

**2016/  
2017  
ANNUAL  
REPORT**



**縱橫遊**

[www.wwpkg.com.hk](http://www.wwpkg.com.hk)

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

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

Stock Code: 8069

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”)  
OF THE STOCK EXCHANGE OF  
HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM of the Stock Exchange, there is a risk that securities traded on GEM of the Stock Exchange may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM of the Stock Exchange.**

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

# Corporate Information

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## BOARD OF DIRECTORS

### *Executive Directors:*

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

### *Independent Non-executive Directors:*

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

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

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

## COMPANY SECRETARY

Ms. Ng Ka Man, *ACS, ACIS*

## COMPLIANCE OFFICER

Mr. Yuen Chun Ning

## AUTHORISED REPRESENTATIVES

Mr. Yuen Sze Keung  
Mr. Yuen Chun Ning

## REGISTERED OFFICE

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

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

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

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

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

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

## COMPLIANCE ADVISER

Lego Corporate Finance Limited

## PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation  
Hang Seng Bank 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 (the "Board") of WWPKG Holdings Company Limited (the "Company", together with its subsidiaries, the "Group"), I am pleased to present the annual results of the Group for the financial year ended 31 March 2017 (the "Year 2017").

## BUSINESS REVIEW

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

During the Year 2017, the Group faced considerable challenges arisen from the Kumamoto earthquake occurred in April 2016, the continuous appreciation of Japanese Yen against Hong Kong Dollars between April 2016 and September 2016, as well as the vigorous competition from online agencies and booking platforms of airlines and hotels. The Group recorded a total revenue of approximately HK\$390.8 million in the Year 2017 (2016: HK\$452.6 million), representing a decrease of 13.6%, as compared to last year. Notwithstanding the macro-economic factors, the Year 2017 marked a significant year for the Group's development history:

- The shares of the Company (the "Shares") were successfully listed on GEM of the Stock Exchange (the "Listing") by way of placing and public offer (collectively, the "Share Offer") on 12 January 2017 (the "Listing Date"), representing a substantial milestone for the Group. The listing status not only provides the Company a platform to gain access to one of the world's major capital markets, but also enhances the Group's reputation and brand awareness.
- The Group's new online sales platform was launched in stages during the Year 2017. Our customers were able to (i) make booking of package tours and purchase certain ancillary travel related products and services; (ii) purchase air tickets; and (iii) purchase hotel accommodations beginning in April, August and December 2016 respectively. A number of further major enhancements to the online sales platform and the implementation of a mobile application software are in progress or in the pipeline.
- As a result of the Group's tremendous efforts in developing and promoting high quality products and professional travel services, in particular Japan bound package tours, we received the travel ambassador award presented by The Dragon Route Promotion Council of Japan for promoting tourism in Shoryudo (the area of nine prefectures in Chubu and Hokuriku regions of Japan) and the plaque of appreciation presented by the Aomori Prefectural Government of Japan.

During the Year 2017, much efforts were spent to promote our brand recognition and awareness. In April 2016 and November 2016, the Group sponsored two series of television travel programme, which received positive review. Following such success, the host of the television travel programme was appointed as our spokesperson. During the Chinese New Year period in 2017, our spokesperson made a guest appearance by participating in a luxurious five-day hot spring and gourmet tour in Mie Prefecture of Japan operated by the Group, which received another great acclamation. In August 2016, the Group launched a two-year digital marketing campaign to promote its brand and travel products through various online social medium and search engines to reach out to wider spectrum of potential customers.

# Chairman's Statement

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## PROSPECTS

We will continue to focus on marketing efforts to enhance our brand awareness and popularity of our products through digital marketing and traditional advertising. In view of the keen competition from online agencies, booking platforms of hotels, budget airlines and other competitors, we will continue to optimise our business platform, including the Group's online sales platform. We will continue our efforts in exploring new routes with airline suppliers to less touched areas particularly in Japan. For existing tours, we will keep on refining them with new itineraries, activities and hotel accommodations with the view to bringing better travel experience to our customers.

## 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, 13 June 2017



# Management Discussion and Analysis

## FINANCIAL REVIEW

### REVENUE AND GROSS PROFIT

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

|  | Year ended 31 March 2017 |               |                     | Year ended 31 March 2016 |               |                     |
|--|--------------------------|---------------|---------------------|--------------------------|---------------|---------------------|
|  | Revenue                  | Gross profit  | Gross profit margin | Revenue                  | Gross profit  | Gross profit margin |
|  | HK\$' million            | HK\$' million | %                   | HK\$' million            | HK\$' million | %                   |
| Package tours  | 382.1                    | 50.8          | 13.3                | 443.9                    | 74.5          | 16.8                |
| FIT products <i>Note</i>                                   | 2.7                      | 2.7           | N/A                 | 4.0                      | 4.0           | N/A                 |
| Ancillary travel related products and services <i>Note</i> | 6.0                      | 6.0           | N/A                 | 4.7                      | 4.7           | N/A                 |
| <b>Total/overall</b>                                       | <b>390.8</b>             | <b>59.5</b>   | <b>15.2</b>         | <b>452.6</b>             | <b>83.2</b>   | <b>18.4</b>         |

*Note:* The Group's revenue from sales of FIT products and ancillary travel related products and services are recognised on net basis as the Group renders its services as an agent.

### Package tours

The Group's revenue from sales of package tours decreased by 13.9% from approximately HK\$443.9 million for the year ended 31 March 2016 to approximately HK\$382.1 million for the Year 2017. The decrease in revenue was mainly due to the decline in sales of Japan bound tours during the first half of the Year 2017 by 23.2% as a result of (i) the negative impact of the Kumamoto earthquake occurred in April 2016; (ii) the fact that the continued appreciation of Japanese Yen against Hong Kong Dollars between April 2016 and September 2016 coupled with the intense competition within the industry, particularly from online agencies and booking platforms of airlines and hotels which are introducing aggressive marketing campaigns and promotion programmes, have reduced the demand of customers who are cost conscious for the Group's package tours bound for Japan; and (iii) that in view of the decreased demand and the fierce industry competition, the Group adjusted downward the selling prices of its Japan bound tours in order to attract customers. Tours bound for Japan accounted for 84.6% (2016: 84.4%) of the Group's total revenue from package tours for the Year 2017. Hence, the appreciation of the Japanese Yen during the aforementioned period, which increased the Group's land costs (as part of its cost of sales which included hotel tariffs, transportation costs, meal expenses and admission ticket costs) per customer, and the Group's downward adjustment of selling prices of its Japan bound tours during the first half of the Year 2017 also exerted pressure on the gross profit of the Group.

### FIT products

FIT products generally include air tickets, hotel accommodations and combination of both. The Group's revenue from the sales of FIT products decreased from approximately HK\$4.0 million for the year ended 31 March 2016 to approximately HK\$2.7 million for the Year 2017 mainly due to keen competition from online agencies, booking platforms of hotels and budget airlines, as well as the fact that the Group's new online sales platform, one of the key purposes for which is to cater for the increasing trend of booking air tickets and hotel accommodations online, was not fully launched until December 2016 and was subject to further major enhancements.

# Management Discussion and Analysis

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## **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, railway tickets and transportation passes. The Group's revenue from the sales of ancillary travel related products and services increased from approximately HK\$4.7 million for the year ended 31 March 2016 to approximately HK\$6.0 million for the Year 2017 mainly due to the increase in sales of Japan rail passes and margin income from insurance companies for the sales of travel insurance to customers.

## **SELLING EXPENSES**

Selling expenses mainly consist of (i) advertising and promotion expenses, such as sponsoring television travel programmes and films, online and offline media advertisements, participating in tourism fairs and organising travel seminars; (ii) credit card and debit card charges in respect of payments from customers with credit cards and electronic payment services (EPS); and (iii) rental and related expenses for the Group's branches.

Selling expenses increased by 8.2% from approximately HK\$18.4 million for the year ended 31 March 2016 to approximately HK\$19.9 million for the Year 2017 mainly due to the increase in the branches' rental expenses particularly as a result of the Group's expansion of its Shatin branch.

## **ADMINISTRATIVE EXPENSES**

Administrative expenses mainly consist of (i) staff costs, representing the Directors' remuneration and the salaries and benefits for the Group's administrative 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) non-recurring listing expenses and other miscellaneous administrative expenses.

Administrative expenses increased by 41.5% from approximately HK\$38.8 million for the year ended 31 March 2016 to approximately HK\$54.9 million for the Year 2017 mainly due to the recognition of non-recurring listing expenses of approximately HK\$15.0 million for the Year 2017 and the increase in discretionary bonuses awarded to the Group's employees in recognition of their efforts and contributions during the Year 2017.

## **LOSS/PROFIT AND TOTAL COMPREHENSIVE LOSS/INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY**

Profit and total comprehensive income attributable to owners of the Company decreased by 161.9% from a profit and total comprehensive income of approximately HK\$23.1 million for the year ended 31 March 2016 to a loss and total comprehensive loss of approximately HK\$14.3 million for the Year 2017 mainly due to (i) the decrease in gross profit of approximately HK\$23.7 million because of the decrease in revenue and increase in cost of sales per customer for reasons as discussed in the sub-section headed "Revenue and gross profit" above; and (ii) the increase in administrative expenses of approximately HK\$16.1 million for reasons as discussed in the sub-section headed "Administrative expenses" above.

Excluding the non-recurring listing expenses, the profit and total comprehensive income attributable to owners of the Company for the Year 2017 would be approximately HK\$0.7 million.



## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2017, the Group's cash and cash equivalents represented cash and bank balances of approximately HK\$138.6 million (2016: HK\$71.6 million), which included unutilised net proceeds from the Share Offer of approximately HK\$52.3 million. The cash and bank balances of the Group were mainly denominated in Hong Kong Dollars, which accounted for 98.3% (2016: 94.0%) of the total balances.

As at 31 March 2017, the Group's total current assets increased by 95.3% to approximately HK\$175.4 million as compared to approximately HK\$89.8 million as at 31 March 2016, mainly due to the net proceeds from the Share Offer received by the Company and the increase in trade deposits paid to airlines. As at 31 March 2017, the Group's total current liabilities increased by 89.0% to approximately HK\$63.3 million as compared to approximately HK\$33.5 million as at 31 March 2016, mainly due to the increase in advanced receipts from customers as a result of the increase in enrolment for package tours operated during the peak Easter holidays in April 2017. The current ratio (current assets/current liabilities) as at 31 March 2017 was approximately 2.8 times, which was comparable to that as at 31 March 2016 (2.7 times). Management considers the financial position of the Group is healthy with adequate working capital for daily operations.

As at 31 March 2017 and 2016, the Group did not pledge any of its assets as securities for facilities granted to the Group.

## CAPITAL EXPENDITURE

During the Year 2017, the Group acquired property, plant and equipment at a total cost of approximately HK\$6.2 million, which was financed by internal resources of the Group and net proceeds from the Share Offer.

## CAPITAL STRUCTURE

Details of changes in the Company's share capital are set out in note 22 to the consolidated financial statements in this annual report.

## 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 2017 and 2016, the Group was not at a net debt position.

## CONTINGENT LIABILITIES

As at 31 March 2017 and 2016, the Group had no significant contingent liabilities.

## CHARGE OVER THE GROUP'S ASSETS

As at 31 March 2017, the finance lease liabilities amounted to approximately HK\$0.3 million (2016: approximately HK\$0.6 million) were secured by the Group's motor vehicles with aggregate net book value of approximately HK\$0.5 million (2016: approximately HK\$0.9 million).

## Management Discussion and Analysis

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### **SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES**

Save as the corporate reorganisation as disclosed in the prospectus of the Company dated 30 December 2016 (the “Prospectus”) and in this annual report, there were no significant investments, material acquisitions or disposals of subsidiaries by the Company during the Year 2017.

### **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in the Prospectus and in this report, the Group did not have other plans for material investments or capital assets as of 31 March 2017.

### **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 2017, the Group had outstanding foreign exchange forward contracts denominated in Japanese Yen of notional principal amounts of approximately HK\$4.8 million (2016: approximately HK\$1.4 million). 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 2017, the Group had a workforce of 159 employees (2016: 170), 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 2017 amounted to approximately HK\$25.7 million (2016: approximately HK\$24.0 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 2017, no share options had been granted, exercised, lapsed or cancelled under the Share Option Scheme. Details of the Share Option Scheme are set out in the section headed “Report of the Directors — Share Option Scheme” in this annual report.

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 2017.

## USE OF PROCEEDS

As stated in the section headed “Future Plans and Use of Proceeds” in the Prospectus, the Group intends to use the proceeds from the Share Offer (i) to promote its brand recognition and awareness; (ii) to strengthen and enhance its sales channels; (iii) to improve its operational efficiency; and (iv) for general corporate and working capital purposes.

