



WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8069



2017/2018

ANNUAL REPORT

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

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

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





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

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

Independent Non-executive Directors:

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Ms. Ng Ka Man, *ACS, ACIS*

COMPLIANCE OFFICER

Mr. Yuen Chun Ning

AUTHORISED REPRESENTATIVES

Mr. Yuen Sze Keung
Mr. Yuen Chun Ning

REGISTERED OFFICE

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Clifton House
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Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Tsim Sha Tsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

COMPLIANCE ADVISER

Lego Corporate Finance Limited

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Fairbairn Catley Low & Kong

PRINCIPAL BANKERS

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

STOCK CODE

8069

COMPANY'S WEBSITE

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

CHAIRMAN'S STATEMENT



Dear Shareholders

On behalf of the board of Directors of the Company (the "Board"), I am pleased to present the annual results of the Group for the financial year ended 31 March 2018.

OUR PERFORMANCE

For the year ended 31 March 2018, the Group recorded an increase in revenue of 7.8% as compared to the year ended 31 March 2017, which was mainly due to the increase in revenue from package tours by 8.4% led by the increase in the number of tour participants by 8.7%. Despite the aforementioned overall increase in revenue, the Group recorded a loss and total comprehensive loss for the year ended 31 March 2018 of approximately HK\$1.8 million, as compared to a profit and total comprehensive income for the previous year, excluding the non-recurring listing expenses, of approximately HK\$0.7 million. Such loss was mainly attributable to (i) a decrease in gross profit from package tours during the fourth quarter ended 31 March 2018 as compared to the corresponding period in 2017, as a result of the decrease in sales of package tours, the increase in land costs due to the appreciation of Japanese Yen and the increase in forfeiture incurred for flights operated during the Chinese New Year period; (ii) non-recurring advisory fees to cyber security consultants and repair and maintenance costs on information technology ("IT") systems incurred during the year ended 31 March 2018, in connection with an unauthorised party accessing the Group's customer database on 6 November 2017 (the "Issue"), of which further details were set out in the announcement of the Company dated 7 November 2017; and (iii) an increase in the Group's administrative and operating expenses for the year ended 31 March 2018 as compared to the previous year because of higher legal and professional fees incurred subsequent to the listing of the Company's shares on GEM.

BUSINESS REVIEW

During the year ended 31 March 2018, much efforts were spent to uphold the Group's market share in the travel service industry as well as to promote our brand recognition and awareness:

- The Group engaged with one of its major airline suppliers on a new exclusive flight route, whereby charter flights destined for Kumamoto in Japan had been launched on a bi-weekly basis since 16 November 2017. It also marked a close collaboration with the Kumamoto prefectural government when the Group received appreciation for playing a vital role in the recovery of Kumamoto's tourism after the Earthquake in April 2016. Over eight new kinds of package tours via this exclusive flight route were launched, which received great reviews.
- A number of major enhancements to the Group's 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, were deployed and subsequently completed in April 2018. Together with the package tours module, our website has now become a one-stop shop that was able to satisfy most of the travel needs of our customers.
- The Group kept a keen focus on effective marketing. Following the success of the two series of television travel programme, titled "Kansai Raider I" and "Kansai Raider II", sponsored by the Group in 2016, our spokesperson hosted another series of television travel programme, titled "Kyushu Raider", in October 2017 that once again became highly rated. The Group continued to engage in an effective digital marketing campaign to promote its brand and travel products through various online social media and search engines to reach out to wider spectrum of potential customers.

With regard to the Issue, appropriate immediate remedial procedures have been completed and we will upgrade our IT systems to defend against any further cyberattack on an continual basis.

CHAIRMAN'S STATEMENT

PROSPECTS

Subsequent to those remedial measures taken associating with the Issue, we are entering the planning phase of achieving the accredited certification to ISO 27001. This is to demonstrate that the Group is following information security best practice and aims to provide an independent, expert verification that information security is managed in line with international best practice and business objectives.

We will continue to focus on marketing efforts to enhance our brand awareness and popularity of our products through digital marketing as well as collaboration with our spokesperson. In view of the keen competition from online agencies, booking platforms of hotels, budget airlines and other competitors, we will continue to optimise our online sales platform to improve user experience and revamp our customer relationship management (“CRM”) system to boost customer loyalty. We will continue to introduce new routes, itineraries, activities and hotel accommodations from time to time with the view of bringing new and/or 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, 11 June 2018

MANAGEMENT DISCUSSION AND ANALYSIS



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

The shares of the Company (the “Shares”) were successfully listed on GEM (the “Listing”) by way of placing and public offer (collectively, the “Share Offer”) on 12 January 2017 (the “Listing Date”).

