK$317,240,000 and corresponding cost of sales of HK$291,589,000. We focused on the recognition in revenue and cost of sales recognition of sales of package tours because these involve manual procedures to determine the appropriate revenue and expense recognition point and both the amounts of revenue from sales of package tours and corresponding cost of sales are financially significant to the Group, all of which give rise to a higher inherent risk that revenue and corresponding cost of sales of sales of package tours could be recorded in the incorrect period or could be misstated. In addition, inappropriate recognition of revenue and corresponding cost of sales of sales of package tours could result in misstatement of the associated customer deposits received in advance and trade deposits paid to service providers as recorded at the year end date.	We performed the following audit procedures relating to the occurrence of revenue and cut-off in revenue and cost of sales recognition of sales of package tours: • Understood, evaluated and tested management's controls on the occurrence of revenue and cost of sales recognition of sales of package tours. • Tested on sampling basis the sales transaction of the year by tracing the sales transactions to the supporting documents including sales invoices and bank statements. • Tested on sampling basis the reconciliation between cash/credit card/EPS receipt report and sales summary. • Performed substantive testing on the accuracy of the system generated sales listing used in recognising sales and quantifying the cut-off adjustments at each month end by tracing to supporting documents of source data, such as tour listings, flight departure records, sales invoices and supplier invoices. • Tested the mathematical accuracy of the calculation of the relevant cut-off adjustments made by management. • Tested on sampling basis the advanced receipts from customers as at the year end date by tracing the receipts to the supporting documents including sales invoices and bank statements. • Tested on sampling basis the trade deposits paid to the suppliers and accruals for land costs as at the year end date by tracing the payments and accruals to the supporting documents including supplier invoices and bank statements. We found no material variances from the above testing.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lam Chun Yee, Johnny.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 12 June 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Note	2019 HK$'000	2018 HK$'000
Revenue	5	**322,600**	421,105
Cost of sales	7	**(291,589)**	(361,081)
Gross profit		**31,011**	60,024
Other (losses)/gains and other income, net	6	**(1,119)**	799
Selling expenses	7	**(16,582)**	(18,548)
Administrative expenses	7	**(43,139)**	(43,888)
Operating loss		**(29,829)**	(1,613)
Finance income, net	11	**86**	50
Share of results of joint ventures	20	**(2,930)**	–
Loss before income tax		**(32,673)**	(1,563)
Income tax expense	12	**(724)**	(215)
Loss and total comprehensive loss for the year		**(33,397)**	(1,778)
Loss and total comprehensive loss attributable to:			
Owners of the Company		**(33,116)**	(1,757)
Non-controlling interests		**(281)**	(21)
		(33,397)	(1,778)
Basic and diluted loss per share *(expressed in HK cents)*	13	**(8.28)**	(0.44)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	2019 HK$'000	2018 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**9,115**	7,838
Prepayments, deposits and other receivables	19	**560**	2,654
Deferred income tax assets	27	**–**	816
Interest in a joint venture	20	**12,230**	–
		21,905	11,308
Current assets			
Inventories	17	**558**	452
Financial assets at fair value through profit or loss	21	**10,521**	–
Trade receivables	18	**5**	622
Prepayments, deposits and other receivables	19	**27,204**	51,896
Current income tax recoverable		**3,404**	3,124
Short - term fixed deposit	22	**3,000**	5,000
Cash and cash equivalents	22	**41,329**	76,043
		86,021	137,137
Total assets		**107,926**	148,445
EQUITY			
Equity attributable to owners of the Company			
Share capital	23	**4,000**	4,000
Reserves		**70,538**	68,038
(Accumulated losses)/retained earnings		**(7,498)**	25,618
		67,040	97,656
Non-controlling interests		**320**	601
Total equity		**67,360**	98,257

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	2019 HK$'000	2018 HK$'000
LIABILITIES			
Non-current liabilities			
Obligations under finance leases	26	–	22
Other non-current liabilities	25	653	621
Deferred income tax liabilities	27	–	43
		653	686
Current liabilities			
Trade payables	24	5,902	5,176
Accruals and other payables	25	33,066	42,743
Obligations under finance leases	26	22	85
Amounts due to related companies	31(c)	923	1,498
		39,913	49,502
Total liabilities		40,566	50,188
Total equity and liabilities		107,926	148,445

The consolidated financial statements on pages 52 to 109 were approved for issue by the Board of Directors on 12 June 2019 and were signed on its behalf.

Yuen Sze Keung	**Yuen Chun Ning**
Executive Director	*Executive Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

	Attributable to owners of the Company							
	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000 (Note)	Other reserve HK$'000	(Accumulated losses)/ retained earnings HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 April 2017	4,000	69,166	11,371	–	34,876	119,413	622	120,035
Total comprehensive loss								
Loss for the year	–	–	–	–	(1,757)	(1,757)	(21)	(1,778)
Transactions with owners								
Dividend paid relating to 2017	–	(12,499)	–	–	(7,501)	(20,000)	–	(20,000)
Balance at 31 March 2018	4,000	56,667	11,371	–	25,618	97,656	601	98,257
Total comprehensive loss								
Loss for the year	–	–	–	–	(33,116)	(33,116)	(281)	(33,397)
Share of changes in reserve of a joint venture	–	–	–	2,500	–	2,500	–	2,500
Balance at 31 March 2019	4,000	56,667	11,371	2,500	(7,498)	67,040	320	67,360

Note: Capital reserve represents the difference between the value of net assets of the subsidiaries acquired by the Company and the share capital in acquired subsidiaries under common control.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

	Note	2019 HK$'000	2018 HK$'000
Cash flows from operating activities			
Cash used in operations	28	**(9,095)**	(34,450)
Interest paid		**(3)**	(7)
Income tax (paid)/refunded		**(230)**	346
Net cash used in operating activities		**(9,328)**	(34,111)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2,957)**	(3,235)
Interest received		**89**	57
Investments in joint ventures		**(10,000)**	–
Investments in listed equity securities		**(14,433)**	–
Decrease/(increase) in short-term fixed deposit		**2,000**	(5,000)
Net cash used in investing activities		**(25,301)**	(8,178)
Cash flows from financing activities			
Repayment of obligations under finance leases		**(85)**	(151)
Dividend paid to equity shareholders		**–**	(20,000)
Dividend paid to minority shareholders of a subsidiary		**–**	(105)
Net cash used in financing activities		**(85)**	(20,256)
Net decrease in cash and cash equivalents		**(34,714)**	(62,545)
Cash and cash equivalents at beginning of the year		**76,043**	138,588
Cash and cash equivalents at end of the year		**41,329**	76,043

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 PO 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 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 shares of the Company (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 British Virgin Islands ("BVI").

These consolidated financial statements are 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 *Basis of preparation*

The consolidated financial statements have been prepared in accordance with HKFRSs (which include all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Hong Kong Financial Reporting Interpretations Committee ("HKFRIC") Interpretations) issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss ("FVPL"), which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New standards and amendments to standards adopted by the Group

A number of new standards and amendments to standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting the following new standards:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers

The impact of the adoption of HKFRS 9 "Financial Instruments" and HKFRS 15 "Revenue from Contracts with Customers" are disclosed in Note 2.1(c) below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(a) New Standards and amendments to standards adopted by the Group (Continued)

The following amendments to standards and interpretations are effective to the Group for accounting periods beginning on or after 1 April 2018 but did not result in any significant impact on the results and financial position of the Group. No retrospective adjustments are required.