The net proceeds received by the Company from the Share Offer, after deducting underwriting commissions and all related expenses, was approximately HK\$57.0 million (the “Net Proceeds”), which were more than the estimated amounts stated in the Prospectus using mid-point of the indicative offer price range. Thus, the Company plans to apply the Net Proceeds on the same business strategic plans as stated in the Prospectus but with monetary adjustments to each business strategic plan on a pro rata basis. As at 31 March 2017, the unused Net Proceeds of approximately HK\$52.3 million were deposited into a licensed bank in Hong Kong. The Company intends to continue to apply the remaining Net Proceeds in accordance with the proposed applications set out above.

During the Year 2017, the Net Proceeds had been utilised as follows:

|  | Adjusted allocation of the Net Proceeds | Amount utilised up to 31 March 2017 | Balance as at 31 March 2017 | Business progress up to 31 March 2017  |
|--|---|-------------------------------------|-----------------------------|--|
|  | HK\$ million                            | HK\$ million                        | HK\$ million                |  |
| Promoting brand recognition and awareness      | 25.4                                    | (0.9)                               | 24.5                        | — The Group’s digital marketing campaign has been on-going since August 2016;<br><br>Cost of marketing arising from a package tour participation and guest appearance by the Group’s spokesperson was settled. |
| Strengthening and enhancing sales channels     | 14.2                                    | (1.7)                               | 12.5                        | — Expansion and refurbishment of the Group’s Shatin branch was completed;<br><br>Cost of development of and enhancements to the Group’s integrated online sales platform have been settled in phases.          |
| Improving operational efficiency               | 11.7                                    | (1.3)                               | 10.4                        | — Replacement of the Group’s hotlines telephone system was completed.  |
| General corporate and working capital purposes | 5.7                                     | (0.8)                               | 4.9                         |  |
|  | 57.0                                    | (4.7)                               | 52.3                        |  |

# Management Discussion and Analysis

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## DIVIDEND

The Board has proposed the payment of a final dividend of HK5.0 cents per Share for the Year 2017, totaling HK\$20.0 million. All dividends will be paid in cash from accumulated funds generated from the Group's operations. The Group will have sufficient funds for its future expansion after the payment of dividends.

The proposed final dividend of HK5.0 cents per Share will be payable to Shareholders whose names appear on the register of members of the Company on 8 September 2017. Subject to the approval of the relevant resolution at the forthcoming annual general meeting of the Company to be held on 30 August 2017 (the "AGM"), the final dividend will be payable on or about 22 September 2017.

## OUTLOOK

The Shares were successfully listed on GEM of the Stock Exchange on the Listing Date. The Board considers that such public listing status will help to promote the Group to potential customers and enhance its corporate profile and credibility with the public and business partners. This in turn will strengthen the Group's competitiveness and benefit its business performance and growth.

Going forward, with the Group's long-established brand name, well-maintained business relationships with suppliers, ability to respond to adversities, and healthy net assets position, the Group will continue to execute its business strategy to expand both revenue streams and customer base in the following manners:


### — *Development of new routes, itineraries and activities*

During the Year 2017, the Group successfully negotiated with its major airline supplier to develop a regular route to Komatsu, a new destination in Japan, as a result of which customers were able to experience new itineraries for Hokuriku and Chubu regions. The Group will continue its efforts in exploring new routes with airline suppliers to less touched areas particularly in Japan, so as to attract travellers of Hong Kong to new destinations in that country. The Group has also been appointed as the exclusive ticketing agency for Legoland Japan in Hong Kong, which opened in April 2017. For all of its existing tours, the Group will continue to refine and/or redesign its tours with new itineraries, activities and hotel accommodations with the view to bringing better travel experience to its customers.

### — *Revamp of website and incorporation of an integrated online sales platform*

The Group's progress in the revamp of its website and the incorporation of an integrated online sales platform has been on track. During the Year 2017, the Group's customers were able to make booking of package tours and purchase air tickets, hotel accommodations and certain ancillary travel related products and services online. A number of further major enhancements to the online sales platform, in particular the FIT-air tickets module, the FIT-hotel accommodations module and the ancillary travel related products and services (當地享樂) module, are in progress or in the pipeline. These enhancements include (i) improvements on the content layout design and graphics display, (ii) refinements on search boxes, product selection fields and calendar view and eligibility





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of non-member purchases, and (iii) addition of sales and marketing functions of promotion codes, online chat function and customer feedback survey. The Group also plans to implement its mobile application software. With the completion of the aforementioned enhancements and the future implementation of its mobile application software, the Group's integrated online sales platform will be able to offer a wide range of products and will satisfy most of the travel needs of its customers as a user-friendly and informative one-stop shop. This will eventually distinguish the Group from most of the online agencies and booking platforms of airlines and hotels which generally only offer air ticket and/or hotel accommodation bookings.

— ***Focus on marketing efforts to raise brand awareness***

In view of the increasing use of the internet for travel booking and in order to correspond with the introduction of the Group's online sales platform, the Group launched a two-year digital marketing campaign in August 2016 to promote its brand and travel products through various online social medium and search engines. Continuing the momentum, the Group plans to boost its marketing efforts especially on digital marketing. Through advertising on social media and search engine marketing, the Group aims to increase online channel presence and online traffic and drive online inquiry to its product offerings. The Group plans to do so by building promotions for interested groups, developing special FIT products and package tours and building fans following from interested groups. Digital marketing will allow the Group to deliver its advertising messages directly to targeted group of potential customers and effectively push new promotions. The Group's plan involves continuously tracking implementation and reviewing performance, and data accumulated will be used to develop look-a-like audience and to retarget previously interest users with new attractive offers. The Group aims to digitally transform itself into a leader in local travel e-commerce in the future.

As discussed in the section headed "Chairman's Statement — Business Review" in this annual report, the Group received positive reviews from its collaboration with its spokesperson, including the sponsorship of television travel programme hosted by the spokesperson and the spokesperson's participation in the Group's package tour, during the Year 2017. The Group plans to continue to collaborate with its spokesperson to raise the awareness of the Group's brand and enhance the popularity of its products through travel television programme, social media and other conventional media advertisements such as newspapers and television commercials.

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

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## EXECUTIVE DIRECTORS

**Mr. Yuen Sze Keung** (“Mr. SK Yuen”), aged 65, 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 37 years of experience in the tourism industry. He has been involved in and played a critical role in the development of the Group’s business. 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 information technology 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 64, 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 37 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 39, 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.

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 is currently a member of the Outbound Committee of the Travel Industry Council of Hong Kong. He is also an adviser of Pok Oi Hospital in Hong Kong. Mr. CN Yuen joined the Group in 2005 and has gained over 11 years of experience in the tourism industry through managing the Group’s operations. He has been responsible for managing the Group’s outbound tours and overall operations, as well as overseeing the human resources development of the Group. 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 71, 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 40 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 Government in 2006.



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Mr. Ho is currently a council member of the St. John's College of The University of Hong Kong. He holds the positions of honorary 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 council member 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 62, 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 40 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) and CITIC Telecom International Holdings Limited (Stock Code: 1883) (with effect from 1 June 2017), 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. Lam was an independent non-executive director of Mason Financial Holdings Limited (Stock Code: 273) from 1 August 2015 to 24 May 2017.

**Mr. Yen Yuen Ho, Tony** ("Mr. Yen"), aged 69, 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.

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, a member of Heep Hong Society's Executive Council and a member of the Hong Kong Government's Panel of Review Board on School Complaints. 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 (formerly known as United Photovoltaics Group Limited) (Stock Code: 686), all of which are companies listed in Hong Kong.

## Biographical Details of Directors and Senior Management

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### SENIOR MANAGEMENT

**Ms. Hon Piu Kwun Queenie** (“Ms. Hon”), aged 39, 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 15 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 38, is the information technology (“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 43, 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 25 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 2017.

## CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE

The Company's corporate governance practices are based on 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 Shares were listed on GEM of the Stock Exchange on 12 January 2017. 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 period from the Listing Date to 31 March 2017, the Company has complied with all the code provisions as set out in the CG Code.

## BOARD OF DIRECTORS

At the end of the Year 2017 and the date of this annual report, the Board comprises:

### *Executive Directors:*

- Mr. Yuen Sze Keung (*Chairman*) (Appointed on 8 June 2016)
- Ms. Chan Suk Mei (Appointed on 8 June 2016)
- Mr. Yuen Chun Ning (*Chief Executive Officer*) (Appointed on 8 June 2016)

### *Independent Non-executive Directors:*

- Mr. Ho Wing Huen (Appointed on 16 December 2016)
- Mr. Lam Yiu Kin (Appointed on 16 December 2016)
- Mr. Yen Yuen Ho Tony (Appointed on 16 December 2016)

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 Company's shares through their interest in WWPKG Investment Holdings Limited, the holding company of the Company. Please refer to the "Biographical Details of Directors and Senior Management" and 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 Corporation" and "Report of the Directors — Connected Transactions" on pages 12 to 14, pages 31 to 32 and page 33 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 period from the Listing Date to 31 March 2017.

## 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 internal control system; 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 period from the Listing Date to 31 March 2017, 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

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

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 section headed "Report of the Directors — Directors' Service Contracts" on page 31 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 courses and seminars to develop and refresh their knowledge and skills. During the Year 2017, the Company arranged an in-house seminar and funded suitable training covering the topics of the GEM Listing Rules, the Securities and Futures Ordinance and directors' duties and responsibilities with training materials provided.

According to records provided by the Directors, a summary of training received by the Directors for the Year 2017 is as follows:

| Name of Directors                          | In-house seminar (attendance/ total no. of training provided) |
|--|---|
| <b>Executive Directors</b>                 |   |
| Mr. Yuen Sze Keung                         | 1/1   |
| Ms. Chan Suk Mei                           | 1/1   |
| Mr. Yuen Chun Ning                         | 1/1   |
| <b>Independent Non-executive Directors</b> |   |
| Mr. Ho Wing Huen                           | 1/1   |
| Mr. Lam Yiu Kin                            | 1/1   |
| Mr. Yen Yuen Ho Tony                       | 1/1   |

## 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.

## BOARD MEETINGS

Pursuant to code provision A.1.1 of the CG Code, the Board is expected to meet regularly and Board meeting should be held at least four times a year at approximately quarterly intervals. Only one Board meeting and one Audit Committee meeting were held during the period from the Listing Date to 31 March 2017, which is less than one quarter. No Remuneration Committee Meeting, Nomination Committee Meeting, or general meeting was held during the period from the Listing Date to 31 March 2017.

# Corporate Governance Report

Set out below are details of the attendance record of each Director at the Board meeting, committee meetings and general meeting of the Company held during the period from the Listing Date to 31 March 2017:

| Name of Directors                          | Board Meeting<br>(attendance/<br>total no. of<br>meeting held) | Audit Committee Meeting<br>(attendance/<br>total no. of<br>meeting held) | Remuneration Committee Meeting<br>(attendance/<br>total no. of<br>meeting held) | Nomination Committee Meeting<br>(attendance/<br>total no. of<br>meeting held) | General Meeting<br>(attendance/<br>total no. of<br>meeting held) |
|--|--|--|---|---|--|
| <b>Executive Directors</b>                 |  |  |   |   |  |
| Mr. Yuen Sze Keung                         | 1/1  | N/A  | N/A   | N/A   | N/A  |
| Ms. Chan Suk Mei                           | 1/1  | N/A  | N/A   | N/A   | N/A  |
| Mr. Yuen Chun Ning                         | 1/1  | N/A  | N/A   | N/A   | N/A  |
| <b>Independent Non-executive Directors</b> |  |  |   |   |  |
| Mr. Ho Wing Huen                           | 1/1  | 1/1  | N/A   | N/A   | N/A  |
| Mr. Lam Yiu Kin                            | 1/1  | 1/1  | N/A   | N/A   | N/A  |
| Mr. Yen Yuen Ho Tony                       | 1/1  | 1/1  | N/A   | N/A   | N/A  |

## 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 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 Company has established an Audit Committee on 16 December 2016 with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code.

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 2017.

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, internal control and risk management systems.

According to the current terms of reference, the Audit Committee shall meet at least four times for a financial year. One meeting was held by the Audit Committee during the period from the Listing Date to 31 March 2017 and during the meeting, the Audit Committee reviewed the unaudited results of the Group for the nine months ended 31 December 2016, and made recommendations to the Board.

### REMUNERATION COMMITTEE

The Company has established a Remuneration Committee on 16 December 2016 with its terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and code provision B.1.2 of the CG Code.

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.

## Corporate Governance Report

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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.

No meeting was held by the Remuneration Committee during the period from the Listing Date to 31 March 2017.