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 2018			Year ended 31 March 2017		
	Revenue HK\$' million	Gross profit HK\$' million	Gross profit margin %	Revenue HK\$' million	Gross profit HK\$' million	Gross profit margin %
Package tours	413.9	52.8	12.8	382.0	50.7	13.3
FIT products ^{Note}	1.5	1.5	N/A	2.8	2.8	N/A
Ancillary travel related products and services ^{Note}	5.7	5.7	N/A	6.0	6.0	N/A
Total/overall	421.1	60.0	14.2	390.8	59.5	15.2

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

Package Tours

The Group’s revenue from package tours increased by 8.4% from approximately HK\$382.0 million for the year ended 31 March 2017 to approximately HK\$413.9 million for the year ended 31 March 2018, mainly due to the increase in the number of tour participants by 8.7%.

Gross profit margin from package tours decreased from 13.3% for the year ended 31 March 2017 to 12.8% for the year ended 31 March 2018, mainly due to (i) the operation of the Group’s certain relatively low-priced tours with lower profit margins that were supported by the new charter flights destined for Kumamoto in Japan (details of which are set out in the section headed “Chairman’s Statement — Business Review”); and (ii) the increase in forfeiture incurred for flights operated during the Chinese New Year period.

FIT products

The Group’s revenue from the sales of the FIT products decreased from approximately HK\$2.8 million for the year ended 31 March 2017 to approximately HK\$1.5 million for the year ended 31 March 2018 mainly due to continuous keen competition from online agencies, booking platforms of hotels and budget airlines, as well as the fact that major enhancements to the Group’s 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, were only completed in April 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Ancillary travel related products and services

Ancillary travel related products and services mainly include travel insurance, admission tickets to attractions such as theme parks and shows, local transportation such as airport transportation, overseas transportation such as rail passes, car rental, prepaid telephone and internet cards and travel visa applications. The Group's revenue from the sales of ancillary travel related products and services decreased slightly from approximately HK\$6.0 million for the year ended 31 March 2017 to approximately HK\$5.7 million for the year ended 31 March 2018 due to the decrease in margin income from insurance companies for the sales of travel insurance to customers.

SELLING EXPENSES

Selling expenses mainly consist of (i) advertising and promotion expenses, such as sponsoring television travel programmes and films, online and offline media advertisements, participating in tourism fairs and organising travel seminars; (ii) credit card and debit card charges in respect of payments from customers with credit cards and electronic payment services (EPS); and (iii) rental and related expenses for the Group's branches. Selling expenses decreased by 7.0% from approximately HK\$19.9 million for the year ended 31 March 2017 to approximately HK\$18.5 million for the year ended 31 March 2018. Such decrease was due to the offsetting effects between the increase in the branches' rental expenses and the decrease in advertising and marketing expenses on the Group's sponsored television travel programmes as well as traditional advertisements in newspapers and hardcopy magazines.

ADMINISTRATIVE EXPENSES

Administrative expenses mainly consist of (i) staff costs, representing the Directors' remuneration and the salaries and benefits for the Group's administrative and operational staff; (ii) rental and related expenses for the Group's office premises; (iii) office, telecommunication and utility expenses incurred in the Group's daily operations; (iv) legal and professional fees; and (v) non-recurring Listing expenses and other miscellaneous administrative expenses. Administrative expenses decreased by 20.0% from approximately HK\$54.9 million for the year ended 31 March 2017 to approximately HK\$43.9 million for the year ended 31 March 2018, mainly due to the recognition of non-recurring Listing expenses of approximately HK\$15.0 million during the year ended 31 March 2017, partially offset by (i) the increase in legal and professional fees and auditor's remuneration incurred following the Listing; (ii) the increase in depreciation of property, plant and equipment; and (iii) recognition of advisory fees to cyber security consultants and repair and maintenance costs on IT systems associated with the Issue.

LOSS AND TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Loss and total comprehensive loss attributable to owners of the Company decreased by 87.3% from approximately HK\$14.2 million for the year ended 31 March 2017 to approximately HK\$1.8 million for the year ended 31 March 2018, mainly due to the decrease in selling and administrative expenses (including the non-recurring Listing expenses of approximately HK\$15.0 million) totalling approximately HK\$12.4 million for reasons as discussed in the sub-sections headed "Selling Expenses" and "Administrative Expenses" above.