HKAS 28 (Amendments)	Investment in Associates and Joint Ventures
HKAS 40 (Amendments)	Transfers of Investment Property
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRIC-Int 22	Foreign Currency Transactions and Advance Consideration
Annual improvement project	Annual Improvements 2014–2016 Cycle

(b) New standards and amendments to standards not yet adopted by the Group

The following new standards, amendments to standards and interpretations are mandatory for accounting periods beginning on or after 1 April 2019:

		Effective for accounting year beginning on or after
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement (amendments)	1 April 2019
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures (amendments)	1 April 2019
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation	1 April 2019
HKFRS 16	Leases	1 April 2019
HKFRIC-Int 23	Uncertainty over Income Tax Treatments	1 April 2019
Amendments to Annual Improvements Project	Annual improvements 2015–2017 cycle	1 April 2019
HKAS 1 and HKAS 8 (Amendments)	Definition of material	1 April 2020
HKFRS 3 (Revised) (Amendments)	Definition of a business	1 April 2020
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 April 2020
HKFRS 17	Insurance Contracts	1 April 2021
HKFRS 10 and HKFRS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate and Joint Venture	To be determined

The Group will apply the above new standards, amendments to standards and interpretations when they become effective. The Group anticipates that the application of the above new standards, amendments to standards and interpretations have no material impact on the results and the financial position of the Group, except for HKFRS 16 "Leases" as explained below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) New standards and amendments to standards not yet adopted by the Group (Continued)

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the Group's operating leases. As at 31 March 2019, the Group has non-cancellable operating lease commitments of HK$6,783,000 (As at 31 March 2018: HK$12,756,000).

However, the Group has not yet assessed what other adjustments, if any, are necessary, for example, adjustments because of the change in the definition of the lease term and the different treatment of variable lease payment and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

(c) Changes in accounting policies

The following explains the impact of the adoption of HKFRS 9 "Financial Instruments" and HKFRS 15 "Revenue from Contracts with Customers" on the Group's financial information and also discloses the new accounting policies that have been applied from 1 April 2018, where they are different to those applied in prior periods.

The Group elected to adopt HKFRS 9 and HKFRS 15 without restating comparatives. The reclassifications and the adjustments are therefore not reflected in the consolidated statement of financial position as at 31 March 2018, but are recognised in the opening consolidated statement of financial position on 1 April 2018.

(i) HKFRS 9 "Financial instruments" — Impact on the financial statements

As a result of the changes in the entity's accounting policies, prior year's financial statements had to be restated. As explained in the notes below, HKFRS 9 was generally adopted without restating comparative information with the exception of certain aspects of hedge accounting. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the consolidated statement of financial position as at 31 March 2018, but are recognised in the opening consolidated statement of financial position on 1 April 2018.

(a) Classification and measurement

On 1 April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. All classes of financial assets and financial liabilities had the same carrying amounts in accordance with HKAS 39 and HKFRS 9 on 1 April 2018.

The adoption of the classification and measurement policy under HKFRS 9 has not resulted in any effect for financial position as at 1 April 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(c) Changes in accounting policies (Continued)

(i) HKFRS 9 "Financial Instruments" — Impact on the financial statements (Continued)

(b) Impairment of financial assets

The Group's significant financial assets which are subject to the new expected credit loss model include trade receivables and deposits and other receivables. The Group was required to revise its impairment methodology under HKFRS 9 for these classes of financial assets.

While short-term fixed deposit and cash at banks are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

For trade receivables, the Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The adoption of the simplified expected loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade receivables as at 1 April 2018.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The adoption of the written off policy under HKFRS 9 has not resulted in any additional written off for trade receivables as at 1 April 2018.

For deposits and other receivables, the management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

(ii) HKFRS 9 "Financial Instruments" — Accounting policies applied from 1 April 2018

(a) Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(c) Changes in accounting policies (Continued)

(ii) HKFRS 9 "Financial Instruments" — Accounting policies applied from 1 April 2018 (Continued)

(a) Classification (Continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(i) Financial assets

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Currently the Group only classifies its debt instruments at amortised cost, since they are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised in "other (losses)/gains and other income, net", together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "other (losses)/gains and other income, net" as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(c) Changes in accounting policies (Continued)

(ii) HKFRS 9 "Financial Instruments" — Accounting policies applied from 1 April 2018 (Continued)

(b) Measurement (Continued)

(iii) Impairment

The impairment of financial assets has changed from the incurred loss model under HKAS 39 to the expected credit loss model under HKFRS 9. Under the new expected loss approach, it is no longer necessary for a loss event to occur before an impairment loss is recognised. Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of the financial assets. The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iii) HKFRS 15 "Revenue from Contracts with Customers" — Accounting policies applied from 1 April 2018

The Group has adopted HKFRS 15 "Revenue from Contracts with Customers" from 1 April 2018 which resulted in changes in accounting policies. In accordance with the transitional provisions in HKFRS 15, comparative figures have not been restated.

The management assessed that the adoption of HKFRS 15 did not result in any significant impact on the results and financial position of the Group except for the reclassification as disclosed below.

The effects of the adoption of HKFRS 15 are related to presentation of contract liabilities.

Reclassifications were made as at 1 April 2018 to be consistent with the terminology used under HKFRS 15:

- contract liabilities for receipts in advance and deferred revenue were previously presented as accruals and other payables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(c) Changes in accounting policies (Continued)

(iii) HKFRS 15 "Revenue from Contracts with Customers" — Accounting policies applied from 1 April 2018 (Continued)

In summary, the following adjustments were made to the amounts recognised in the consolidated statement of financial position at the date of initial application on 1 April 2018:

	HKAS 18 carrying amount as at 31 March 2018 HK$'000	Reclassification HK$'000	HKFRS 15 carrying amount as at 1 April 2018 HK$000
Consolidated statement of financial position (extract)			
Receipts in advance	32,370	(32,370)	–
Deferred revenue	348	(348)	–
Contract liabilities	–	32,718	32,718

The Group engages in the sales of Travel Related Products and Services. Revenue arising from the design, development and sales of outbound package tours is recognised over time as the customer simultaneously receives and consumes all of the benefits provided by the Group's performance as the Group performs. Revenue from the sales of FIT Products and ancillary travel related products and services (such as insurance, transportation tickets and admission tickets) is recognised at a point in time when the booking services or tickets are delivered to and have been accepted by the customers.

A receivable is recognised when the goods or services are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Principles of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

(b) Joint arrangements

Under HKFRS 11 "Joint Arrangements" investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group classifies its investments in joint arrangements as joint ventures.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position (refer to Note 2.2(c)).

(c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in OCI of the investee in OCI. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Principles of consolidation (Continued)

(c) Equity method (Continued)

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.8.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity, and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Directors of the Company who make strategic decisions.