Details of the emoluments of the Directors during the Year 2017 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 2017 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 Company has established a Nomination Committee on 16 December 2016 with its terms of reference in compliance with code provision A.5.2 of the CG Code.

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.

No meeting was held by the Nomination Committee during the period from the Listing Date to 31 March 2017.

## **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.

## **INTERNAL CONTROLS AND RISK MANAGEMENT**

The Board has overall responsibility for the Group's internal control and risk management 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 internal control and risk management 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 Board with the assistance of the Audit Committee has conducted an annual review of, and the Board is satisfied with the effectiveness and adequacy of the internal control and risk management systems of the Group for the period from the Listing Date to 31 March 2017.

The Group does not have in place an independent internal audit function as the Board is of the view that the appointment is not imminent under current circumstances, taking into account an evaluation and review of the Group's internal control and risk management systems was conducted by an external independent professional consultant in 2016. Notwithstanding the foregoing, the Group has outsourced its internal audit function to an independent professional consultant, whose appointment is effective for the years ending 31 March 2018, 31 March 2019 and 31 March 2020.

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

The Group complies with requirements of Securities & 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.

# Corporate Governance Report

## AUDITOR'S REMUNERATION

During the Year 2017, the fees paid/payable to the Company's external auditor are set out as follows:

|   | Fees paid/<br>payable<br>HK\$'000 |
|---|-----------------------------------|
| Audit services  | 900                               |
| Non-audit services  | 57                                |
| Professional expenses incurred in connection with the Company's listing | 3,658                             |

The amount for non-audit services comprised tax advisory services. The amount of professional expenses incurred in connection with the Company's listing comprised reporting accountant's work and due diligence in accordance with Practice Note 2 of the GEM Listing Rules.

## 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 2017, the Company Secretary was Ms. Ng Ka Man ("Ms. Ng"), assistant vice president 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 Piu Kwun Queenie, 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 2017, 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 "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 investment public.

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.wvpkg.com.hk](http://www.wvpkg.com.hk)) has provided an effective communication platform to the public and the Shareholders.

## CONSTITUTIONAL DOCUMENTS

Since the Listing Date and up to 31 March 2017, 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 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 annual general meeting, 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).

## Corporate Governance Report

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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](mailto: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 business 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.



# Report of the Directors

The Board is pleased to present its annual report with the audited consolidated financial statements of the Group for the Year 2017.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are (i) the design, development and sales of package tours; (ii) the sales of FIT products; and (iii) the sales of ancillary travel related products and services in Hong Kong. There were no changes in the nature of the Group's principal activities during the Year 2017.

## BUSINESS REVIEW

A review of the Group's business, an analysis of the Group's performance during the Year 2017 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 business, are set out in the "Chairman's Statement" on pages 3 to 4 and "Management Discussion and Analysis" on pages 5 to 11 in this annual report, sub-section headed "Principal Risks and Uncertainties" below and the notes to the consolidated financial statements. Save as disclosed in this annual report, since the end of the Year 2017, no important event affecting the Group has occurred.

## COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with the requirements of relevant laws and regulations. During the Year 2017, 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 has implemented recycling program for consumables such as toner, cartridges and paper to minimise the operation impact on the environment and natural resources. The Group has also implemented energy saving practices in offices and branch premises, where applicable. 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.

The "Environmental, Social and Governance Report" of the Company prepared in accordance with Appendix 20 of the GEM Listing Rules will be published within three months after the publication of 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 2017, 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.

# Report of the Directors

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## 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 37 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 84.6% (2016: 84.4%) of the Group's total revenue from package tours for the Year 2017. 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.

## 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 during the period from the Listing Date up to 31 March 2017:

| Business objective                                     | Implementation plan   | Actual business progress  |
|--|---|---|
| Promoting brand recognition and awareness              | — Placing of advertisements   | — Advertisements were made on newspapers and travel and lifestyle magazines.  |
|  | — Sponsoring of television travel programmes and films  | — The Group sponsored two series of television travel programme in April 2016 and November 2016, and is in the process of planning its next sponsorship.  |
|  | — Implementing and monitoring a digital marketing campaign  | — The Group's digital marketing campaign has been on-going since August 2016;<br>— The Group plans to boost its digital marketing efforts upon completion of the further major enhancements to the online sales platform and the implementation of its mobile application software. |
|  | — 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;<br>— The Group participated in a tourism fair to promote its travel products destined for Taiwan.  |
|  | — Cooperating with credit card companies and banks to offer promotion and discounts on products and services              | — The Group closely cooperated 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 system | — Customers' feedback were reviewed on a timely basis, and movement of members and redemption activities were reviewed on a monthly basis;<br>— Further major enhancements to the online sales platform, including those relating to the membership system are in progress.         |

# Report of the Directors

| Business objective   | Implementation plan  | Actual business progress  |
|--|--|---|
| Developing new products and services                               | <ul style="list-style-type: none"> <li>— Researching for new destinations or new travel elements for existing tours</li> </ul>   | <ul style="list-style-type: none"> <li>— The Group has been appointed as the exclusive ticketing agency for Legoland Japan in Hong Kong, which opened in April 2017;</li> <li>— The Group is in the process of exploring new routes with airlines suppliers.</li> </ul>   |
| Strengthening and enhancing sales channels                         | <ul style="list-style-type: none"> <li>— Revamping website and incorporating an integrated online sales platform with package tours, tickets, and hotels modules and online membership system</li> </ul>   | <ul style="list-style-type: none"> <li>— As discussed in the section headed “Management Discussion and Analysis – Outlook”, a number of further major enhancements to the online sales platform, in particular the FIT-air tickets module, the FIT-hotel accommodations module and the ancillary travel related products and services (當地享樂) module, are in progress or in the pipeline.</li> </ul>                           |
| Increasing operational efficiency by improving information systems | <ul style="list-style-type: none"> <li>— Upgrading or replacing hotlines telephone system</li> </ul>   | <ul style="list-style-type: none"> <li>— Replacement of the Group’s hotlines telephone system was completed.</li> </ul>   |
| Expanding staff team   | <ul style="list-style-type: none"> <li>— Recruiting a general manager to oversee the business operations</li> <li>— Recruiting one to two experienced IT specialist(s) to support the new online sales platform</li> <li>— Recruiting one to two accounting officer(s) to support the chief financial officer to meet financial reporting requirements</li> <li>— Recruiting one to two advertising officer(s) to plan and manage advertising campaigns</li> </ul> | <ul style="list-style-type: none"> <li>— Recruitment process has been ongoing with the ideal candidate to be identified.</li> <li>— Recruitment process has been ongoing with the ideal candidate(s) to be identified.</li> <li>— Recruitment process has been ongoing with the ideal candidate(s) to be identified.</li> <li>— Recruitment process has been ongoing with the ideal candidate(s) to be identified.</li> </ul> |

## RESULTS AND APPROPRIATIONS

The results of the Group for the Year 2017 are set out in the consolidated statement of comprehensive income on page 41 in this annual report.

The Directors recommended the payment of a final dividend for the Year 2017 of HK5.0 cents per Share, which is subject to the approval of the Shareholders at the forthcoming AGM, which, if approved, will be paid on or about 22 September 2017 to the Shareholders whose names appear on the register of members of the Company on 8 September 2017.

## DONATIONS

Charitable and other donations made by the Group during the Year 2017 amounted to HK\$71,000.

## SHARE CAPITAL AND SHARES ISSUED DURING THE YEAR

The net proceeds received by the Company from the Share Offer was approximately HK\$57.0 million. Up to 31 March 2017, (i) approximately HK\$0.9 million of the net proceeds was paid for promoting our brand recognition and awareness; (ii) approximately HK\$1.7 million was paid for strengthening and enhancing our sales channels; (iii) approximately HK\$1.3 million was spent on improving our operational efficiency; and (iv) approximately HK\$0.8 million was spent for general corporate and working capital purposes. As at 31 March 2017, the unutilised net proceeds were placed as bank deposits with a licensed bank in Hong Kong.

Details of the movement in share capital of the Company during the Year 2017 are set out in note 22 to the consolidated financial statements.

## 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 2017, calculated according to the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$76,667,000.

## 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 three 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 period from the Listing Date to 31 March 2017.

## 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 period from the Listing Date to 31 March 2017.

## 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

# Report of the Directors

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this report, (i) the remaining life of the Share Option Scheme is about 9.4 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, exercised, lapsed or cancelled by the Company under the Share Option Scheme from the Listing Date and up to the date of this report and there was no outstanding share option as at the date of this report.

## DIRECTORS

The Directors during the Year 2017 and up to the date of this 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 Ms. Chan and Mr. CN Yuen 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 BUSINESS

Save as disclosed in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business 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 the Year 2017 or at any time during the Year 2017.

## 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.

## 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 CORPORATION

As at 31 March 2017, 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 Position 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 Holdings Limited ("WWPKG Investment") is an investment-holding company incorporated in the British Virgin Islands 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 of the Company held by WWPKG Investment under the SFO.

# Report of the Directors

## (ii) Long Position 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 2017, 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.

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

As at 31 March 2017, 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 2017, 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.

## DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in this annual report, at no time during the period from the Listing Date to 31 March 2017 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 business of the Company were entered into or existed during the Year 2017.

## MAJOR SUPPLIERS AND CUSTOMERS

For the Year 2017, 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 2017 attributable to the Group's major suppliers are as follows:

|                                     | Percentage of the Group's total purchases |
|-------------------------------------|---|
| The largest supplier                | 48.09%                                    |
| Five largest suppliers in aggregate | 63.61%                                    |

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 30(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 2017 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 March 2019  |
| Consideration for the Year 2017                      | HK\$14.6 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 |

## Report of the Directors

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The independent non-executive Directors have reviewed the above continuing connected transaction during the Year 2017 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 auditor of the Company was engaged to report on the Group's continuing connected transactions 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 2017:

- (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.

Throughout the period from the Listing Date to the date of this 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 2017.

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 2017, 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 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 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 the date of this report.

## AUDITOR

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

By order of the Board

**Yuen Sze Keung**

*Chairman*

13 June 2017

# Independent Auditor's Report

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## TO THE SHAREHOLDERS OF WWPKG HOLDINGS COMPANY LIMITED

(incorporated in 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 41 to 95, which comprise:

- the consolidated statement of financial position as at 31 March 2017;
- 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 2017, 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 Matter*

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.



# Independent Auditor's Report

## Key Audit Matter (Continued)

Key audit matter identified in our audit is related to the following:

- Timing in revenue and cost of sales recognition of sales of package tours

| Key Audit Matters  | How our audit addressed the Key Audit Matters   |
|--|---|
| <p>Timing in revenue and cost of sales recognition of sales of package tours</p> <p>(Refer to Notes 5 and 7 to the consolidated financial statements)</p> <p>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 tour in progress and the portion of customer deposits received for incomplete tours will be recorded as advanced receipts from customers.</p> <p>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 trade deposits paid to the suppliers and accruals for land costs based on a time proportion basis is prepared manually.</p> <p>During the year ended 31 March 2017, the Group recorded revenue from sales of package tours of HK\$382,054,000 and corresponding cost of sales of HK\$331,327,000, which are significant to the Group's consolidated financial statements.</p> <p>We focused on the timing in revenue and cost of sales recognition of sales of package tours because these involve manual procedures to determine the appropriate amount of revenue and expenses to be recognised in the proper period which gives rise to a higher inherent risk that revenue and corresponding cost of sales could be misstated by recording them in the incorrect period. In addition, inappropriate recognition of revenue and corresponding cost of sales could result in misstatements of the associated balances of advanced receipts from customers, trade deposits paid to the suppliers and accruals for land costs under trade payables as recorded at the year end date.</p> | <p>We performed the following audit procedures relating to the timing in revenue and cost of sales recognition of sales of package tours:</p> <ul style="list-style-type: none"><li>• Understood, evaluated and tested management's key controls over cut-off in revenue and cost of sales recognition of sales of package tours, including management's review and approval of the monthly cut off adjustments on revenue and cost of sales.</li><li>• Performed substantive testing on the accuracy of the source data, such as tour listings, flight departure records, sales invoices and supplier invoices, used by management in quantifying the cut-off adjustments at year end, by checking to the supporting documents on sampling basis.</li><li>• Tested the mathematical accuracy of the calculation of the relevant cut-off adjustments made by management.</li><li>• Tested on sampling basis on 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.</li><li>• Tested on sampling basis on the trade deposits paid to the suppliers and accruals for land costs as at the year end date by tracing the payments and accruals for land costs to the supporting documents including supplier invoices and bank statements.</li></ul> <p>We found no material variances from the above testing.</p> |

# Independent Auditor's Report

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## 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 is 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 HKSAAs 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.

# Independent Auditor's Report

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.

# Independent Auditor's Report

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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.

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 Hiu Yam, Winnie.