MANAGEMENT DISCUSSION AND ANALYSIS



LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position as at 31 March 2018 remained healthy with net assets value of approximately HK\$98.3 million (2017: approximately HK\$120.0 million). Including the short-term fixed deposit, the Group had total cash and cash equivalents of approximately HK\$81.0 million as at 31 March 2018 (2017: approximately HK\$138.6 million), which included unutilised net proceeds from the Share Offer of approximately HK\$43.0 million. The cash and bank balances of the Group were mainly denominated in Hong Kong Dollars, which accounted for 95.3% (2017: 98.3%) of the total balances.

Current ratio is calculated as current assets divided by current liabilities. The Group's current ratio as at 31 March 2018 was approximately 2.8 times, which was the same as that as at 31 March 2017. 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 2018 and 2017, the Group was not at a net debt position.

PLEDGE OF ASSETS

As at 31 March 2018 and 2017, the Group did not pledge any of its assets as securities for facilities granted to the Group.

CAPITAL EXPENDITURE

During the year ended 31 March 2018, the Group acquired property, plant and equipment at a total cost of approximately HK\$2.6 million (2017: 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.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

Save as disclosed in this annual report, there were no significant investments, material acquisitions or disposals of subsidiaries by the Company during the year ended 31 March 2018.

CHARGE OVER THE GROUP'S ASSETS

As at 31 March 2018, the finance lease liabilities amounted to approximately HK\$0.1 million (2017: approximately HK\$0.3 million) were secured by the Group's motor vehicles with aggregate net book value of approximately HK\$0.2 million (2017: approximately HK\$0.5 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, the Group did not have other plans for material investments or capital assets as of 31 March 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2018, the Group did not have any outstanding foreign exchange forward contract (2017: outstanding foreign exchange forward contracts denominated in Japanese Yen of notional principal amounts of approximately HK\$4.8 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 2018, the Group had a workforce of 155 employees (2017: 159), excluding the Directors. Salaries of employees are maintained at competitive levels. The Group operates a defined contribution mandatory provident fund scheme for all its employees. The Group also offers discretionary bonuses to its employees by reference to the performance of individual employees and the overall performance of the Group. Total employee benefits expenses, excluding Directors' emoluments, incurred by the Group for the year ended 31 March 2018 amounted to approximately HK\$24.8 million (2017: approximately HK\$25.7 million).

The Company has adopted a share option scheme on 16 December 2016 with a term of 10 years (the "Share Option Scheme"). The Share Option Scheme is designed to motivate eligible participants, including executives and key employees, who may make a contribution to the Group, and enables the Group to attract and retain individuals with experience and ability and to reward them for their contributions. During the year ended 31 March 2018, 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 ended 31 March 2018.

CONTINGENT LIABILITIES

As at 31 March 2018 and 2017, the Group had no significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS



EVENTS AFTER THE REPORTING PERIOD

On 25 May 2018, the Group completed an acquisition of 20% of the issued share capital of Airbare.com Limited by way of cash consideration of HK\$600,000. Airbare.com Limited principally engages in the business of travel metasearch engines, which enables users to (i) search for information on flight tickets; (ii) navigate through multiple booking options simultaneously and compare prices and; (iii) direct users to respective service providers to complete the booking process.

USE OF PROCEEDS

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 of the Company dated 30 December 2016 (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 2018, the unused Net Proceeds of approximately HK\$43.0 million were deposited into a licensed bank in Hong Kong.

The following table sets forth the status of the use of the Net Proceeds as at 31 March 2018:

Objectives	Adjusted allocation of Net Proceeds HK\$ million	Amount utilised up to 31 March 2018 HK\$ million	Balance as at 31 March 2018 HK\$ million	Progress up to 31 March 2018
Promoting brand recognition and awareness	25.4	(4.0)	21.4	— The Group's digital marketing campaign had been on-going; Costs of marketing arising from package tours participation and guest appearances by celebrities were settled; Engagement with the Group's spokesperson continued.
Strengthening and enhancing sales channels	14.2	(2.4)	11.8	— Expansion and refurbishment of the Group's Shatin branch was completed; Cost of development of and enhancements to the Group's online sales platform had been settled in phases.
Improving operational efficiency	11.7	(4.1)	7.6	— Replacement of the Group's hotlines telephone system was completed; Certain of the Group's IT systems, including computer hardware, software programme, servers and network equipment, were upgraded or replaced, and the Group's tour operating system was upgraded, which altogether enhanced both systems security and operational efficiency.
General corporate and working capital purposes	5.7	(3.5)	2.2	
	57.0	(14.0)	43.0	

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 March 2018 (2017: HK5.0 cents per Share).