2.5 *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 *Foreign currency translation*

(a) Functional and presentation currency

Items included in financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements is presented in HK$, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into functional currency using exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in OCI as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVPL are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in OCI.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Leasehold improvements	20% or over the lease term, whichever is shorter
Furniture, fixtures and office equipment	20% to 33.3% per annum
Computer software	20% to 33.3% per annum
Motor vehicles	33.3% or over the lease term, whichever is shorter
Website	20% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction in progress, representing website for which construction work has not been completed, is stated at historical cost, which includes construction expenditures incurred and other direct costs capitalised during the construction period, less accumulated impairment losses, if any. No depreciation is provided in respect of construction in progress until the construction work is completed. On completion, the construction in progress is transferred to appropriate categories of property, plant and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Investments and other financial assets

(a) Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at either FVPL or FVOCI, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (Continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There is only one measurement category into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other (losses)/gains and other income, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments is recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (refer to Note 3.1(b)).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 *Investments and other financial assets (Continued)*

(e) Accounting policies applied until 31 March 2018

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 March 2018 the Group classifies its financial assets in the following categories:

- loans and receivables, and
- financial assets at FVPL.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Subsequent measurement

The measurement at initial recognition did not change an adoption of HKFRS 9 (refer to description above).

Subsequent to the initial recognition, loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets at FVPL are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised in "other (losses)/gains and other income, net".

Details on how the fair value of financial instruments is determined are disclosed in Note 3.1(b).

(ii) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets has been impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (Continued)

(e) Accounting policies applied until 31 March 2018 (Continued)

(ii) Impairment (Continued)

Asset carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease could be related objectively to an event occurring after the impairment is recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Impairment testing of trade receivables is described in Note 3.1(b).

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group does not designate any derivative as a hedging instrument. Changes in fair value of derivative financial instruments are presented in the consolidated statement of comprehensive income within "other (losses)/gains and other income, net".

2.12 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated applicable selling expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method (refer to Note 18 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies).

2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Current and deferred income tax (Continued)

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

2.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or services in the ordinary course of the Group's activities. Revenue of the Group comprises:

(a) Revenue from provision of package tours

Revenue from provision of package tours is recognised over time as the customer simultaneously receives and consumes all of the benefit provided by the Group's performance as the Group performs.

(b) Margin income from sales of FIT products

Margin income from sales of FIT products is recognised at a point in time when the booking services or tickets are delivered to and have been accepted by the customers.

(c) Margin income from sales of ancillary travel related products and services (such as insurance, transportation tickets and admission tickets)

Margin income from sales of ancillary travel related products and services is recognised at a point in time when the booking services or tickets are delivered to and have been accepted by the customers.

(d) Customer loyalty programme (contract liabilities)

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. A contract liability for the award points is recognised at the time of the initial sale. Revenue is recognised when the award points are redeemed or when they expire after the initial sale.

(e) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition (Continued)

(f) Referral income

Referral income are recognised at a point in time when the services are rendered.

Determining whether the Group is acting as a principal or as an agent requires consideration of all relevant facts and circumstances, including whether (1) the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services; (2) the Group obtains control of retains the inventory risk before and after the customer orders, during the provision of services or on return; (3) the Group has latitude in establishing prices; and (4) the Group is primarily responsible for fulfilling the promise to provide the specified good or service. The Group's management performs the assessment based on the above mentioned factors and reaches the conclusion that the Group acts as a principal in the provision of package tours services since it has exposure to the significant risks and rewards associated with the provision of services, and acts as an agent in the sales of air tickets and hotel accommodations since the risks and rewards associated with the sales are borne by the airline companies and hotels. Accordingly, the Group recognises revenue from the provision of package tours services on a gross basis and sales of air tickets and hotel accommodations on a net basis.

2.19 Employee benefits

(a) Short-term obligation

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(b) Other long-term employee benefit obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(c) Post-employment obligations

The Group operates defined contribution pension plans.

The Group has arranged for its employees to join the Mandatory Provident Fund Scheme, which is a defined contribution scheme managed by an independent trustee. For the defined contribution plan, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits (Continued)

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.20 Share-based payments

(a) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, including market performance conditions; excluding the impact of any service and non-market performance vesting conditions; and including the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

There was no share option granted during the year ended 31 March 2019 (2018: Nil).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.22 Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased assets or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating lease. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

2.23 Dividend distribution

Dividend distribution to the shareholders of the Company (the "Shareholders") is recognised as a liability in the Group's consolidated statement of financial position in the period in which the dividends are approved by the Shareholders or Directors, where appropriate.

2.24 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management of the Group. Formal and informal management meetings are held to identify significant risks and to develop procedures to deal with any risks in relation to the Group's businesses.

(a) Foreign exchange risk

The Group operates principally in Hong Kong. It is exposed to foreign exchange risk primarily with respect to Japanese Yen ("JPY") denominated transactions arising from the costs of services consumed in hotel accommodations and other travel-related services.

The foreign exchange risk of the Group mainly arises from cash and cash equivalents, deposits and other receivables, derivative financial assets, trade payables and amounts due to related companies denominated in JPY, which are used in the provision of package tours services in Japan.

As at 31 March 2019, if JPY had strengthened/weakened by 5% with all other variables held constant, the post-tax loss would have been approximately HK$76,000 lower/higher (2018: post-tax loss would have been approximately HK$438,000 lower/higher), mainly as a result of foreign exchange gains/losses on revaluation of JPY denominated cash and cash equivalents, deposits and other receivables, derivative financial assets, trade payables and amounts due to related companies.

The Group manages its exposures to foreign exchange transactions by monitoring the level of foreign currency receipts and payments and using foreign exchange forward contracts to manage against the foreign exchange risk arising from future operational transactions and recognised assets and liabilities. The Group ensures that the net exposure to foreign exchange risk is kept to an acceptable level from time to time. The Group also regularly reviews the portfolio of suppliers and the currencies in which the transactions are denominated so as to minimise the Group's exposure to foreign exchange risk.

(b) Credit risk

The credit risk of the Group mainly arises from trade receivables, deposits and other receivables, short-term fixed deposit and cash at banks. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets which are stated as follows:

	2019 **HK$'000**	2018 HK$'000
Trade receivables	**5**	622
Deposits and other receivables	**26,281**	49,341
Short- term fixed deposit	**3,000**	5,000
Cash at banks	**40,906**	75,756
Maximum exposure to credit risk	**70,192**	130,719

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Impairment of financial assets

The Group has financial assets that are subject to the expected credit loss model:

- trade receivables
- deposits and other receivables

While short-term fixed deposit and cash at banks are also subject to the impairment requirement of HKFRS 9, the identified impairment loss was immaterial.

(ii) Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 March 2019 or 1 April 2018, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified forecast economic conditions to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 1 years past due.

Given the track record of regular repayment of trade receivables and contract assets, the Directors are of the opinion that the risk of default by these customers is not significant and does not expect any losses from non-performance by customers. Therefore, expected credit loss rate of trade receivables is assessed to be close to zero and no provision was made as at 1 April 2018 and 31 March 2019.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade receivables (Continued)

Previous accounting policy for impairment of trade receivables:

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The Group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments (more than 1 years overdue).