**PricewaterhouseCoopers**

Certified Public Accountants

Hong Kong, 13 June 2017

# Consolidated Statement of Comprehensive Income

For the year ended 31 March 2017

|  | Note | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------|------------------|------------------|
| Revenue  | 5    | 390,820          | 452,632          |
| Cost of sales  | 7    | (331,327)        | (369,397)        |
| Gross profit   |      | 59,493           | 83,235           |
| Other income and other (losses)/gains, net   | 6    | 815              | 2,426            |
| Selling expenses   | 7    | (19,857)         | (18,417)         |
| Administrative expenses  | 7    | (54,908)         | (38,813)         |
| <b>Operating (loss)/profit</b>   |      | <b>(14,457)</b>  | 28,431           |
| Finance income/(costs), net  | 11   | 18               | (26)             |
| <b>(Loss)/profit before income tax</b>   |      | <b>(14,439)</b>  | 28,405           |
| Income tax credit/(expense)  | 12   | 132              | (5,077)          |
| <b>(Loss)/profit and total comprehensive (loss)/income for the year</b>  |      | <b>(14,307)</b>  | 23,328           |
| <b>(Loss)/profit and total comprehensive (loss)/income attributable to:</b>  |      |                  |                  |
| Owners of the Company  |      | (14,232)         | 23,109           |
| Non-controlling interests  |      | (75)             | 219              |
|  |      | <b>(14,307)</b>  | 23,328           |
| Basic and diluted (loss)/earnings per share for (loss)/profit attributable to owners of the Company ( <i>expressed in HK cents</i> ) | 13   | (4.42)           | 7.70             |

# Consolidated Statement of Financial Position

As at 31 March 2017

|   | Note  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|-------|------------------|------------------|
| <b>ASSETS</b>                                       |       |                  |                  |
| <b>Non-current assets</b>                           |       |                  |                  |
| Property, plant and equipment                       | 15    | 7,655            | 3,073            |
| Prepayments, deposits and other receivables         | 19    | 650              | 2,706            |
| Deferred income tax assets                          | 26    | 510              | 102              |
|   |       | <b>8,815</b>     | 5,881            |
| <b>Current assets</b>                               |       |                  |                  |
| Inventories   | 17    | 1,698            | 431              |
| Trade receivables                                   | 18    | 199              | 226              |
| Prepayments, deposits and other receivables         | 19    | 30,933           | 17,478           |
| Derivative financial assets                         | 20    | 38               | 8                |
| Amount due from a related company                   | 30(c) | —                | 13               |
| Current income tax recoverable                      |       | 3,986            | —                |
| Cash and cash equivalents                           | 21    | 138,588          | 71,622           |
|   |       | <b>175,442</b>   | 89,778           |
| <b>Total assets</b>                                 |       | <b>184,257</b>   | 95,659           |
| <b>EQUITY</b>                                       |       |                  |                  |
| <b>Equity attributable to owners of the Company</b> |       |                  |                  |
| Share capital                                       | 22    | 4,000            | —                |
| Reserves  |       | 115,413          | 60,479           |
|   |       | <b>119,413</b>   | 60,479           |
| Non-controlling interests                           |       | 622              | 802              |
| <b>Total equity</b>                                 |       | <b>120,035</b>   | 61,281           |



# Consolidated Statement of Financial Position

As at 31 March 2017

|   | Note  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|-------|------------------|------------------|
| <b>LIABILITIES</b>  |       |                  |                  |
| <b>Non-current liabilities</b>                            |       |                  |                  |
| Obligations under finance leases                          | 25    | 107              | 258              |
| Other non-current liabilities                             | 24    | 743              | 608              |
| Deferred income tax liabilities                           | 26    | 38               | 49               |
|   |       | <b>888</b>       | 915              |
| <b>Current liabilities</b>                                |       |                  |                  |
| Trade payables  | 23    | 6,556            | 5,027            |
| Accruals and other payables                               | 24    | 55,361           | 24,798           |
| Dividend payable to minority shareholders of a subsidiary |       | 105              | —                |
| Obligations under finance leases                          | 25    | 151              | 353              |
| Amounts due to related companies                          | 30(c) | 1,161            | 1,393            |
| Current income tax liabilities                            |       | —                | 1,892            |
|   |       | <b>63,334</b>    | 33,463           |
| <b>Total liabilities</b>                                  |       | <b>64,222</b>    | 34,378           |
| <b>Total equity and liabilities</b>                       |       | <b>184,257</b>   | 95,659           |

The consolidated financial statements on pages 41 to 95 were approved for issue by the Board of Directors on 13 June 2017 and were signed on its behalf.

**Yuen Sze Keung**  
Executive Director

**Yuen Chun Ning**  
Executive Director

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

|  | Attributable to owners of the Company |               |                           |                   |                |              | Non-controlling interests<br>HK\$'000 | Total<br>HK\$'000 |
|--|---------------------------------------|---------------|---------------------------|-------------------|----------------|--------------|---------------------------------------|-------------------|
|  | Share capital                         | Share premium | Capital reserve<br>(Note) | Retained earnings | Sub-total      |              |                                       |                   |
|  | HK\$'000                              | HK\$'000      | HK\$'000                  | HK\$'000          | HK\$'000       | HK\$'000     |                                       |                   |
| Balance at 1 April 2015                                | —                                     | —             | 11,371                    | 25,999            | 37,370         | 583          | 37,953                                |                   |
| <b>Total comprehensive income</b>                      |                                       |               |                           |                   |                |              |                                       |                   |
| Profit for the year                                    | —                                     | —             | —                         | 23,109            | 23,109         | 219          | 23,328                                |                   |
| <b>Balance at 31 March 2016 and<br/>1 April 2016</b>   | <b>—</b>                              | <b>—</b>      | <b>11,371</b>             | <b>49,108</b>     | <b>60,479</b>  | <b>802</b>   | <b>61,281</b>                         |                   |
| <b>Total comprehensive loss</b>                        |                                       |               |                           |                   |                |              |                                       |                   |
| Loss for the year                                      | —                                     | —             | —                         | (14,232)          | (14,232)       | (75)         | (14,307)                              |                   |
| <b>Transactions with owners</b>                        |                                       |               |                           |                   |                |              |                                       |                   |
| Dividend to non-controlling interests                  | —                                     | —             | —                         | —                 | —              | (105)        | (105)                                 |                   |
| Capitalisation of shares<br>(Note 22)                  | 3,000                                 | (3,000)       | —                         | —                 | —              | —            | —                                     |                   |
| Issue of shares upon Share Offer<br>(Note 22)          | 1,000                                 | 79,000        | —                         | —                 | 80,000         | —            | 80,000                                |                   |
| Listing expenses charged to<br>share premium (Note 22) | —                                     | (6,834)       | —                         | —                 | (6,834)        | —            | (6,834)                               |                   |
| <b>Total transactions with owners</b>                  | <b>4,000</b>                          | <b>69,166</b> | <b>—</b>                  | <b>—</b>          | <b>73,166</b>  | <b>(105)</b> | <b>73,061</b>                         |                   |
| <b>Balance at 31 March 2017</b>                        | <b>4,000</b>                          | <b>69,166</b> | <b>11,371</b>             | <b>34,876</b>     | <b>119,413</b> | <b>622</b>   | <b>120,035</b>                        |                   |

Note:

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

# Consolidated Statement of Cash Flows

For the year ended 31 March 2017

|   | Note | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|------|------------------|------------------|
| <b>Cash flows from operating activities</b>                               |      |                  |                  |
| Cash generated from operations  | 27   | 3,224            | 26,541           |
| Interest paid   |      | (19)             | (28)             |
| Income tax paid   |      | (6,165)          | (3,376)          |
| Net cash (used in)/generated from operating activities                    |      | (2,960)          | 23,137           |
| <b>Cash flows from investing activities</b>                               |      |                  |                  |
| Purchase of property, plant and equipment                                 |      | (3,860)          | (1,340)          |
| Payment for website development costs                                     |      | —                | (1,832)          |
| Proceeds from disposal of property, plant and equipment                   |      | 270              | 130              |
| Interest received   |      | 37               | 2                |
| Net cash used in investing activities                                     |      | (3,553)          | (3,040)          |
| <b>Cash flows from financing activities</b>                               |      |                  |                  |
| Repayment of obligations under finance leases                             |      | (353)            | (325)            |
| Dividend paid   |      | —                | (2,000)          |
| Issue of new shares   |      | 80,000           | —                |
| Payment for professional expenses incurred in connection with the Listing |      | (6,168)          | (666)            |
| Net cash generated from/(used in) financing activities                    |      | 73,479           | (2,991)          |
| <b>Net increase in cash and cash equivalents</b>                          |      |                  |                  |
| Cash and cash equivalents at beginning of the year                        |      | 71,622           | 54,516           |
| Cash and cash equivalents at end of the year                              |      | 138,588          | 71,622           |

# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION AND REORGANISATION

### 1.1 General Information

WWPKG Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 8 June 2016 as an exempted company with limited liability under the 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 Company and its subsidiaries (collectively the “Group”) are (i) the design, development and sales of package tours; (ii) the sales of air tickets and hotel accommodations (“FIT products”); and (iii) the sales of ancillary travel related products and services (collectively, the “Business”).

The shares of the Company (the “Shares”) were listed on GEM of the Stock Exchange (the “Listing”) on 12 January 2017 (the “Listing Date”).

The ultimate holding company of the Group is WWPKG Investment Holdings Limited (“WWPKG Investment”), a company incorporated in the British Virgin Islands (the “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.

### 1.2 Reorganisation

Prior to the incorporation of the Company and the completion of the reorganisation (the “Reorganisation”) as described below, the Business was carried out by Package Tours (Hong Kong) Limited (“Package Tours”) and Worldwide Package Travel Service Limited (“Worldwide Package”) (collectively, the “Operating Companies”). The Operating Companies were controlled by Ms. Chan Suk Mei (“Ms. Chan”) immediately before and after the Reorganisation prior to the Listing.

In preparation for the Listing, the following transactions were carried out:

- (i) On 12 May 2016, Ms. Chan and an independent third party, a minority shareholder of Package Tours, entered into a sale and purchase agreement, pursuant to which Ms. Chan acquired 180 shares in Package Tours, representing 0.18% of the issued share capital of Package Tours, from the independent third party at the consideration of approximately HK\$72,000 which represented fair value.

# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION AND REORGANISATION (CONTINUED)

### 1.2 Reorganisation (Continued)

- (ii) On 7 June 2016, WWPKG Investment was incorporated in the BVI with authorised share capital of US\$50,000. Upon incorporation, 6,802 shares, 2,342 shares and 856 shares were allotted and issued at par to Ms. Chan, Mr. Yuen Sze Keung ("Mr. SK Yuen") and Mr. Yuen Chun Ning ("Mr. CN Yuen"), respectively. As a result, Ms. Chan, Mr. SK Yuen and Mr. CN Yuen became the shareholders of WWPKG Investment, holding 68.02%, 23.42% and 8.56% of the issued share capital of WWPKG Investment, respectively.
- (iii) On 8 June 2016, the Company was incorporated in the Cayman Islands with authorised share capital of HK\$380,000, 1 Share of which was allotted and issued at par to the first subscriber, who then transferred the Share to WWPKG Investment on 8 June 2016 at par. Upon completion of the transfer, the Company became a wholly-owned subsidiary of WWPKG Investment.
- (iv) On 10 June 2016, WWPKG Management Company Limited ("WWPKG Management") was incorporated in the BVI with authorised share capital of US\$50,000. Upon incorporation, 1 share was allotted and issued at par to the Company. As a result, WWPKG Management became a wholly-owned subsidiary of the Company.
- (v) On 5 July 2016, WWPKG Management acquired 98,710 shares in Package Tours, being 98.71% of its then entire issued share capital, from Ms. Chan and Mr. SK Yuen. The consideration for the aforesaid acquisition was satisfied by WWPKG Management procuring the Company to allot and issue, at the direction of Ms. Chan and Mr. SK Yuen, 4,863 shares to WWPKG Investment credited as fully paid. After the aforesaid acquisition, Package Tours became owned as to 98,710 shares by WWPKG Management and 1,290 shares by three independent third parties, representing 98.71% and 1.29% of the issued capital of Package Tours respectively. After the aforesaid share transfer, Package Tours became a subsidiary of WWPKG Management.
- (vi) On 5 July 2016, WWPKG Management acquired 15,000 shares in Worldwide Package, being its then entire issued capital, from Ms. Chan and Mr. CN Yuen. The consideration for the aforesaid acquisition was satisfied by WWPKG Management procuring the Company to allot and issue, at the direction of Ms. Chan and Mr. CN Yuen, 5,136 shares to WWPKG Investment credited as fully paid. After the aforesaid acquisition, Worldwide Package became a wholly-owned subsidiary of WWPKG Management.