OUTLOOK

With its long-established brand name, well-maintained business relationship with suppliers, ability to respond to adversities, and healthy net assets position, the Group will continue to put forth its best efforts to drive business performance and growth by:

- boosting its marketing efforts (i) on digital marketing, including advertising on social media and search engine marketing, so as to increase online channel presence and online traffic and drive online inquiry to the Group's product offerings; and (ii) through collaboration with its spokesperson to raise the awareness of the Group's brand and enhance the popularity of its products through travel television programmes, social media and other conventional media advertisements such as newspapers and television commercials;
- continuing to (i) evaluate and optimise the Group's online sales platform to improve user experience; (ii) revamp the CRM system to boost customer loyalty; and (iii) consider the development of a mobile application;
- introducing new routes (including collaboration with airline suppliers to develop charter flights and/or charter routes), itineraries, activities and hotel accommodations from time to time in order to offer new and/or better travel experience to its customers; and
- exploring investment opportunities including those that could create operating synergies.

The Group will try its best endeavor to implement the above strategic initiatives that will enable the Group to grow and move forward.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



EXECUTIVE DIRECTORS

Mr. Yuen Sze Keung (“Mr. SK Yuen”), aged 66, 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 38 years of experience in the tourism industry. He has been involved in and played a critical role in the development of the Group’s businesses. He has been responsible for the Group’s major decision-making, overall strategic planning and determining corporate policies, as well as overseeing the accounting and human resources functions of the Group. Mr. SK Yuen is the spouse of Ms. Chan Suk Mei and the father of Mr. Yuen Chun Ning, both of whom are executive Directors.

Ms. Chan Suk Mei (“Ms. Chan”), aged 65, 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 38 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 40, 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 joined the Group in 2005 and has gained over 12 years of experience in the tourism industry through managing the Group’s operations. He has been responsible for managing all lines of businesses of the Group and its overall operations, as well as overseeing the Group’s IT development. Mr. CN Yuen is the son of Mr. SK Yuen and Ms. Chan, both of whom are executive Directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ho Wing Huen (“Mr. Ho”), aged 72, 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.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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 vice president of The Hong Kong Association for the Advancement of Science and Technology, a member of the Hospital Governing Committee of the Caritas Medical Centre and the chairman of the Hong Kong PHAB Association.

Mr. Lam Yiu Kin ("Mr. Lam"), aged 63, 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 41 years of experience in accounting, auditing and business consulting. He was a member of the Listing Committee and the Financial Reporting Advisory Panel of the Stock Exchange from 1997 to 2003, a committee member of the HKICPA from 1994 to 2009, and an audit partner of PricewaterhouseCoopers from 1993 to 2013.

Mr. Lam is an independent non-executive director of COSCO SHIPPING Ports Limited (Stock Code: 1199) , Global Digital Creations Holdings Limited (Stock Code: 8271) , Nine Dragons Paper (Holdings) Limited (Stock Code: 2689) , Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (Stock Code: 1349) , Shougang Concord Century Holdings Limited (Stock Code: 103), Vital Mobile Holdings Limited (Stock Code: 6133), CITIC Telecom International Holdings Limited (Stock Code: 1883) (with effect from 1 June 2017) and Bestway Global Holding Inc. (Stock Code: 3358) (with effect from 18 October 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. Yen Yuen Ho, Tony ("Mr. Yen"), aged 70, was appointed as an independent non-executive Director on 16 December 2016. Mr. Yen is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Board. Mr. Yen is a solicitor of Hong Kong and the United Kingdom. He is also a barrister and solicitor of Australia. From 1994 to 2008, Mr. Yen was the Law Draftsman of the Department of Justice of Hong Kong. He was also a member of the Hong Kong Government's Law Reform Commission. He was awarded the Silver Bauhinia Star by the Hong Kong Government in 2000. From 2011 to 2017, Mr. Yen was a member of the Hong Kong Government's Panel of Review Board on School Complaints.