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

(iii) Other financial assets at amortised cost

For other financial assets at amortised cost, including deposits and other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

Impairment losses on other financial assets at amortised cost are presented as net impairment losses within operating profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management is controlled by maintaining sufficient cash and cash equivalents generated from the operating activities. As at 31 March 2019 and 2018, the Group held cash and cash equivalents and trade receivables, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

As at 31 March 2019, the Group had banking facilities in the aggregate amount of HK$56,500,000 (2018: HK$51,500,000), including a bank guarantee to suppliers in the amount of HK$10,000,000 (2018: HK$5,000,000) for future operating activities. The banking facilities were secured by corporate guarantee of the Company and do not contain any material covenants. The Group has not breached any covenants on its banking facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On demand HK$'000	Within 1 year HK$'000	Between 1 to 2 years HK$'000	Total HK$'000
As at 31 March 2019				
Trade payables	**–**	**5,902**	**–**	**5,902**
Other payables	**–**	**3,812**	**–**	**3,812**
Obligations under finance leases	**–**	**22**	**–**	**22**
Amounts due to related companies	**923**	**–**	**–**	**923**
	923	**9,736**	**–**	**10,659**
As at 31 March 2018				
Trade payables	–	5,176	–	5,176
Other payables	–	5,086	–	5,086
Obligations under finance leases	–	88	22	110
Amounts due to related companies	1,498	–	–	1,498
	1,498	10,350	22	11,870

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 *Capital risk management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total obligations under finance leases (including "current" and "non-current" as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

As at 31 March 2019 and 2018, the Group had net cash position as follows:

	2019 **HK$'000**	2018 HK$'000
Total obligations under finance leases	**22**	107
Less: cash and cash equivalents	**(41,329)**	(76,043)
Less: short-term fixed deposit	**(3,000)**	(5,000)
Net cash	**(44,307)**	(80,936)
Gearing ratio	**N/A**	N/A

3.3 *Fair value estimation*

The Group's financial instrument carried at fair value are listed equity securities in Hong Kong (Note 21).

Input to valuation technique used to measures fair value is categorised into level 1 within a fair value hierarchy.

There were no transfer between levels 1 and 2 during the years ended 31 March 2019 and 2018.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

3.4 *Offsetting financial assets and financial liabilities*

As at 31 March 2019 and 2018, there were no financial assets or financial liabilities which were subject to offsetting, enforceable master netting or similar agreements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Income taxes

The Group is subject to income taxes in Hong Kong. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

Impairment of property, plant and equipment

The Group follows the guidance of HKAS 36 "Impairment of Assets" to determine whether a property, plant and equipment is required to be impaired, which requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the recoverable amount of the asset is less than its carrying balance, including factors such as industry performance and changes in operational cash flows. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs").The recoverable amount of the CGU has been determined based on value-in-use calculation or fair value less cost to sell, whichever is higher. The calculation requires the use of estimates, including operating results, income and expenses of the business, future economic conditions on growth rates and future returns. Significant changes in the key assumptions on which the recoverable amount of the asset is based could significantly affect the Group's financial position and results of operations. Based on the management's assessment, no impairment charge was recognised during the year ended 31 March 2019 (2018: Nil).

5 REVENUE AND SEGMENT INFORMATION

(a) Revenue

	2019 **HK$'000**	2018 HK$'000
Sales of package tours	**317,240**	413,932
Margin income from sales of FIT products	**750**	1,472
Margin income from sales of ancillary travel related products and services	**4,610**	5,701
	322,600	421,105

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) *Segment information*

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

The Group is organised into two reportable segments:

(i) Travel Related Products and Services; and

(ii) Tourism and Travel Technology Investments.

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

Segment results and other segment items are as follows:

	2019			2018		
	Travel Related Products and Services HK$'000	Tourism and Travel Technology Investments HK$'000	Total HK$'000	Travel Related Products and Services HK$'000	Tourism and Travel Technology Investments HK$'000	Total HK$'000
Reportable segment revenue	322,600	–	322,600	421,105	–	421,105
Reportable segment (loss)/profit	(25,511)	(2,770)	(28,281)	1,370	–	1,370
Unallocated expenses			(4,478)			(2,983)
Finance income			89			57
Finance costs			(3)			(7)
Loss before income tax			(32,673)			(1,563)
Income tax expense			(724)			(215)
Loss for the year			(33,397)			(1,778)
Share of results of joint ventures	(160)	(2,770)	(2,930)	–	–	–
Depreciation	2,488	–	2,488	2,404	–	2,404

For the years ended 31 March 2019 and 2018, unallocated expenses represent corporate expenses.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) *Segment information (Continued)*

Segment assets and liabilities are as follows:

	2019				2018			
	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	81,289	12,230	14,407	107,926	132,952	–	15,493	148,445
Reportable segment liabilities	(40,534)	–	(32)	(40,566)	(49,931)	–	(257)	(50,188)
Capital expenditure	18,198	10,000	–	28,198	2,619	–	–	2,619

Capital expenditure comprises additions to property, plant and equipment, interests in joint ventures 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:

	2019		2018	
	Assets HK$'000	Liabilities HK$'000	Assets HK$'000	Liabilities HK$'000
Reportable segment assets/liabilities	93,519	(40,534)	132,952	(49,931)
Unallocated:				
Prepayments, deposits and other receivables	812	–	234	–
Financial assets at fair value through profit or loss	10,521	–	–	–
Cash and cash equivalents	3,074	–	15,259	–
Accruals and other payables	–	(32)	–	(257)
	107,926	(40,566)	148,445	(50,188)

(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 31 March 2019 and 2018, all non-current assets were located in Hong Kong.

(d) *Information about a major customer*

There is no single external customer that contributed to more than 10% revenue of the Group's revenue for the year ended 31 March 2019 (2018: Same).

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

	2019 HK$'000	2018 HK$'000
Other income		
Referral income	116	120
Management services fee income	48	–
Aviation business cooperation income	175	–
Subsidies	642	384
	981	504
Other (losses)/gains, net		
Exchange (losses)/gains, net	(777)	206
Fair value (losses)/gains on derivative financial instruments	(71)	90
Loss on disposal of property, plant and equipment	–	(1)
Fair value losses on listed equity securities in Hong Kong	(3,912)	–
Gain on bargain purchases (Note)	2,500	–
Gain on disposal of interest in a joint venture	160	–
	(2,100)	295
Other (losses)/gains and other income, net	(1,119)	799

Note: The amount represents the difference between consideration paid by the Group for the acquisition of a joint venture, Triplabs (BVI) Limited (the "JV Company"), and the Group's share of net assets of the JV Company. Details of the acquisition are set out in Note 20 to the consolidated financial statements.