After the completion of the Reorganisation steps as described above, the Company became the holding company of the Operating Companies now comprising the Group.

On 16 December 2016, the authorised share capital of the Company was increased from HK\$380,000 to HK\$100,000,000 by creation of an additional 9,962,000,000 Shares. Prior to the share premium account of the Company being credited with the proceeds from the Share Offer (as defined below), the Company capitalised an amount of HK\$2,999,900 by charging to the share premium account of the Company and that the said sum be applied in paying up in full for 299,990,000 Shares. Such Shares were allotted and issued, credited as fully paid to WWPKG Investment.

# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION AND REORGANISATION (CONTINUED)

### 1.2 Reorganisation (Continued)

On 12 January 2017, the Shares were listed on GEM of the Stock Exchange by way of placing and public offer (collectively, the "Share Offer"). Upon listing, 100,000,000 new Shares were allotted and issued at a price of HK\$0.80 per Share.

## 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 all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). 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, 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

The following new standards and amendments to standards are effective for the Group's annual periods beginning on or after 1 April 2016, and have been adopted in preparing the consolidated financial statements:

|                                 |   |
|---------------------------------|---|
| HKFRSs (Amendment)              | <i>Annual improvements 2012 to 2014 cycle</i>                               |
| HKFRS 10, HKFRS 12 and HKAS 28  | <i>Investment entities: Applying the consolidation exception</i>            |
| HKFRS 11 (Amendment)            | <i>Accounting for acquisitions of interests in joint operations</i>         |
| HKFRS 14                        | <i>Regulatory deferral accounts</i>   |
| HKAS 1                          | <i>Disclosure initiative</i>  |
| HKAS 16 and HKAS 38 (Amendment) | <i>Clarification of acceptable methods of depreciation and amortisation</i> |
| HKAS 16 and HKAS 41 (Amendment) | <i>Agriculture: Bearer plants</i>   |
| HKAS 27 (Amendment)             | <i>Equity method in separate financial statements</i>                       |

The adoption of these new standards and amendments to standards did not have any impact on the consolidated financial statements or result in any significant changes in the Group's significant accounting policies.

# Notes to the Consolidated Financial Statements

## 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

The following are new standards and amendments to standards that have been published and are relevant and effective for the Group's annual periods beginning on or after 1 April 2017 or later periods, but have not been early adopted by the Group:

|                                   |   | <b>Effective for<br/>accounting<br/>year beginning<br/>on or after</b> |
|-----------------------------------|---|--|
| HKAS 12 (Amendment)               | Income taxes  | 1 January 2017   |
| HKAS 7 (Amendment)                | Statement of cash flows   | 1 January 2017   |
| HKFRS 2 (Amendment)               | Classification and measurement of<br>share-based payment transactions                       | 1 January 2018   |
| HKFRS 9                           | Financial instruments   | 1 January 2018   |
| HKFRS 15                          | Revenue from contracts with customers   | 1 January 2018   |
| HKFRS 16                          | Leases  | 1 January 2019   |
| HKFRS 10 and HKFRS 28 (Amendment) | Sale or contribution of assets between<br>an investor and its associate<br>or joint venture | To be determined   |

Under HKAS 17, lessees were required to make a distinction between a finance lease (on the consolidated statement of financial position) and an operating lease (off balance sheet). HKFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a right-of-use asset for virtually all lease contracts. The new standard will impact both the consolidated statement of financial position and related ratios (capital adequacy ratio and leverage ratio), but the impact will not be material. If the Group early adopts HKFRS 16, as at 31 March 2017, the amount of operating leasing commitment amounted to HK\$7,522,000 (2016: HK\$8,480,000) (Note 29(b)) would be recognised on the consolidated statement of financial position as asset and liability. It would have immaterial influences on total assets and liabilities. The impact on capital adequacy ratio and leverage ratio will also be immaterial.



# Notes to the Consolidated Financial Statements

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## 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 15 replaces the previous revenue standards: HKAS 18 Revenue and HKAS 11 Construction Contracts, and the related Interpretations on revenue recognition. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) Recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an “earnings processes” to an “asset-liability” approach based on transfer of control. HKFRS 15 provides specific guidance on capitalisation of contract cost, license arrangements and principal versus agent commissions. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group does not plan to early adopt HKFRS 15. The Group assessed the impact of the adoption of HKFRS 15 by analysing the Group’s key revenue streams against the 5-step approach and did not expect the adoption would have a material impact other than presenting more disclosures.

HKFRS 9, “Financial Instruments”, addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The Group assessed that adopting HKFRS 9 would not have a material impact on the Group’s results of operations and financial position.

Management is in the process of making an assessment on the impact of other new standards and amendments to standards and is not yet in a position to state whether they will have a significant impact on the Group’s results of operations and financial position.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 *Subsidiaries*

Subsidiaries are all 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 over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations other than business under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with Hong Kong Accounting Standards ("HKASs") 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

# Notes to the Consolidated Financial Statements

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 *Subsidiaries (Continued)*

Intra-group 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. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

### 2.3 *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.

### 2.4 *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 other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

All foreign exchange gains and losses that related to foreign currency transactions for land cost are presented in the consolidated statement of comprehensive income within "cost of sales". All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within "other income and other (losses)/gains, net".

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Foreign currency translation (Continued)

#### (b) Transactions and balances (Continued)

Changes in the fair value of debt securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

### 2.5 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.

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% 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.

# Notes to the Consolidated Financial Statements

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 *Property, plant and equipment (Continued)*

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.

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

### 2.6 *Impairment of non-financial assets*

Assets that are subject to amortisation are reviewed 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.7 *Financial assets*

#### (a) **Classification**

The Group classifies its financial assets as loans and receivables, financial assets at fair values through profit or loss. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### (i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.7 *Financial assets (Continued)*

#### (a) **Classification (Continued)**

##### (ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade receivables", "deposits and other receivables" and "cash and cash equivalents" in the consolidated statement of financial position.

#### (b) **Recognition, derecognition and measurement**

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in profit or loss in the period in which they arise.

### 2.8 *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

# Notes to the Consolidated Financial Statements

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 *Impairment of financial assets*

#### **Assets carried at amortised cost**

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is 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 can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, 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 have 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 has 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 may 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 can be related objectively to an event occurring after the impairment was 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.

### 2.10 *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 income and other (losses)/gains, net".



# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **2.11 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.

### **2.12 Trade and other receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### **2.13 Cash and cash equivalents**

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks.

### **2.14 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.

### **2.15 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.

### **2.16 Current and deferred income tax**

The tax expenses for the years comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

# Notes to the Consolidated Financial Statements

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.16 Current and deferred income tax (Continued)

#### (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's 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.

#### (b) Deferred income tax

##### *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated statement of financial position. However, the deferred tax liabilities are not recognised if they arise from initial recognition of goodwill, the deferred income tax is not accounted for if it is 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 statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

##### *Outside basis differences*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.16 Current and deferred income tax (Continued)

#### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services provided, stated net of discounts and returns. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement. Revenue is recognised as follows:

- (i) Revenue from provision of package tours services is recognised when the services are rendered by the Group per day spent at the destination.
- (ii) Margin income from sales of FIT products is recognised when the services are rendered by the Group as an agent on a net basis when the booking is confirmed.
- (iii) Margin income from sales of ancillary travel related products and services (such as insurance, transportation passes and admission tickets) are recognised on a net basis when the product is sold to customers.
- (iv) Interest income is recognised on a time-proportion basis using the effective interest method.
- (v) Referral income is recognised when the services are rendered.

# Notes to the Consolidated Financial Statements

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.17 Revenue recognition (Continued)

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 Group is the primary obligator in the provision of package tours services and sales of air tickets and hotel accommodations; (2) the Group retains the inventory risk of 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 bears the credit risk for collecting cash from customers. 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.

The Group operates the customer loyalty programme where certain customers accumulate points for purchases made which entitle them to purchase goods supplied or services provided for free or at a discounted price. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale such that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed or expired. The amount of initial revenue recognised is based on the number of points redeemed relative to the total number expected to be redeemed. The deferred revenue is recognised as revenue when the award credits are redeemed and expired and the Group's obligations have been fulfilled.

### 2.18 Employee benefits

#### (a) Pension obligations

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. A defined contribution plan is a pension plan under which the Group pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Employee benefits (Continued)

#### (b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever 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 termination 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 their present value.

#### (c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (d) Long service payments

Employees who have completed the required number of years of service to the Group are eligible for long service payments. A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group to the reporting date.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.19 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.

### 2.20 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 has been 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.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **2.20 Provisions (Continued)**

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.21 Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

### **2.22 Dividend distribution**

Dividend distribution to the shareholders of the Company's (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.

### **2.23 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.

### **2.24 Comparative figures**

Certain prior year comparative figures have been reclassified to conform to the current year's presentation.



# Notes to the Consolidated Financial Statements

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## 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 from/(to) related companies denominated in JPY, which are used in the provision of package tours services in Japan.

As at 31 March 2017, if JPY had strengthened/weakened by 10% with all other variables held constant, the post-tax loss would have been approximately HK\$654,000 lower/higher (2016: post-tax profit would have been approximately HK\$471,000 higher/lower), 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 from/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 cash and cash equivalents, trade receivables, other receivables and amounts due from a related company. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets. In respect of cash deposited at banks, the credit risk is considered to be low as the counterparties are reputable banks.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

Majority of the Group's revenue is received from individual retail customers in relation to package tours services and are transacted in cash or credit cards. The Group's trade receivables arise from sales of air tickets and hotel accommodations to other travel agents. As at 31 March 2017, the top debtor accounted for approximately 100% (2016: top three debtors accounted for approximately 100%) and the largest debtor accounted for approximately 100% (2016: 98%) of the Group's trade receivables balance, respectively. The Group has set up long-term cooperative relationship with these debtors. In view of the history of business dealings with the debtors and the sound collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivables balance due from these debtors. Management makes periodic assessment on the recoverability of the trade and other receivables based on historical payment records, the length of overdue period, the financial strength of the debtors and whether there are any disputes with the debtors. The Directors consider the Group's credit risk of these receivables to be low.

As at 31 March 2016, for the amount due from a related company, the Directors were of the opinion that the credit risk is low due to the sound collection history of the receivable due from such related company.

The extent of credit risk relating to the Group's trade and other receivables is disclosed in Note 18 and Note 19.

#### (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 2017 and 2016, 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 2017, the Group has banking facilities in the aggregate amount of HK\$51,000,000 (2016: same), including a bank guarantee to suppliers in the amount of HK\$5,000,000 (2016: same) for future operating activities. The above banking facilities were secured by i) a residential property and an office property (including its rental assignment) owned by related companies; ii) corporate guarantee granted by a related company; iii) cross guarantee granted by Package Tours and a related company; and iv) personal guarantees granted by Mr. SK Yuen and Ms. Chan, executive Directors of the Company.

The banking facilities do not contain any material covenants and the Group has not breached any covenants on its banking facilities. All the properties charged and guarantees provided by related companies, Mr. SK Yuen and Ms. Chan for the Group's bank facilities were fully released by 8 June 2017. The above banking facilities have been secured by corporate guarantee of the Company since then.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at 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<br>HK\$'000 | Within<br>1 year<br>HK\$'000 | Between<br>1 to 2 years<br>HK\$'000 | Total<br>HK\$'000 |
|---|-----------------------|------------------------------|-------------------------------------|-------------------|
| <b>As at 31 March 2017</b>                                |                       |                              |                                     |                   |
| Trade payables  | —                     | 6,556                        | —                                   | 6,556             |
| Other payables  | —                     | 3,509                        | —                                   | 3,509             |
| Obligations under finance leases                          | —                     | 159                          | 110                                 | 269               |
| Dividend payable to minority shareholders of a subsidiary | —                     | 105                          | —                                   | 105               |
| Amounts due to related companies                          | 1,161                 | —                            | —                                   | 1,161             |
|   | <b>1,161</b>          | <b>10,329</b>                | <b>110</b>                          | <b>11,600</b>     |
| <b>As at 31 March 2016</b>                                |                       |                              |                                     |                   |
| Trade payables  | —                     | 5,027                        | —                                   | 5,027             |
| Accruals and other payables                               | —                     | 3,427                        | —                                   | 3,427             |
| Obligations under finance leases                          | —                     | 370                          | 269                                 | 639               |
| Amounts due to related companies                          | 1,393                 | —                            | —                                   | 1,393             |
|   | <b>1,393</b>          | <b>8,824</b>                 | <b>269</b>                          | <b>10,486</b>     |

# Notes to the Consolidated Financial Statements

## 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 2017 and 2016, the Group had net cash position as follows:

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| Total obligations under finance leases (Note 25) | 258              | 611              |
| Less: cash and cash equivalents (Note 21)        | <b>(138,588)</b> | (71,622)         |
| Net cash   | <b>(138,330)</b> | (71,011)         |
| Gearing ratio                                    | N/A              | N/A              |

### 3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

|                            | Level 2<br>HK\$'000 |
|----------------------------|---------------------|
| <b>As at 31 March 2017</b> |                     |
| <b>Assets</b>              |                     |
| Forward exchange contracts | 38                  |
| <b>As at 31 March 2016</b> |                     |
| <b>Assets</b>              |                     |
| Forward exchange contracts | 8                   |

#### (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.

#### (b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 31 March 2017 and 2016, instruments included in level 2 represent forward exchange contracts issued by a financial institution and foreign currency services companies in Hong Kong which was classified as financial assets/liabilities at fair value through profit or loss, and the fair value is determined using forward exchange rates at the date of the consolidated statement of financial position date.