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

Mr. Yen is an independent non-executive director of Alltronics Holdings Limited (Stock Code: 833), Jinchuan Group International Resources Co. Ltd (Stock Code: 2362) and Panda Green Energy Group Limited (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



SENIOR MANAGEMENT

Ms. Hon Piu Kwun Queenie (“Ms. Hon”), aged 40, 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 16 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 39, is the IT manager of the Group. Mr. Lai attained his Higher Diploma in Computer Studies from the City University of Hong Kong in 1998. He later received his degree of Bachelor Science in Information Systems from the Staffordshire University, United Kingdom by way of online distance learning in 2002. Mr. Lai joined the Group in 1999 as a project executive and was promoted to the position of IT manager in 2011. He has been responsible for the supervision of the IT department and development of IT projects.

Mr. Mak Shing Yip (“Mr. Mak”), aged 44, 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 26 years of experience in the tourism industry through servicing in the Group. He has been responsible for overseeing the Group’s outbound tours and MICE tour operations.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the year ended 31 March 2018.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules (the "CG Code"). The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the Shareholders and enhance the business growth of the Group.

During the year ended 31 March 2018, the Company has complied with all the code provisions as set out in the CG Code.

BOARD OF DIRECTORS

As at 31 March 2018 and at the date of this annual report, the Board comprises:

Executive Directors:

Mr. Yuen Sze Keung (*Chairman*)

Ms. Chan Suk Mei

Mr. Yuen Chun Ning (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Ho Wing Huen

Mr. Lam Yiu Kin

Mr. Yen Yuen Ho Tony

The Chairman and executive Director, Mr. SK Yuen, is the spouse of Ms. Chan, an executive Director, and the father of Mr. CN Yuen, the Chief Executive Officer and an executive Director. All of the executive Directors are interested in the 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 11 to 13, pages 42 to 43 and pages 44 to 46 in this annual report respectively for more details. Save as disclosed above, the Directors and the senior management have no other financial, business, family or other material/relevant relationships with one another.

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having been enquired by the Company, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct concerning securities transactions by the Directors during the year ended 31 March 2018.

CORPORATE GOVERNANCE REPORT



RESPONSIBILITIES OF THE BOARD

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

During the year ended 31 March 2018, 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 42 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.

CORPORATE GOVERNANCE REPORT

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company continuously updates the Directors on the Group's businesses and the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. During the year ended 31 March 2018, each of the Directors (namely, Mr. SK Yuen, Ms. Chan, Mr. CN Yuen, Mr. Ho, Mr. Lam and Mr. Yen) participated in appropriate continuous professional development activities by way of attending director training webcasts.

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 meetings should be held at least four times a year at approximately quarterly intervals.

Set out below are details of the attendance records of each Director at the Board meetings, committee meetings and general meeting of the Company held during the year ended 31 March 2018:

Name of Directors	Number of meetings attended/held				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	General Meeting
Executive Directors					
Mr. Yuen Sze Keung	4/4	N/A	2/2	1/1	1/1
Ms. Chan Suk Mei	4/4	N/A	N/A	N/A	1/1
Mr. Yuen Chun Ning	4/4	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Mr. Ho Wing Huen	4/4	4/4	2/2	1/1	1/1
Mr. Lam Yiu Kin	4/4	4/4	2/2	1/1	0/1
Mr. Yen Yuen Ho Tony	4/4	4/4	2/2	1/1	0/1

CORPORATE GOVERNANCE REPORT



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 2018.

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

- To review the financial information of the Group.
- To review the relationship with and terms of appointment of the external auditor.
- To review the effectiveness of the Company's internal audit function.
- To review the effectiveness and adequacy of the Company's financial reporting system, risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

According to the current terms of reference, the Audit Committee shall meet at least four times for a financial year. During the year ended 31 March 2018, four meetings of the Audit Committee were held to review the unaudited consolidated quarterly results, the unaudited consolidated interim results and the audited consolidated annual results of the Group and make recommendations to the Board; to review the effectiveness of risk management and internal control systems, including the risk register and assessment conducted by management and the report on internal controls review as prepared by an independent professional consultant; to review the continuing connected transaction; and to make recommendations to the Board on the re-appointment of external auditor.

REMUNERATION COMMITTEE

The 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.

The primary duties of the Remuneration Committee are:

- To make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.
- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- To make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment).
- To make recommendations to the Board on the remuneration of non-executive Directors.
- To ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

During the year ended 31 March 2018, two meetings of the Remuneration Committee were held to review the remuneration packages of individual executive Directors and senior management for submission to the Board for approval.