7 EXPENSES BY NATURE

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

	2019 **HK$'000**	2018 HK$'000
Land costs (Note)	**150,177**	197,734
Air fare costs	**140,488**	162,563
Operating lease rentals of:		
— Office and branches premises	**9,749**	8,885
— Equipment rental	**342**	25
Advertising and promotion	**5,809**	7,082
Credit card fees	**3,376**	3,846
Employee benefits expenses, excluding Directors' benefits and interests (Note 8)	**23,847**	24,816
Directors' benefits and interests (Note 9)	**4,803**	4,819
Depreciation of property, plant and equipment (Note 15)	**2,488**	2,404
Office, telecommunication and utility expenses	**1,254**	1,485
Exchange losses, net	**221**	66
Legal and professional fees	**3,115**	3,082
Auditor's remuneration		
— Audit services	**1,100**	1,155
— Non-audit services	**60**	260
Others	**4,481**	5,295
	351,310	423,517

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.

8 EMPLOYEE BENEFITS EXPENSES, EXCLUDING DIRECTORS' BENEFITS AND INTERESTS

	2019 HK$'000	2018 HK$'000
Salaries, discretionary bonuses and allowances	22,077	22,985
Pension costs – defined contribution plan (Note)	1,372	1,351
Other employee benefits	398	480
	23,847	24,816

Note: The Group has arranged for its employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), which is a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the entities of the Group (the employer) and its employees make monthly contributions to the scheme generally at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employer and the employees are subject to a maximum contribution of HK$1,500 per month since June 2014 and thereafter contributions are voluntary.

There were no forfeited contributions (2018: Nil) utilised during the year ended 31 March 2019 to reduce future contributions. As at 31 March 2019, contributions totalling HK$273,000 (2018: HK$381,000) were payable.

9 DIRECTORS' BENEFITS AND INTERESTS

The remuneration of each Director of the Company paid/payable by the Group for the years ended 31 March 2019 and 2018 are set out below:

Year ended 31 March 2019

Name	Fees HK$'000	Salaries, other allowances and benefits HK$'000	Discretionary bonuses HK$'000	Pension costs — defined contribution plan HK$'000	Total HK$'000
Executive Directors					
Yuen Sze Keung *(Chairman)*	–	1,440	–	–	1,440
Yuen Chun Ning *(Chief Executive Officer)*	–	1,020	–	18	1,038
Chan Suk Mei	–	1,800	–	5	1,805
Independent non-executive Directors ("INED")					
Lam Yiu Kin	200	–	–	–	200
Ho Wing Huen	160	–	–	–	160
Yen Yuen Ho Tony	160	–	–	–	160
	520	4,260	–	23	4,803

9 DIRECTORS' BENEFITS AND INTERESTS (CONTINUED)

Year ended 31 March 2018

Name	Fees HK$'000	Salaries, other allowances and benefits HK$'000	Discretionary bonuses HK$'000	Pension costs — defined contribution plan HK$'000	Total HK$'000
Executive directors					
Yuen Sze Keung *(Chairman)*	–	1,440	–	3	1,443
Yuen Chun Ning *(Chief Executive Officer)*	–	1,020	–	18	1,038
Chan Suk Mei	–	1,800	–	18	1,818
Independent non-executive directors ("INED")					
Lam Yiu Kin	200	–	–	–	200
Ho Wing Huen	160	–	–	–	160
Yen Yuen Ho Tony	160	–	–	–	160
	520	4,260	–	39	4,819

The Group has not paid consideration to any third parties for making available Directors' services during the year ended 31 March 2019 (2018: Same).

As at 31 March 2019 and 2018, there were no loans, quasi-loans and other dealing arrangements in favour of the Directors, bodies corporate controlled by and connected entities with the Directors.

Save as disclosed in Note 31 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at 31 March 2019 or at any time during the year ended 31 March 2019 (2018: Same).

There was no arrangement under which a Director waived or agreed to waive any emoluments during the year ended 31 March 2019 (2018: Same).

There were no amounts paid or receivable by Directors as an inducement to join or upon joining the listed issuer during the year ended 31 March 2019 (2018: Same).

There was no compensation paid or receivable by Directors or past Directors for the loss of office as a Director or for the loss of any other office in connection with the management of the affairs of the Company and its subsidiaries during the year ended 31 March 2019 (2018: Same).

There were no other emoluments payable to the INEDs during the year ended 31 March 2019 (2018: Same).

10 FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals for the year ended 31 March 2019 included three directors (2018: three), details of whose remuneration are set out in Note 9 above. Details of the remuneration of the remaining two highest paid employees (2018: two) for the years ended 31 March 2019 and 2018 are as follows:

	2019 HK$'000	2018 HK$'000
Salaries and allowances	2,103	1,900
Discretionary bonuses	–	150
Pension cost — defined contribution plan	18	18
	2,121	2,068

The emoluments on these individuals fell within the following bands:

	Number of individuals	
	2019	2018
Emolument bands		
HK$500,001 to HK$1,000,000	1	1
HK$1,000,001 to HK$1,500,000	–	1
HK$1,500,001 to HK$2,000,000	1	–
	2	2

There were no amounts paid or receivable by the aforementioned two highest paid individuals as an inducement to join or upon joining the Group during the year ended 31 March 2019 (2018: Same).

There was no compensation paid or receivable by the aforementioned two highest paid individuals for the loss of any office in connection with the management of the affairs of the Company and its subsidiaries during the year ended 31 March 2019 (2018: Same).

11 FINANCE INCOME, NET

	2019 **HK$'000**	2018 HK$'000
Finance income		
Bank interest income	**89**	57
Finance costs		
Interest expense on obligations under finance leases	**(3)**	(7)
Finance income, net	**86**	50

12 INCOME TAX EXPENSE

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

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

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

	2019 **HK$'000**	2018 HK$'000
Current income tax expense	**–**	(535)
Over-provision in prior years	**49**	19
Deferred income tax (expense)/credit (Note 27)	**(773)**	301
	(724)	(215)

12 INCOME TAX EXPENSE (CONTINUED)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the taxation rate in Hong Kong as follows:

	2019 HK$'000	2018 HK$'000
Loss before income tax	**(32,673)**	(1,563)
Tax calculated at a tax rate of 16.5%	**5,391**	258
Income not subject to tax	**427**	10
Expenses not deductible for tax purpose	**(1,733)**	(502)
Tax losses for which no deferred income tax was recognised	**(4,108)**	–
De-recognition of previously recognised deferred income tax assets	**(750)**	–
Over provision in prior years	**49**	19
	(724)	(215)

13 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.

	2019	2018
Loss attributable to owners of the Company *(HK$'000)*	**(33,116)**	(1,757)
Weighted average number of ordinary shares in issue *('000)*	**400,000**	400,000
Basic loss per Share *(HK cents per Share)*	**(8.28)**	(0.44)

(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 year ended 31 March 2019 (2018: Same).