There were no transfers between levels 1 and 2 during the years ended 31 March 2017 and 2016.

### 3.4 Offsetting financial assets and financial liabilities

As at 31 March 2017 and 2016, there were no financial assets or financial liabilities which were subject to offsetting, enforceable master netting or similar agreements.

# Notes to the Consolidated Financial Statements

## 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.

## 5 REVENUE AND SEGMENT INFORMATION

### (a) *Revenue*

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

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| <b>Revenue</b>   |                  |                  |
| Sales of package tours   | 382,054          | 443,941          |
| Margin income from sales of FIT products                                   | 2,768            | 4,009            |
| Margin income from sales of ancillary travel related products and services | 5,998            | 4,682            |
|  | <b>390,820</b>   | 452,632          |

# Notes to the Consolidated Financial Statements

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information

Management has identified its operating segments based on the reports reviewed by the chief operating decision makers that are used for making strategic decisions. The chief operating decision makers are identified as the executive Directors of the Company. The only component in internal reporting to the chief operating decision makers are the Group's travel and travel-related services business for the year ended 31 March 2017 (2016: same). In this regard, management considers there is only one operating segment under the requirements of HKFRS 8 Operating Segments.

There is no single external customer that contributed to more than 10% revenue of the Group's revenue for the year ended 31 March 2017 (2016: same).

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 2017 and 2016, all non-current assets were located in Hong Kong.

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

|   | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|------------------|------------------|
| <b>Other income</b>   |                  |                  |
| Referral income   | 177              | 539              |
| Subsidies   | 784              | 658              |
| Write back of other payables                                  | 86               | —                |
|   | <b>1,047</b>     | 1,197            |
| <b>Other (losses)/gains, net</b>                              |                  |                  |
| Exchange (losses)/gains, net                                  | (45)             | 1,083            |
| Fair value (losses)/gains on derivative financial instruments | (535)            | 20               |
| Gains on disposal of property, plant and equipment            | 348              | 126              |
|   | <b>(232)</b>     | 1,229            |
| <b>Other income and other (losses)/gains, net</b>             | <b>815</b>       | 2,426            |



# Notes to the Consolidated Financial Statements

## 7 EXPENSES BY NATURE

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

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| Land costs (Note)  | <b>177,437</b>   | 172,845          |
| Air fare costs   | <b>151,579</b>   | 196,101          |
| Auditor's remuneration   |                  |                  |
| — Audit service  | <b>900</b>       | 600              |
| — Non-audit service  | <b>57</b>        | 64               |
| Employee benefits expenses, excluding Directors' benefits and interests (Note 8) | <b>25,729</b>    | 23,997           |
| Directors' benefits and interests (Note 9)                                       | <b>4,466</b>     | 4,314            |
| Depreciation of property, plant and equipment (Note 15)                          | <b>1,652</b>     | 1,005            |
| Office, telecommunication and utility expenses                                   | <b>1,397</b>     | 2,080            |
| Operating lease rentals of:  |                  |                  |
| — Office and branches premises   | <b>7,908</b>     | 6,909            |
| — Equipment rental   | <b>374</b>       | 235              |
| Advertising and promotion  | <b>8,474</b>     | 7,966            |
| Credit card fees   | <b>3,872</b>     | 4,100            |
| Exchange losses/(gains), net   | <b>1,666</b>     | (331)            |
| Legal and professional fees  | <b>950</b>       | 715              |
| Professional expenses incurred in connection with the Listing                    | <b>15,007</b>    | 1,209            |
| Others   | <b>4,624</b>     | 4,818            |
|  | <b>406,092</b>   | 426,627          |

Note:

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

## Notes to the Consolidated Financial Statements

### 8 EMPLOYEE BENEFITS EXPENSES, EXCLUDING DIRECTORS' BENEFITS AND INTERESTS

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| Salaries, discretionary bonuses and allowances   | 23,550           | 21,678           |
| Pension costs — defined contribution plan (Note) | 1,358            | 1,400            |
| Other employee benefits                          | 821              | 919              |
|  | <b>25,729</b>    | 23,997           |

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 (2016: Nil) utilised during the year ended 31 March 2017 to reduce future contributions. As at 31 March 2017, contributions totalling HK\$411,000 (2016: HK\$401,000) were payable.

# Notes to the Consolidated Financial Statements

## 9 DIRECTORS' BENEFITS AND INTERESTS

The remuneration of each Director of the Company paid/payable by the Group for the years ended 31 March 2017 and 2016 is set out below:

### Year ended 31 March 2017

| Name   | Fees<br>HK\$'000 | Salaries,<br>other<br>allowances<br>and benefits<br>HK\$'000 | Discretionary<br>bonuses<br>HK\$'000 | Pension costs<br>— defined<br>contribution<br>plan<br>HK\$'000 | Total<br>HK\$'000 |
|--|------------------|--|--------------------------------------|--|-------------------|
| <b>Executive Directors</b>                               |                  |  |                                      |  |                   |
| Yuen Sze Keung (Chairman) (Note i)                       | —                | 1,440  | —                                    | 18   | 1,458             |
| Yuen Chun Ning<br>(Chief Executive Officer) (Note i)     | —                | 1,020  | —                                    | 18   | 1,038             |
| Chan Suk Mei (Note i)                                    | —                | 1,800  | —                                    | 18   | 1,818             |
| <b>Independent non-executive<br/>Directors ("INEDs")</b> |                  |  |                                      |  |                   |
| Lam Yiu Kin (Note ii)                                    | 58               | —  | —                                    | —  | 58                |
| Ho Wing Huen (Note ii)                                   | 47               | —  | —                                    | —  | 47                |
| Yen Yuen Ho Tony (Note ii)                               | 47               | —  | —                                    | —  | 47                |
|  | 152              | 4,260  | —                                    | 54   | 4,466             |

### Year ended 31 March 2016

| Name   | Fees<br>HK\$'000 | Salaries,<br>other<br>allowances<br>and benefits<br>HK\$'000 | Discretionary<br>bonuses<br>HK\$'000 | Pension costs<br>— defined<br>contribution<br>plan<br>HK\$'000 | Total<br>HK\$'000 |
|--|------------------|--|--------------------------------------|--|-------------------|
| <b>Executive Directors</b>                           |                  |  |                                      |  |                   |
| Yuen Sze Keung (Chairman) (Note i)                   | —                | 1,440  | —                                    | 18   | 1,458             |
| Yuen Chun Ning<br>(Chief Executive Officer) (Note i) | —                | 1,020  | —                                    | 18   | 1,038             |
| Chan Suk Mei (Note i)                                | —                | 1,800  | —                                    | 18   | 1,818             |
|  | —                | 4,260  | —                                    | 54   | 4,314             |

# Notes to the Consolidated Financial Statements

## 9 DIRECTORS' BENEFITS AND INTERESTS (CONTINUED)

Notes:

- (i) Mr. SK Yuen, Mr. CN Yuen and Ms. Chan were appointed as executive Directors on 8 June 2016.  
 Mr. SK Yuen was appointed as the Chairman of the Company on 8 June 2016.  
 Mr. CN Yuen was appointed as the Chief Executive Officer of the Company on 8 June 2016.
- (ii) Mr. Lam Yiu Kin, Mr. Ho Wing Huen and Mr. Yen Yuen Ho Tony were appointed as INEDs on 16 December 2016.

The Group has not paid consideration to any third parties for making available Directors' services during the year ended 31 March 2017 (2016: same).

As at 31 March 2017 and 2016, 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 30 of the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the year ended 31 March 2017 or at any time during the year ended 31 March 2017 (2016: same).

There was no arrangement under which a Director waived or agreed to waive any emoluments during the year ended 31 March 2017 (2016: 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 2017 (2016: 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 2017 (2016: same).

There were no other emoluments payable to the INEDs during the year ended 31 March 2017.

## 10 FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals for the year ended 31 March 2017 included three Directors (2016: three), details of whose remuneration are set out in Note 9 above. Details of the remuneration of the remaining two highest paid employees (2016: two) for the years ended 31 March 2017 and 2016 are as follows:

|   | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|------------------|------------------|
| Salaries and allowances                   | 1,850            | 1,700            |
| Discretionary bonuses                     | 292              | 143              |
| Pension costs — defined contribution plan | 29               | 36               |
|   | <b>2,171</b>     | 1,879            |

# Notes to the Consolidated Financial Statements

## 10 FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

The emoluments on these individuals fell within the following bands:

|                                | Number of individuals |          |
|--------------------------------|-----------------------|----------|
|                                | 2017                  | 2016     |
| <b>Emolument bands</b>         |                       |          |
| 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                     | —        |
|                                | <b>2</b>              | <b>2</b> |

There were no amounts paid or receivable by the aforementioned two highest paid individuals as an inducement to join or upon joining the listed issuer during the year ended 31 March 2017 (2016: 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 2017 (2016: same).

## 11 FINANCE INCOME/(COSTS), NET

|  | 2017        | 2016        |
|--|-------------|-------------|
|  | HK\$'000    | HK\$'000    |
| <b>Finance income</b>                                |             |             |
| Bank interest income                                 | 37          | 2           |
| <b>Finance costs</b>                                 |             |             |
| Interest expense on obligations under finance leases | (17)        | (25)        |
| Bank overdraft                                       | (2)         | (3)         |
|  | <b>(19)</b> | <b>(28)</b> |
| <b>Finance income/(costs), net</b>                   | <b>18</b>   | <b>(26)</b> |

# Notes to the Consolidated Financial Statements

## 12 INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the year ended 31 March 2017.

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

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

|   | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|------------------|------------------|
| Current income tax                              | 667              | 4,886            |
| Over-provision in prior year                    | (380)            | —                |
| Deferred income tax (credit)/expenses (Note 26) | (419)            | 191              |
|   | <b>(132)</b>     | 5,077            |

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

|   | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|------------------|------------------|
| (Loss)/profit before income tax         | (14,439)         | 28,405           |
| Tax calculated at a tax rate of 16.5%   | (2,382)          | 4,687            |
| Income not subject to tax               | (6)              | (48)             |
| Expenses not deductible for tax purpose | 2,636            | 438              |
| Over-provision in prior year            | (380)            | —                |
|   | <b>(132)</b>     | 5,077            |

# Notes to the Consolidated Financial Statements

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

### (a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods. In determining the weighted average number of ordinary shares, the additional 299,990,000 shares under the capitalisation on the Listing were treated as if they had been in issue since 1 April 2015.

|  | 2017     | 2016    |
|--|----------|---------|
| (Loss)/profit attributable to owners of the Company (HK\$'000) | (14,232) | 23,109  |
| Weighted average number of ordinary shares in issue ('000)     | 321,641  | 299,990 |
| Basic (loss)/earnings per Share (HK cents per share)           | (4.42)   | 7.70    |

### (b) Diluted

Diluted (loss)/earnings per Share is the same as basic (loss)/earnings per Share due to the absence of potential dilutive ordinary shares during the year ended 31 March 2017 (2016: same).

## 14 DIVIDENDS

On 13 June 2017, the Board resolved to propose a final dividend in respect of the year ended 31 March 2017 of HK5.0 cents per Share, amounting to a total dividend of approximately HK\$20,000,000. Such dividend is subject to the approval by the Shareholders at the annual general meeting to be held on 30 August 2017. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements.