Details of the emoluments of the Directors during the year ended 31 March 2018 are set out in Note 9 to the consolidated financial statements in this annual report. The emoluments paid to the senior management of the Group, who were not directors of the Company during the year ended 31 March 2018 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

CORPORATE GOVERNANCE REPORT



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.

During the year ended 31 March 2018, one meeting of the Nomination Committee was held to review the retirement and re-election of Directors for the 2017 annual general meeting; to review the independence of the independent non-executive Directors; and to review the structure, size and diversity of the Board.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

CORPORATE GOVERNANCE REPORT

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

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

During the year ended 31 March 2018, internal audit projects covering (i) sales process and revenue recognition and (ii) accounts payable management were executed in accordance with the approved internal audit plan. All internal control deficiencies identified were communicated to the management, and significant internal control deficiencies were summarized and reported to the Audit Committee. Remedial actions to mitigate the associated risks have already been implemented in stages by the Group to further improve its risk management and internal control systems.

Upon the discovery of the Issue, the Group engaged two independent risk consulting firms to assist with an immediate investigation, which involved a comprehensive check of the affected system, followed by implementation of appropriate remedial procedures and system upgrading to defend against any further cyberattack. The Group continued to engage one of the risk consulting firms to advise on strengthening of internal controls on cyber security, which involved the implementation of the following key internal control improvements:

- The network segregation and protection was enhanced so that the difficulty of malicious attacks into the Group's system has sufficiently increased; furthermore, additional layers of firewall and other network protection devices have been implemented onto the Group's network to further enhance protection;
- Certain operation and business processes were revamped to minimize the storage of personal data and appropriate encryption technology has been used to protect sensitive information; and
- Some of the Group's key IT services have been migrated to the cloud with an aim to leverage on the cloud service provider's security features.

Subsequent to the year ended 31 March 2018, the Group is entering the planning phase of achieving the accredited certification to ISO 27001. This is to demonstrate that the Group is following information security best practice and aims to provide an independent, expert verification that information security is managed in line with international best practice and business objectives.

The Board with the assistance of the Audit Committee has conducted a review of the effectiveness of the Group's risk management and internal control systems. Considering the abovementioned corrective measures and improvements that had been taken by management, the Board is satisfied with the effectiveness and adequacy of the internal control and risk management systems of the Group for the year ended 31 March 2018.

CORPORATE GOVERNANCE REPORT



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

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

AUDITOR’S REMUNERATION

During the year ended 31 March 2018, the fees paid/payable to the Company’s external auditor are set out as follows:

	Fees paid/ payable HK\$’000
Audit services	1,155
Non-audit services	1,010

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

COMPANY SECRETARY

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

During the year ended 31 March 2018, 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, the chief financial officer of the Group.

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

During the year ended 31 March 2018, 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.

CORPORATE GOVERNANCE REPORT

INVESTOR RELATIONS

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

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

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2018, there had been no change in the Company's constitutional documents.

SHAREHOLDER COMMUNICATION

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

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

SHAREHOLDERS' RIGHTS

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

RIGHT TO CONVENE EXTRAORDINARY GENERAL MEETING

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

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

CORPORATE GOVERNANCE REPORT



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 requisitioner(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitioner(s).

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

RIGHT TO SEND ENQUIRIES TO THE BOARD

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

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

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

INFORMATION DISCLOSURE

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

CONCLUSION

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

The Board hereby presents the Environmental, Social and Governance (“ESG”) report of the Group for the year ended 31 March 2018. This ESG report was prepared according to the “comply or explain” provisions set out in Appendix 20, “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) to the GEM Listing Rules.

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

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

STAKEHOLDER ENGAGEMENT

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



A. ENVIRONMENTAL SUSTAINABILITY

The Group's daily operations and its package tour arrangements are causing an impact on the environment in terms of the consumption of energy and emissions from transportation. The Group is committed to strike a balance between business development and environmental protection on the road to sustainable development. The Group has begun to collect and analyse environmental data and will continue to enhance its staff's performance and awareness on environmental protection. During the year ended 31 March 2018, there was no violated case related to environmental regulations.

A1. Emissions

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

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

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

A2. Use of Resources

The Group's head office and its branches are primarily for office use, with electricity as the greatest consumption.