14 DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 March 2019 (2018: Nil).

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Computer software HK$'000	Construction in progress HK$'000	Website HK$'000	Total HK$'000
Year ended 31 March 2018							
Cost							
At 1 April 2017	4,850	6,018	1,508	435	–	3,648	16,459
Additions	–	921	–	976	–	722	2,619
Disposals	(188)	(87)	–	–	–	–	(275)
At 31 March 2018	4,662	6,852	1,508	1,411	–	4,370	18,803
Accumulated depreciation							
At 1 April 2017	(4,001)	(3,558)	(828)	(174)	–	(243)	(8,804)
Charge (Note 7)	(367)	(714)	(349)	(189)	–	(785)	(2,404)
Disposals	157	86	–	–	–	–	243
At 31 March 2018	(4,211)	(4,186)	(1,177)	(363)	–	(1,028)	(10,965)
Closing net book amount							
At 31 March 2018	451	2,666	331	1,048	–	3,342	7,838
Year ended 31 March 2019							
Cost							
At 1 April 2018	**4,662**	**6,852**	**1,508**	**1,411**	**–**	**4,370**	**18,803**
Additions	**6**	**29**	**–**	**–**	**2,625**	**1,105**	**3,765**
Disposals	**–**	**(7)**	**–**	**–**	**–**	**–**	**(7)**
At 31 March 2019	**4,668**	**6,874**	**1,508**	**1,411**	**2,625**	**5,475**	**22,561**
Accumulated depreciation							
At 1 April 2018	**(4,211)**	**(4,186)**	**(1,177)**	**(363)**	**–**	**(1,028)**	**(10,965)**
Charge (Note 7)	**(229)**	**(852)**	**(163)**	**(334)**	**–**	**(910)**	**(2.488)**
Disposals	**–**	**7**	**–**	**–**	**–**	**–**	**7**
At 31 March 2019	**(4,440)**	**(5,031)**	**(1,340)**	**(697)**	**–**	**(1,938)**	**(13,446)**
Closing net book amount							
At 31 March 2019	**228**	**1,843**	**168**	**714**	**2,625**	**3,537**	**9,115**

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation expenses of HK$1,499,000 (2018: HK$1,295,000) was charged in "administrative expenses" and HK$989,000 (2018: HK$1,109,000) was charged in "selling expenses" for the year.

Motor vehicles include the following amounts where the Group is a lessee under finance leases:

	2019 HK$'000	2018 HK$'000
Costs	**650**	650
Accumulated depreciation	**(482)**	(319)
Net book amount	**168**	331

16 FINANCIAL INSTRUMENTS BY CATEGORY

	2019 HK$'000	2018 HK$'000
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	**10,521**	–
Loans and receivables		
Trade receivables	**5**	622
Deposits and other receivables	**26,281**	49,341
Short-term fixed deposit	**3,000**	5,000
Cash and cash equivalents	**41,329**	76,043
	70,615	131,006
	81,136	131,006
Financial liabilities		
Financial liabilities at amortised costs		
Trade payables	**5,902**	5,176
Other payables	**3,812**	5,086
Amounts due to related companies	**923**	1,498
Obligations under finance leases	**22**	107
	10,659	11,867

17 INVENTORIES

	2019 HK$'000	2018 HK$'000
Merchandise for sales	558	452

The cost of inventories included in cost of sales during the year ended 31 March 2019 amounted to approximately HK$2,365,000 (2018: HK$3,604,000).

18 TRADE RECEIVABLES

As at 31 March 2019 and 2018, the ageing analysis of trade receivables based on invoice date are as follows:

	2019 HK$'000	2018 HK$'000
1 to 30 days	5	381
31 to 60 days	–	241
	5	622

The carrying amounts of trade receivables approximate their fair values as at 31 March 2019 and 2018 and the credit terms granted by the Group generally range up to 90 days.

As at 31 March 2019 and 2018, no trade receivables are considered past due or impaired.

The maximum exposure to credit risk is the carrying amounts mentioned above 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$.

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2019 HK$'000	2018 HK$'000
Non-current portion		
Rental deposits	560	1,851
Prepayments for fixed assets	–	803
	560	2,654
Current portion		
Trade deposits	21,391	43,940
Rental, utilities and other deposits	1,834	555
Amounts due from employees	151	427
Other prepayments (Note)	1,483	4,406
Other current assets	2,345	2,568
	27,204	51,896

Note: As at 31 March 2018, other prepayments included the unrecognised costs for an exclusive flight route arrangement.

The carrying amounts of deposits and other receivables approximate their fair values as at 31 March 2019 and 2018.

Prepayments, deposits and other receivables are denominated in the following currencies:

	2019 HK$'000	2018 HK$'000
HK$	24,259	44,706
JPY	3,505	9,844
	27,764	54,550

20 INTEREST IN A JOINT VENTURE

(a) *Share of net assets of a joint venture*

	2019 HK$'000	2018 HK$'000
As at 1 April	–	–
Additions	13,100	–
Disposals (Note (i))	(440)	–
Share of post-tax results of joint ventures	(2,930)	–
Share of changes in reserve of a joint venture (Note (ii))	2,500	–
As at 31 March	12,230	–

Notes:

(i) On 25 May 2018, the Group completed an acquisition of 20% of the issued share capital of Airbare.com Limited ("Airbare") by way of cash consideration of HK$600,000, which was accounted for as interest in a joint venture. On 25 October 2018, the Board and the board of directors of CTEH INC. ("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 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) the transfer of all of the issued share capital of Airbare held to the subsidiary of the JV Company. Airbare ceased to be a joint venture of the Group upon the abovementioned transfer of its issued share capital on 29 November 2018 (the "date of disposal"). At the date of disposal, the carrying value of Airbare was HK$440,000.

(ii) The amount represents the Group's share of share-based payment reserve of the JV Company.

Details of the joint venture as at 31 March 2019:

Name of joint venture	Place of incorporation	Issued and fully paid capital	Effective equity interest	Principal activities
Triplabs (BVI) Limited	BVI	HK$20,000,000	50%	Investments in tourism and travel technology related business through a wholly-owned subsidiary

20 INTEREST IN A JOINT VENTURE (CONTINUED)

(a) ***Share of net assets of a joint venture (continued)***

Set out below is the summary of consolidated financial information for the joint venture of the Group as at 31 March 2019.

The below consolidated financial information of the joint venture has been consistently measured based on the fair values of the identifiable assets acquired and the liabilities assumed at the date of establishment.

Summarised statement of financial position

	2019 HK$'000
ASSETS	
Non-current assets	
Interest in a joint venture	607
Current assets	
Financial assets at fair value through profit or loss	15,429
Cash and cash equivalents	8,524
	23,953
Total assets	24,560
LIABILITIES	
Current liabilities	
Accruals and other payables	100
	100
Total liabilities	100
Net assets	24,460

Summarised statement of comprehensive income

	2019 HK$'000
Other income	122
Administrative expenses	(5,547)
Operating loss	(5,425)
Share of results of a joint venture	(116)
Loss and total comprehensive loss for the year	(5,541)

(b) There are no material contingent liabilities relating to the Group's investment in the joint venture.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 HK$'000	2018 HK$'000
Listed equity securities in Hong Kong (Note)	10,521	–

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 loss on the listed equity securities of HK$3,912,000 (2018: Nil) was recognised in "other (losses)/ gain and other income, net" for the year.