# Notes to the Consolidated Financial Statements

## 15 PROPERTY, PLANT AND EQUIPMENT

|                                 | Leasehold<br>improvements<br>HK\$'000 | Furniture,<br>fixtures and<br>office<br>equipment<br>HK\$'000 | Motor<br>vehicles<br>HK\$'000 | Computer<br>software<br>HK\$'000 | Website<br>HK\$'000 | Total<br>HK\$'000 |
|---------------------------------|---------------------------------------|---|-------------------------------|----------------------------------|---------------------|-------------------|
| <b>Year ended 31 March 2016</b> |                                       |   |                               |                                  |                     |                   |
| Cost                            |                                       |   |                               |                                  |                     |                   |
| At 1 April 2015                 | 4,467                                 | 5,368   | 3,448                         | —                                | —                   | 13,283            |
| Additions                       | 59                                    | 516   | 650                           | 435                              | —                   | 1,660             |
| Transfer from prepayment        | —                                     | 434   | —                             | —                                | —                   | 434               |
| Disposals                       | (403)                                 | (2,143)   | (890)                         | —                                | —                   | (3,436)           |
| At 31 March 2016                | 4,123                                 | 4,175   | 3,208                         | 435                              | —                   | 11,941            |
| Accumulated depreciation        |                                       |   |                               |                                  |                     |                   |
| At 1 April 2015                 | (3,640)                               | (4,965)   | (2,690)                       | —                                | —                   | (11,295)          |
| Charge (Note 7)                 | (367)                                 | (297)   | (280)                         | (61)                             | —                   | (1,005)           |
| Disposals                       | 403                                   | 2,139   | 890                           | —                                | —                   | 3,432             |
| At 31 March 2016                | (3,604)                               | (3,123)   | (2,080)                       | (61)                             | —                   | (8,868)           |
| <b>Closing net book amount</b>  |                                       |   |                               |                                  |                     |                   |
| <b>At 31 March 2016</b>         | 519                                   | 1,052   | 1,128                         | 374                              | —                   | 3,073             |



# Notes to the Consolidated Financial Statements

## 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

|                                 | Leasehold improvements<br>HK\$'000 | Furniture, fixtures and office equipment<br>HK\$'000 | Motor vehicles<br>HK\$'000 | Computer software<br>HK\$'000 | Website<br>HK\$'000 | Total<br>HK\$'000 |
|---------------------------------|------------------------------------|--|----------------------------|-------------------------------|---------------------|-------------------|
| <b>Year ended 31 March 2017</b> |                                    |  |                            |                               |                     |                   |
| Cost                            |                                    |  |                            |                               |                     |                   |
| At 1 April 2016                 | 4,123                              | 4,175  | 3,208                      | 435                           | —                   | 11,941            |
| Additions                       | 727                                | 1,861  | —                          | —                             | 1,816               | 4,404             |
| Transfer from prepayment        | —                                  | —  | —                          | —                             | 1,832               | 1,832             |
| Disposals                       | —                                  | (18)   | (1,700)                    | —                             | —                   | (1,718)           |
| At 31 March 2017                | 4,850                              | 6,018  | 1,508                      | 435                           | 3,648               | 16,459            |
| Accumulated depreciation        |                                    |  |                            |                               |                     |                   |
| At 1 April 2016                 | (3,604)                            | (3,123)  | (2,080)                    | (61)                          | —                   | (8,868)           |
| Charge (Note 7)                 | (397)                              | (451)  | (448)                      | (113)                         | (243)               | (1,652)           |
| Disposals                       | —                                  | 16   | 1,700                      | —                             | —                   | 1,716             |
| At 31 March 2017                | (4,001)                            | (3,558)  | (828)                      | (174)                         | (243)               | (8,804)           |
| <b>Closing net book amount</b>  |                                    |  |                            |                               |                     |                   |
| <b>At 31 March 2017</b>         | <b>849</b>                         | <b>2,460</b>   | <b>680</b>                 | <b>261</b>                    | <b>3,405</b>        | <b>7,655</b>      |

Depreciation expenses of HK\$709,000 (2016: HK\$397,000) has been charged in "administrative expenses" and HK\$943,000 (2016: HK\$608,000) has been charged in "selling expenses" for the year.

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

|                          | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--------------------------|------------------|------------------|
| Costs                    | 1,508            | 3,208            |
| Accumulated depreciation | (828)            | (2,080)          |
| Net book amount          | 680              | 1,128            |

# Notes to the Consolidated Financial Statements

## 16 FINANCIAL INSTRUMENTS BY CATEGORY

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| <b>Financial assets</b>                                      |                  |                  |
| <b>Financial assets at fair value through profit or loss</b> |                  |                  |
| Derivative financial instruments                             | 38               | 8                |
| <b>Loans and receivables</b>                                 |                  |                  |
| Trade receivables  | 199              | 226              |
| Deposits and other receivables                               | 30,643           | 15,990           |
| Amount due from a related company                            | —                | 13               |
| Cash and cash equivalents                                    | 138,588          | 71,622           |
|  | <b>169,430</b>   | 87,851           |
|  | <b>169,468</b>   | 87,859           |
|  |                  |                  |
|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
| <b>Financial liabilities</b>                                 |                  |                  |
| <b>Other financial liabilities at amortised costs</b>        |                  |                  |
| Trade payables   | 6,556            | 5,027            |
| Accruals and other payables                                  | 3,509            | 3,427            |
| Dividend payable to minority shareholders of a subsidiary    | 105              | —                |
| Amounts due to related companies                             | 1,161            | 1,393            |
| Obligations under finance leases                             | 258              | 611              |
|  | <b>11,589</b>    | 10,458           |

## 17 INVENTORIES

|                       | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|-----------------------|------------------|------------------|
| Merchandise for sales | 1,698            | 431              |

The cost of inventories included in cost of sales during the year ended 31 March 2017 amounted to approximately HK\$2,745,000 (2016: HK\$1,631,000).

# Notes to the Consolidated Financial Statements

## 18 TRADE RECEIVABLES

Trade receivables represents income receivable from travel agents. The credit terms granted by the Group generally ranged up to 90 days.

The carrying amounts of trade receivables approximate their fair values.

As at 31 March 2017 and 2016, the ageing analysis of trade receivables based on invoice date were as follows:

|               | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---------------|------------------|------------------|
| 1 to 30 days  | 148              | 226              |
| 31 to 60 days | 51               | —                |
|               | <b>199</b>       | 226              |

As at 31 March 2017 and 2016, no trade receivables were considered past due nor impaired.

The maximum exposure to credit risk is the carrying amounts of trade receivables and the Group does not hold 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

|   | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|------------------|------------------|
| <b>Non-current portion</b>                |                  |                  |
| Rental deposits                           | 650              | 874              |
| Prepayments for website development costs | —                | 1,832            |
|   | <b>650</b>       | 2,706            |

## Notes to the Consolidated Financial Statements

### 19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| <b>Current portion</b>   |                  |                  |
| Refundable trade deposits  | 25,965           | 12,456           |
| Rental, utilities and other deposits   | 2,040            | 980              |
| Prepayments for professional fee incurred in connection with the Company's listing | —                | 1,453            |
| Amounts due from employees   | 1,633            | 927              |
| Other prepayments  | 940              | 909              |
| Other receivables  | 355              | 753              |
|  | <b>30,933</b>    | 17,478           |

The carrying amounts of deposits and other receivables approximate their fair values as at 31 March 2017 and 2016.

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

|      | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|------|------------------|------------------|
| HK\$ | 27,437           | 16,984           |
| JPY  | 4,146            | 3,200            |
|      | <b>31,583</b>    | 20,184           |

# Notes to the Consolidated Financial Statements

## 20 DERIVATIVE FINANCIAL INSTRUMENTS

|   | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|------------------|------------------|
| Forward exchange contracts — at fair value through profit or loss |                  |                  |
| — Current assets  | 38               | 8                |

During the years ended 31 March 2017 and 2016, the Group entered into forward exchange contracts to manage its foreign exchange rate exposures in relation to the settlement of land costs in JPY which did not meet the criteria for hedge accounting. The Group's policy is not to utilise trading derivative financial instruments for speculative purposes. As at 31 March 2017, the notional principal amounts of the outstanding forward exchange contracts is HK\$4,842,000 (2016: HK\$1,372,000).

## 21 CASH AND CASH EQUIVALENTS

|                                  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|----------------------------------|------------------|------------------|
| Cash on hand                     | 961              | 3,012            |
| Cash at bank                     | 137,627          | 68,610           |
| <b>Cash and cash equivalents</b> | <b>138,588</b>   | 71,622           |

Cash and cash equivalents are denominated in the following currencies:

|        | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--------|------------------|------------------|
| HK\$   | 136,173          | 67,263           |
| JPY    | 2,239            | 4,170            |
| Others | 176              | 189              |
|        | <b>138,588</b>   | 71,622           |

# Notes to the Consolidated Financial Statements

## 22 SHARE CAPITAL

|   | Number of<br>Shares | Share capital<br>HK\$'000 |
|---|---------------------|---------------------------|
| <b>Authorised:</b>  |                     |                           |
| <i>Ordinary shares of HK\$0.01 each</i>                       |                     |                           |
| At 8 June 2016 (date of incorporation) (Note (a))             | 38,000,000          | 380                       |
| Increase in authorised share capital (Note (c))               | 9,962,000,000       | 99,620                    |
| At 31 March 2017  | 10,000,000,000      | 100,000                   |
| <b>Issued and fully paid:</b>                                 |                     |                           |
| <i>Ordinary shares of HK\$0.01 each</i>                       |                     |                           |
| At 8 June 2016 (date of incorporation) (Note (a))             | 1                   | —                         |
| Allotment of Shares pursuant to the Reorganisation (Note (b)) | 9,999               | —                         |
| Capitalisation of Shares (Note (c))                           | 299,990,000         | 3,000                     |
| Issue of Shares pursuant to the Share Offer (Note (d))        | 100,000,000         | 1,000                     |
| At 31 March 2017  | 400,000,000         | 4,000                     |

- (a) On 8 June 2016, the Company was incorporated in the Cayman Islands with authorised share capital of HK\$380,000 divided into 38,000,000 Shares. On the same date, 1 Share was allotted and issued at par to the first subscriber, who then transferred the share to WWPKG Investment at par.
- (b) On 5 July 2016, WWPKG Management acquired the Operating Companies from Ms. Chan, Mr. SK Yuen and Mr. CN Yuen for a consideration satisfied by WWPKG Management procuring the Company to allot and issue total of 9,999 shares to WWPKG Investment.
- (c) On 16 December 2016, the authorised share capital of the Company was increased from HK\$380,000 to HK\$100,000,000 by creation of an additional 9,962,000,000 Shares. Prior to the share premium account of the Company being credited with the proceeds from the Share Offer, the Company capitalised an amount of HK\$2,999,900 by charging to the share premium account of the Company and that the said sum be applied in paying up in full for 299,990,000 Shares. Such shares were allotted and issued, credited as fully paid to WWPKG Investment.
- (d) In connection with the Company's listing on GEM of the Stock Exchange on 12 January 2017, 100,000,000 Shares were issued pursuant to the Share Offer at price of HK\$0.80 per Share for a total consideration of HK\$80,000,000, with issuance costs amounted to approximately HK\$6,834,000 being charged to the share premium account of the Company. Net share premium of approximately HK\$69,166,000 was credited to equity after deducting the impacted result in Note 22(c) above.

# Notes to the Consolidated Financial Statements

## 23 TRADE PAYABLES

As at 31 March 2017 and 2016, the ageing analysis of trade payables based on invoice date were as follows:

|                | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|----------------|------------------|------------------|
| 1 to 30 days   | 4,773            | 4,418            |
| 31 to 60 days  | 1,390            | 258              |
| 61 to 90 days  | 200              | 60               |
| 91 to 120 days | 29               | 276              |
| Over 120 days  | 164              | 15               |
|                | <b>6,556</b>     | 5,027            |

The carrying amounts of trade payables approximate their fair values as at 31 March 2017 and 2016, and are denominated in the following currencies:

|      | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|------|------------------|------------------|
| HK\$ | 4,941            | 3,828            |
| JPY  | 1,615            | 1,199            |
|      | <b>6,556</b>     | 5,027            |

## Notes to the Consolidated Financial Statements

### 24 ACCRUALS AND OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES

|   | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|------------------|------------------|
| <b>Other non-current liabilities</b>                              |                  |                  |
| Provisions for reinstatement cost                                 | 560              | 436              |
| Long service payment  | 183              | 172              |
|   | <b>743</b>       | 608              |
| <b>Accruals and other payables</b>                                |                  |                  |
| Advanced receipts from customers                                  | 50,016           | 19,639           |
| Accrued staff costs   | 1,670            | 1,732            |
| Accrued professional fee in connection with the Company's listing | —                | 762              |
| Deferred revenue  | 166              | —                |
| Other payables  | 3,509            | 2,665            |
|   | <b>55,361</b>    | 24,798           |

The carrying amounts of accruals and other payables approximate their fair values as at 31 March 2017 and 2016.