Energy consumption

During the year ended 31 March 2018, approximately 184,647 kwh of electricity was consumed. The Group takes various environmental protection measures to reduce the use of resources and creates a greener working environment with the following measures:

- Use natural lighting and energy-saving lighting system in the office premises
- Zone air conditioning and lighting systems

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

Water consumption

Due to the fact that washrooms and pantries are shared amongst occupants of the entire buildings and patrons at which the Group's head office and branches are situated, water is effectively considered as a minor consumption. During the year ended 31 March 2018, approximately 181 litres of water at the head office was consumed.

Packaging materials

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

A3. *The Environment and Natural Resources*

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



B. SOCIAL SUSTAINABILITY

EMPLOYMENT AND LABOUR PRACTICES

B1. Employment

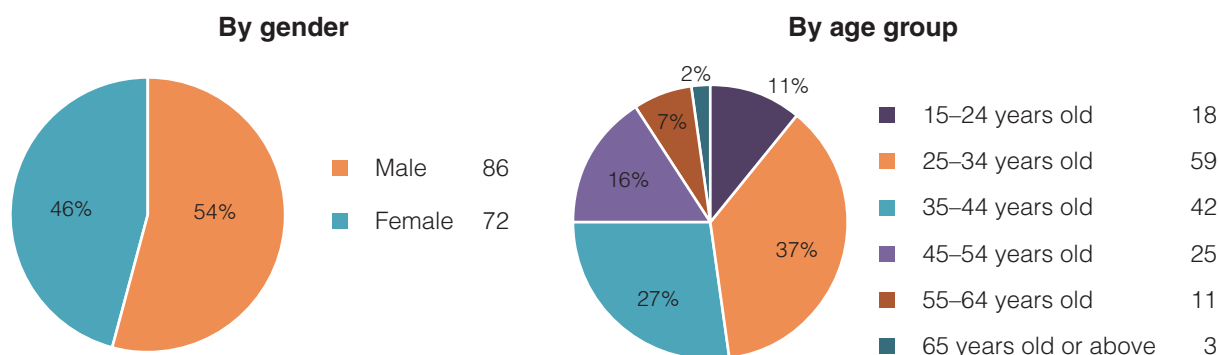
The Group adopts a fair recruitment policy that prohibits damage to equal employment opportunity or unfair treatment caused by factors such as ethnicity, race, gender, religious belief, social origin or identity, geographic location, age, physical condition and marital status. Only the capabilities of candidates and the needs of the Group will be considered during recruitment. The Group strictly complies with the Employment Ordinance and the Mandatory Provident Fund Schemes Ordinance of Hong Kong and has relevant policies and procedures in place. The Group's promotion policy primarily depends on the length of service of the employees and their performance appraisals. An internal transfer programme is also in place to minimise staff turnover. In the past, employees applied for internal transfers for reasons concerning overseas travelling, continuous education, family and other matters. The Group used its best endeavours to accommodate their applications and make arrangements according to their will and job commitment and situation. During the year ended 31 March 2018, the Group has not identified any complaints or violation of laws in relation to recruitment, promotion, working hours, leave, equal opportunity, diversity, anti-discrimination and other entitlements and benefits.

The Group has to respond swiftly to the changing tourism market. To attract new talents, the Group offers competitive remuneration packages to employees. However, salary alone is not enough to retain outstanding employees, a suitable working environment and benefits are taken into consideration as well. In this regard, the Group provides flexible and diversified benefits to suit the actual needs of its staff members. Morale among the staff members is also boosted by a dynamic working environment. During the year ended 31 March 2018, the Group organised lunch gatherings, Christmas gala and annual party for its employees that facilitated inter-departmental interactions and exchange of ideas. The Group fully understands the importance of work-life balance and allow staff members to get off early on festivals, provide them with special offers to travel with families and friends, and organise lunch and dinner gatherings for them together with their family members. During the year ended 31 March 2018, the Group was nominated and awarded as a "Family-Friendly Employer" by the Home Affairs Bureau and the Family Council.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

Overview of the Group's employees as at 31 March 2018



The Group's employee turnover rate		Unit
Total turnover rate	percentage (%)	2.32

By gender		
Male	percentage (%)	1.16
Female	percentage (%)	3.70

By age		
15–24 years old	percentage (%)	6.48
25–34 years old	percentage (%)	3.11
35–44 years old	percentage (%)	0.99
45–54 years old	percentage (%)	0.67
55–64 years old	percentage (%)	0.76
65 years old or above	percentage (%)	0