22 CASH AND CASH EQUIVALENTS AND SHORT-TERM FIXED DEPOSIT

	2019 HK$'000	2018 HK$'000
Cash on hand	423	287
Cash at banks	40,906	75,756
Cash and cash equivalents	41,329	76,043
Short-term fixed deposit	3,000	5,000

Cash and cash equivalents are denominated in the following currencies:

	2019 HK$'000	2018 HK$'000
HK$	40,021	72,259
JPY	1,130	3,605
Others	178	179
	41,329	76,043

Short-term fixed deposit bears interest at 1.9% per annum with mature date on 21 January 2020 (2018: 1.5% per annum with mature date on 24 December 2018). Such deposit is denominated in HK$.

23 SHARE CAPITAL

	Number of Shares	Share capital HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
As at 1 April 2018 and 31 March 2019	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
As at 1 April 2018 and 31 March 2019	400,000,000	4,000

24 TRADE PAYABLES

As at 31 March 2019 and 2018, the ageing analysis of trade payables based on invoice date are as follows:

	2019 HK$'000	2018 HK$'000
1 to 30 days	4,665	3,961
31 to 60 days	998	991
61 to 90 days	164	140
91 to 120 days	6	44
Over 120 days	69	40
	5,902	5,176

The carrying amounts of trade payables approximate their fair values as at 31 March 2019 and 2018 and are denominated in the following currencies:

	2019 HK$'000	2018 HK$'000
HK$	4,445	4,179
JPY	1,457	997
	5,902	5,176

25 ACCRUALS AND OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES

	2019 HK$'000	2018 HK$'000
Other non-current liabilities		
Provisions for reinstatement cost	**456**	449
Long service payment	**197**	172
	653	621
Accruals and other payables		
Contract liabilities	**27,661**	–
Receipts in advance	**–**	32,370
Accrued staff costs	**1,593**	1,614
Deferred revenue	**–**	348
Other payables (Note)	**3,812**	8,411
	33,066	42,743

Note: As at 31 March 2018, other payables included the obligation of an exclusive flight route arrangement signed with an airline supplier.

The carrying amounts of accruals and other payables approximate their fair values as at 31 March 2019 and 2018.

Accruals and other payables and other non-current liabilities are denominated in the following currencies:

	2019 HK$'000	2018 HK$'000
HK$	**33,272**	42,875
JPY	**447**	489
	33,719	43,364

26 OBLIGATIONS UNDER FINANCE LEASES

	2019 HK$'000	2018 HK$'000
Gross finance lease liabilities — minimum lease payments		
No later than 1 year	**22**	88
Later than 1 year and no later than 2 years	**–**	22
	22	110
Future finance charges on finance leases	**–**	(3)
Present values of finance lease liabilities	**22**	107
The present values of finance lease liabilities are as follows:		
No later than 1 year	**22**	85
Later than 1 year and no later than 2 years	**–**	22
Total obligations under finance leases	**22**	107

Assets arranged under finance leases represent motor vehicles. As at 31 March 2019, the lease terms are 3 to 4 years with effective interest rate of 5.52% (2018: 5.52%) per annum.

27 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities are as follows:

	2019 HK$'000	2018 HK$'000
Deferred income tax assets — to be recovered after more than 12 months	**–**	816
Deferred income tax liabilities — to be recovered after more than 12 months	**–**	(43)
Deferred income tax assets, net	**–**	773

27 DEFERRED INCOME TAX (CONTINUED)

The net movements in the deferred income tax account are as follows:

	2019 HK$'000	2018 HK$'000
As at 1 April	**773**	472
(Charged)/credited to the consolidated statement of comprehensive income (Note 12)	**(773)**	301
As at 31 March	**–**	773

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	2019 HK$'000			2018 HK$'000		
	Decelerated tax depreciation HK$'000	**Tax losses HK$'000**	**Total HK$'000**	Decelerated tax depreciation HK$'000	Tax losses HK$'000	Total HK$'000
Deferred income tax assets						
As at 1 April	**–**	**1,498**	**1,498**	–	1,075	1,075
Recognised in profit or loss	**–**	**(502)**	**(502)**	–	423	423
As at 31 March	**–**	**996**	**996**	–	1,498	1,498

	2019 HK$'000	2018 HK$'000
Deferred income tax liabilities		
Accelerated tax depreciation		
As at 1 April	**(725)**	(603)
Recognised in profit or loss	**(271)**	(122)
As at 31 March	**(996)**	(725)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

As at 31 March 2018, tax losses amounting to HK$9,082,000 was recognised as deferred tax assets of HK$1,498,000 as the Directors were of opinion that it was probable that future taxable profits would be available against which these unused tax losses could be utilised.

Previously recognised deferred tax assets of HK$750,000 were de-recognised during the year ended 31 March 2019. As at 31 March 2019, the Group did not recognise deferred income tax assets in respect of tax losses totalling HK$29,502,000 that can be carried forward for offsetting against future taxable profits.

28 CASH FLOWS FROM OPERATING ACTIVITIES

	2019 HK$'000	2018 HK$'000
Loss before income tax	(32,673)	(1,563)
Adjustments for:		
Depreciation of property, plant and equipment	2,488	2,404
Loss on disposal of property, plant and equipment	–	1
Finance income, net	(86)	(50)
Gain on bargain purchases	(2,500)	–
Gain on disposal of interest in a joint venture	(160)	–
Fair value losses on derivative financial instruments	–	38
Fair value losses on listed equity securities in Hong Kong	3,912	–
Share of results of joint ventures	2,930	–
Operating cash flows before changes in working capital	(26,089)	830
Changes in working capital:		
Inventories	(106)	1,246
Trade receivables	617	(423)
Prepayments, deposits and other receivables	25,985	(22,180)
Amounts due to related companies	(575)	337
Trade payables	726	(1,380)
Accruals, other payables and other non-current liabilities	(9,653)	(12,880)
Cash used in operations	(9,095)	(34,450)

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2019 HK$'000	2018 HK$'000
Cost disposed (Note 15)	7	275
Accumulated depreciation (Note 15)	(7)	(243)
Loss on disposal of property, plant and equipment (Note 6)	–	(1)
Re-assessment of provision of reinstatement cost	–	(31)
Proceeds from disposal of property, plant and equipment	–	–

28 CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)

Net debt reconciliation

	2019 **HK$'000**	2018 HK$'000
Cash and cash equivalents	**41,329**	76,043
Finance leases — repayable within one year	**(22)**	(85)
Finance leases — repayable after one year	**–**	(22)
Net cash	**41,307**	75,936

	2019 **HK$'000**	2018 HK$'000
Cash and cash equivalents	**41,329**	76,043
Gross debt — fixed interest rate	**(22)**	(107)
Net cash	**41,307**	75,936

Movements in net debt for the years ended 31 March 2019 and 2018:

	Other assets	**Liabilities from financing activities**		
	Cash HK$'000	**Finance leases due within 1 year HK$'000**	**Finance leases due after 1 year HK$'000**	**Total HK$'000**
Net cash as at 1 April 2017	138,588	(151)	(107)	138,330
Cash flow	(62,545)	151	–	(62,394)
Other non-cash movements (Note a)	–	(85)	85	–
Net cash as at 31 March 2018	76,043	(85)	(22)	75,936
Cash flow	(34,714)	85	–	(34,629)
Other non-cash movements (Note a)	–	(22)	22	–
Net cash as at 31 March 2019	41,329	(22)	–	41,307

(a) Other non-cash movements during 2018 and 2019 mainly include reclassification of finance leases.