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

|      | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|------|------------------|------------------|
| HK\$ | 55,314           | 24,902           |
| JPY  | 790              | 504              |
|      | <b>56,104</b>    | 25,406           |



# Notes to the Consolidated Financial Statements

## 25 OBLIGATIONS UNDER FINANCE LEASES

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| <b>Gross finance lease liabilities — minimum lease payments</b>        |                  |                  |
| No later than 1 year   | 159              | 370              |
| Later than 1 year and no later than 2 years                            | 110              | 159              |
| Later than 2 years and no later than 5 years                           | —                | 110              |
|  | <b>269</b>       | 639              |
| Future finance charges on finance leases                               | <b>(11)</b>      | (28)             |
| Present values of finance lease liabilities                            | <b>258</b>       | 611              |
| <b>The present values of finance lease liabilities are as follows:</b> |                  |                  |
| No later than 1 year   | 151              | 353              |
| Later than 1 year and no later than 2 years                            | 107              | 151              |
| Later than 2 years and no later than 5 years                           | —                | 107              |
| Total obligations under finance leases                                 | <b>258</b>       | 611              |

Assets arranged under finance leases represent motor vehicles. As at 31 March 2017, the lease terms are 3 to 4 years with effective interest rate of 5.52% (2016: 5.68%) per annum.

## 26 DEFERRED INCOME TAX

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

|   | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---|------------------|------------------|
| Deferred income tax assets                  |                  |                  |
| — to be recovered after more than 12 months | 510              | 102              |
| Deferred income tax liabilities             |                  |                  |
| — to be recovered after more than 12 months | <b>(38)</b>      | (49)             |
| Deferred income tax assets, net             | <b>472</b>       | 53               |

# Notes to the Consolidated Financial Statements

## 26 DEFERRED INCOME TAX (CONTINUED)

The net movements on the deferred income tax account is as follows:

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| At 1 April   | 53               | 244              |
| Credit/(charged) to the consolidated statement of comprehensive income (Note 12) | 419              | (191)            |
| At 31 March  | 472              | 53               |

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:

|                                   | 2017<br>HK\$'000                   |               |       | 2016<br>HK\$'000                   |               |       |
|-----------------------------------|------------------------------------|---------------|-------|------------------------------------|---------------|-------|
|                                   | Decelerated<br>tax<br>depreciation | Tax<br>losses | Total | Decelerated<br>tax<br>depreciation | Tax<br>losses | Total |
| <b>Deferred income tax assets</b> |                                    |               |       |                                    |               |       |
| At 1 April                        | 214                                | —             | 214   | 284                                | —             | 284   |
| Recognised in profit or loss      | (214)                              | 1,075         | 861   | (70)                               | —             | (70)  |
| At 31 March                       | —                                  | 1,075         | 1,075 | 214                                | —             | 214   |

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| <b>Deferred income tax liabilities</b> |                  |                  |
| Accelerated tax depreciation           |                  |                  |
| At 1 April                             | (161)            | (40)             |
| Recognised in profit or loss           | (442)            | (121)            |
| At 31 March                            | (603)            | (161)            |

The Group has tax losses arising in Hong Kong of HK\$6,514,000 for the year ended 31 March 2017 (2016: HK\$Nil), which are available for offsetting against future taxable profits of the companies and is subject to further approval by relevant tax authority. The tax losses arising in Hong Kong do not have any expiry date.

As at 31 March 2017, tax losses amounting HK\$6,514,000 (2016: HK\$Nil) has been recognised as deferred tax assets of HK\$1,075,000 (2016: HK\$Nil), as the Directors are of opinion that it is probable that future taxable profits will be available against which these unused tax losses can be utilised.

# Notes to the Consolidated Financial Statements

## 27 CASH GENERATED FROM OPERATIONS

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| (Loss)/profit before income tax                            | <b>(14,439)</b>  | 28,405           |
| Adjustments for:   |                  |                  |
| Depreciation of property, plant and equipment              | <b>1,652</b>     | 1,005            |
| Gain on disposal of property, plant and equipment          | <b>(348)</b>     | (126)            |
| Finance (income)/costs, net                                | <b>(18)</b>      | 26               |
| Fair value gains on derivative financial instruments       | <b>(30)</b>      | (779)            |
| Operating cash flows before changes in working capital     | <b>(13,183)</b>  | 28,531           |
| Changes in working capital:                                |                  |                  |
| Inventories  | <b>(1,267)</b>   | (431)            |
| Trade receivables  | <b>27</b>        | 2,404            |
| Prepayments, deposits and other receivables                | <b>(13,817)</b>  | 13,923           |
| Amount due to a Director                                   | <b>—</b>         | (16)             |
| Amounts due (to)/from related companies                    | <b>(219)</b>     | 553              |
| Trade payables   | <b>1,529</b>     | (159)            |
| Accruals, other payables and other non-current liabilities | <b>30,154</b>    | (18,264)         |
| Cash generated from operations                             | <b>3,224</b>     | 26,541           |

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

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| Cost disposed (Note 15)                                    | <b>1,718</b>     | 3,436            |
| Accumulated depreciation (Note 15)                         | <b>(1,716)</b>   | (3,432)          |
| Gain on disposal of property, plant and equipment (Note 6) | <b>348</b>       | 126              |
| Receivables for property, plant and equipment              | <b>(80)</b>      | —                |
| Proceeds from disposal of property, plant and equipment    | <b>270</b>       | 130              |

# Notes to the Consolidated Financial Statements

## 28 CONTINGENCIES

As at 31 March 2017, the Group did not have any significant contingent liabilities (2016: same).

## 29 COMMITMENTS

### (a) Capital commitment

Capital expenditure contracted for as at 31 March 2017 and 2016 but not yet provided is as follows:

|                     | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|---------------------|------------------|------------------|
| Website development | 563              | 1,896            |

### (b) Operating lease commitments

#### As a lessee

As at 31 March 2017 and 2016, 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 30(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 lease expenditure charged to the consolidated statement of comprehensive income 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:

|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|--|------------------|------------------|
| No later than one year                           | 5,642            | 5,513            |
| Later than one year and no later than five years | 1,880            | 2,967            |
|  | <b>7,522</b>     | <b>8,480</b>     |

# Notes to the Consolidated Financial Statements

## 30 RELATED PARTY TRANSACTIONS

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

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 during the years ended 31 March 2017 and 2016:

| 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                         |
| Japan Super Company 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 |

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 2017 and 2016:

### (a) Transactions with related parties

|                              | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|------------------------------|------------------|------------------|
| <b>Rental expenses</b>       |                  |                  |
| Sky Right Investment Limited | 2,784            | 2,712            |
| <b>Venue fee</b>             |                  |                  |
| HCNY Consultancy Limited     | 294              | 343              |
| <b>Tour bus services fee</b> |                  |                  |
| JCS Limited                  | 14,633           | 13,622           |
| <b>Booking services fee</b>  |                  |                  |
| Y's Japan Limited            | 2,596            | 2,398            |

# Notes to the Consolidated Financial Statements

## 30 RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Transactions with related parties (Continued)

All of the above transactions with related parties were conducted in the ordinary course of the business of the Group based on the terms mutually agreed between the relevant parties.

### (b) Key management compensation

Key management include the Directors and the management of the Group, who have responsibility for the planning, directing and controlling the activities of the Group, and whose remunerations are set out in Note 9 and Note 10.

### (c) Amounts due from/(to) related companies

As at 31 March 2016, there was no impairment for the amount due from a related company, as the amount had not been past due and there was no history of default in payment.

|                                   | 2017<br>HK\$'000 | 2016<br>HK\$'000 |
|-----------------------------------|------------------|------------------|
| Amount due from a related Company |                  |                  |
| — Japan Super Company Limited     | —                | 13               |
|                                   | —                | 13               |
| Amounts due to related companies  |                  |                  |
| — Y's Japan Limited               | (339)            | (77)             |
| — JCS Limited                     | (793)            | (1,316)          |
| — HCNV Consultancy Limited        | (29)             | —                |
|                                   | <b>(1,161)</b>   | <b>(1,393)</b>   |

# Notes to the Consolidated Financial Statements

## 30 RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Amounts due from/(to) related companies (Continued)

Amount due from a related company was unsecured, interest-free, repayable on demand and denominated in HK\$.

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

### (d) Guarantees and security

Saved as disclosed in Note 3.1(c), none of the Directors of the Company has given any other personal guarantees to the Group.

## 31 SUBSIDIARIES

As at 31 March 2017, 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 |                         | Proportion of ordinary shares held by non-controlling interests |
|--|--|---|---|------------------------------------|-------------------------|---|
|  |  |   |   | by parent directly                 | by the Group indirectly |   |
| 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 the sales of package tours, FIT products and ancillary travel related products and services in Hong Kong | 15,000 ordinary shares                                  | —                                  | 100%                    | —   |

# Notes to the Consolidated Financial Statements

## 32 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

*Statement of financial position of the Company as at 31 March 2017*

| Note  | 2017<br>HK\$'000 |
|---|------------------|
| <b>ASSETS</b>                                       |                  |
| <b>Non-current asset</b>                            |                  |
| Investment in a subsidiary                          | —                |
|   | —                |
| <b>Current asset</b>                                |                  |
| Prepayments, deposits and other receivables         | 301              |
| Amount due from subsidiaries                        | 3,217            |
| Cash and cash equivalents                           | 77,229           |
|   | 80,747           |
| <b>Total assets</b>                                 | <b>80,747</b>    |
| <b>EQUITY</b>                                       |                  |
| <b>Equity attributable to owners of the Company</b> |                  |
| Share capital                                       | (4,000)          |
| Reserves  | a (76,667)       |
| <b>Total equity</b>                                 | <b>(80,667)</b>  |
| <b>LIABILITIES</b>                                  |                  |
| <b>Current liabilities</b>                          |                  |
| Accruals and other payables                         | (80)             |
| <b>Total liabilities</b>                            | <b>(80)</b>      |
| <b>Total equity and liabilities</b>                 | <b>(80,747)</b>  |

The statement of financial position of the Company was approved by the Board of Directors on 13 June 2017 and was signed on its behalf.

**Yuen Sze Keung**  
*Executive Director*

**Yuen Chun Ning**  
*Executive Director*



# Notes to the Consolidated Financial Statements

## 32 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Note a: Reserve movement of the Company for the year ended 31 March 2017

|   | Share<br>premium<br>HK\$'000 | Retained<br>earnings<br>HK\$'000 | Total<br>HK\$'000 |
|---|------------------------------|----------------------------------|-------------------|
| <b>Balance at 8 June 2016 (date of incorporation)</b> | —                            | —                                | —                 |
| <b>Total comprehensive income</b>                     |                              |                                  |                   |
| Profit for the period                                 | —                            | 7,501                            | 7,501             |
| <b>Capitalisation of shares</b>                       | (3,000)                      | —                                | (3,000)           |
| <b>Issue of shares upon Share Offer</b>               | 79,000                       | —                                | 79,000            |
| <b>Listing expenses charged to share premium</b>      | (6,834)                      | —                                | (6,834)           |
| Balances at 31 March 2017                             | 69,166                       | 7,501                            | 76,667            |

# Financial Highlights

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

| RESULTS  | Year ended 31 March |                  |                  |
|--|---------------------|------------------|------------------|
|  | 2017<br>HK\$'000    | 2016<br>HK\$'000 | 2015<br>HK\$'000 |
| Turnover   | 390,820             | 452,632          | 461,546          |
| (Loss)/profit before income tax credit/(expense) | (14,439)            | 28,405           | 19,689           |
| Income tax credit/(expense)                      | 132                 | (5,077)          | (3,345)          |
| (Loss)/profit for the year                       | (14,307)            | 23,328           | 16,344           |

| ASSETS AND LIABILITIES                       | As at 31 March   |                  |                  |
|--|------------------|------------------|------------------|
|  | 2017<br>HK\$'000 | 2016<br>HK\$'000 | 2015<br>HK\$'000 |
| Current assets                               | 175,442          | 89,778           | 88,836           |
| Non-current assets                           | 8,815            | 5,881            | 3,382            |
| Total assets                                 | 184,257          | 95,659           | 92,218           |
| Current liabilities                          | (63,334)         | (33,463)         | (53,310)         |
| Non-current liabilities                      | (888)            | (915)            | (955)            |
| Total liabilities                            | (64,222)         | (34,378)         | (54,265)         |
| Net assets                                   | 120,035          | 61,281           | 37,953           |
| <b>EQUITY</b>                                |                  |                  |                  |
| Equity attributable to owners of the Company | 120,035          | 61,281           | 37,953           |

Notes:

The summary of the consolidated results of the Group for each of the two years ended 31 March 2015 and 2016 and of the assets, equity and liabilities as at 31 March 2015 and 2016 have been extracted from the Prospectus.

The financial information for the years ended 31 March 2013 and 2014 were not disclosed as consolidated financial statements for the Group have not been prepared for those years. The summary above does not form part of the audited financial statements.