29 CONTINGENCIES

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

30 COMMITMENTS

(a) *Capital commitment*

Capital expenditure contracted for as at 31 March 2019 and 2018 but not yet provided is as follows:

	2019 HK$'000	2018 HK$'000
Website development	**875**	–
Implementation of IT systems	**150**	773
	1,025	773

(b) *Operating lease commitments*

As a lessee

As at 31 March 2019 and 2018, the Group leases a number of premises under non-cancellable operating leases, except for office premises under cancellable operating lease agreements with a related company (Note 31(a)). The leases terms are for 3 years and are renewable at the end of the lease period at market rate. The Group can terminate the leases by giving a 3-month written notice to the landlord.

The Group also leases various office equipment under cancellable operating lease agreements. The Group is required to give a 1-month notice for the termination of these agreements. The operating lease expenditure charged during the year is disclosed in Note 7.

The future aggregate minimum lease payments under non-cancellable operating leases, including 3-month non-cancellable leases for office premises and 1-month non-cancellable leases for office equipment, are as follows:

	2019 HK$'000	2018 HK$'000
No later than 1 year	**4,835**	6,919
Later than 1 year and no later than 5 years	**1,948**	5,837
	6,783	12,756

31 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 years ended 31 March 2019 and 2018:

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

Other than those transactions and balances disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties during the years ended 31 March 2019 and 2018:

(a) *Transactions with related parties*

	2019 HK$'000	2018 HK$'000
Rental expenses		
Sky Right Investment Limited	**2,820**	2,820
Venue fee		
HCNY Consultancy Limited	**216**	305
Tour bus services fee		
JCS Limited	**5,007**	8,720
Booking services fee		
Y's Japan Limited	**2,547**	2,546
Management services fee income		
Triplabs Limited	**48**	–

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.

31 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 in Note 9 and Note 10, respectively.

(c) Amounts due to related companies

	2019 HK$'000	2018 HK$'000
Y's Japan Limited	**(912)**	(759)
JCS Limited	**–**	(711)
HCNY Consultancy Limited	**(11)**	(28)
	(923)	(1,498)

Amounts due to related companies arising from trading activities and were unsecured, interest-free, repayable on demand and denominated in JPY, except for the amount due to HCNY Consultancy Limited which was denominated in HK$.

32 SUBSIDIARIES

As at 31 March 2019, the Company had direct and indirect interests in the following principal subsidiaries:

Name of company	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/ registered capital	Proportion of ordinary shares held by parent directly	Proportion of ordinary shares held by the Group indirectly	Proportion of ordinary shares held by non-controlling interests
WWPKG Management Company Limited	British Virgin Island, limited liability company	Investment holding in Hong Kong	1 ordinary share	100%	–	–
Package Tours (Hong Kong) Limited	Hong Kong, limited liability company	Provision of package tour services in Hong Kong	100,000 ordinary shares	–	98.71%	1.29%
Worldwide Package Travel Service Limited	Hong Kong, limited liability company	Acting as a travel agent for sales of package tours, FIT products and ancillary travel related products and services in Hong Kong	15,000 ordinary shares	–	100%	–

33 EVENTS AFTER THE REPORTING PERIOD

On 10 June 2019, the Company as an investor entered into a cornerstone investment agreement with Feiyang International Holdings Group Limited ("Feiyang") (as issuer) and Giraffe Capital Limited, pursuant to which the Company has agreed to subscribe for the investor shares of Feiyang (the "Investor Shares") at the offer price under and as part of Feiyang's international offering (the "Cornerstone Investment Agreement"). The maximum aggregate subscription price for the Investor Shares payable by the Company under the Cornerstone Investment Agreement shall be HK$5.0 million.

34 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

Statement of financial position of the Company as at 31 March 2019

	Note	2019 HK$'000	2018 HK$'000
ASSETS			
Non-current assets			
Investment in a subsidiary		**–**	–
		–	–
Current assets			
Financial assets at fair value through profit or loss		**10,521**	–
Prepayments, deposits and other receivables		**812**	234
Amounts due from subsidiaries		**36,331**	42,450
Cash and cash equivalents		**3,074**	15,259
		50,738	57,943
Total assets		**50,738**	57,943
EQUITY			
Equity attributable to owners of the Company			
Share capital		**4,000**	4,000
Reserves	(i)	**56,667**	56,667
Accumulated losses	(i)	**(9,961)**	(2,981)
Total equity		**50,706**	57,686
LIABILITIES			
Current liabilities			
Accruals and other payables		**32**	257
Total liabilities		**32**	257
Total equity and liabilities		**50,738**	57,943

The statement of financial position of the Company was approved by the Board of Directors on 12 June 2019 and was signed on its behalf.

Yuen Sze Keung
Director

Yuen Chun Ning
Director

34 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY (CONTINUED)

Note (i): Reserve movements of the Company for the years ended 31 March 2019 and 2018.

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
Balances at 1 April 2017	69,166	7,501	76,667
Total comprehensive loss			
Loss for the year	–	(2,981)	(2,981)
Transactions with owners			
Dividend paid relating to 2017	(12,499)	(7,501)	(20,000)
Balances at 31 March 2018	56,667	(2,981)	53,686
Balances at 1 April 2018	**56,667**	**(2,981)**	**53,686**
Total comprehensive loss			
Loss for the year	**–**	**(6,980)**	**(6,980)**
Balances at 31 March 2019	**56,667**	**(9,961)**	**46,706**

FINANCIAL HIGHLIGHTS

A summary of the results and of the assets, equity and liabilities of the Group for the last five financial years is as follows.

	Year ended 31 March				
	2019	2018	2017	2016	2015
Results	**HK$'000**	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**322,600**	421,105	390,820	452,632	461,546
(Loss)/profit before income tax	**(32,673)**	(1,563)	(14,439)	28,405	19,689
Income tax (expenses)/credit	**(724)**	(215)	132	(5,077)	(3,345)
(Loss)/profit for the year	**(33,397)**	(1,778)	(14,307)	23,328	16,344

	As at 31 March				
	2019	2018	2017	2016	2015
Assets and liabilities	**HK$'000**	HK$'000	HK$'000	HK$'000	HK$'000
Current assets	**86,021**	137,137	175,442	89,778	88,836
Non-current assets	**21,905**	11,308	8,815	5,881	3,382
Total assets	**107,926**	148,445	184,257	95,659	92,218
Current liabilities	**(39,913)**	(49,502)	(63,334)	(33,463)	(53,310)
Non-current liabilities	**(653)**	(686)	(888)	(915)	(955)
Total liabilities	**(40,566)**	(50,188)	(64,222)	(34,378)	(54,265)
EQUITY					
Equity attributable to owners of the Company	**67,360**	98,257	120,035	61,281	37,953