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



B2. Health and Safety

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

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

The Group has stipulated safety guidelines in accordance with the Occupational Safety and Health Ordinance of Hong Kong. Besides interior decoration, the design of the Group's branches also takes occupational safety and practicality into account. For instance, desk height is designed to match the height of most staff members and facilitate communication with customers. Suggestion boxes are available in the Group's office premises to collect opinions about occupational safety and other issues anonymously for the consideration of the human resources department. The Group has not identified any casualties and accidents in relation to workplace health and safety during the year ended 31 March 2018.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B3. Development and Training

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

Classroom training distribution		Unit
Total training hours	hours	1,964

Average training hours		
Male	hours	33
Female	hours	31
Senior management	hours	56
Middle management	hours	33
Supervisors	hours	74
General staff	hours	11

Percentage of trained employees by category		
Male	percentage (%)	28
Female	percentage (%)	51
Senior management	percentage (%)	100
Middle management	percentage (%)	100
Supervisors	percentage (%)	100
General staff	percentage (%)	27

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



B4. Labour Standards

The Group does not tolerate any illegal behaviours and employment of child and forced labour is prohibited according to the Employment Ordinance of Hong Kong. Candidates must provide identification documents at interviews to ensure legal age requirement is met. The Group also understands the importance of work-life balance. The Group's employees will not be forced to work overtime and may apply for flexible working hours depending on their job commitment and situation. In case of discrimination, staff members can file complaint directly to the human resources manager. During the year ended 31 March 2018, the Group did not identify any non-compliance issue relating to preventing child and forced labour.

OPERATING PRACTICES

B5. Supply Chain Management

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

Supplier selection criteria

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B6. Product Responsibility

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

In view of raising the standard of outbound tour escorts, the TIC decided that all tour escorts leading outbound tours must hold a valid Tour Escort Pass ("TEP"). To apply for a TEP, one needs to complete the Certificate Course for Outbound Tour Escorts organised by the TIC with a full attendance record (or hold other certificates recognised by the TIC) and pass the Certificate Examination for Outbound Tour Escorts given by the TIC. The TEP is valid for three years, and may be renewed for additional terms of three years. During the year ended 31 March 2018, all tour escorts of the Group held valid TEPs. The Certificate Course for Outbound Tour Escorts covers the roles and duties of a tour escort, Package Tour Accident Contingency Fund Scheme, general travel insurance policies, basic principles and skillset on crisis management, emergencies' handling and first-aid skills. In addition, the Group provides on-the-job training for its tour escorts to ensure the delivery of customer satisfaction.

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

Despite the Group's effort in providing quality service to customers, it is impossible to meet the expectations of every one of them. During the year ended 31 March 2018, the Group received complaints filed by its customers to the TIC regarding flight delays due to adverse weather conditions or tour cancellation due to insufficient patrons. The Group uses its best endeavors to provide viable solutions, but in case of adverse weather conditions, the safety of its customers must first be considered. If a tour is delayed or cancelled due to natural disasters or other reasons, the Group makes every effort to provide alternative arrangements. If a tourist attraction is inaccessible, the Group will compensate the customers with another tourist attraction or refund the admission fees (if any), so that the journey of the customers will not be affected.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Consumer Data Protection and Privacy Policy

During the course of its business operations, the Group may need to obtain customers' identification documents for the purposes of visa application and air ticket and hotel reservations, which may involve the handling of personal data. The Group complies with the Personal Data (Privacy) Ordinance of Hong Kong to protect customer information. All information collected will only be used pursuant to the Group's privacy policy available on its website. To enhance employees' awareness of the importance of personal data, all newly recruited employees are required to sign a confidentiality agreement and are reminded that any violation will be subject to legal liability. In respect of information security management systems, the Group is entering the planning phase of achieving the accredited certification to ISO 27001.

B7. Anti-corruption

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

During the year ended 31 March 2018, the Group has not identified any confirmed or suspected cases of bribery, extortion, fraud and money laundering. The Group upholds the code of good faith in any circumstance to ensure that its operations are in compliance with the laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

COMMUNITY

B8. Community Investment

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

Supporting Pok Oi Hospital

The Group has been a keen supporter of Pok Oi Hospital for six consecutive years. During the year ended 31 March 2018, management and staff members of the Group formed a corporate elite team to take part in the Shanghai Commercial Pok Oi Cycle for Millions fundraiser. Also, a team of volunteers organised by the Group visited and spent a joyful day with the children at Pok Oi Hospital Mrs. Yam Wing Yin Day Nursery.

Flight sponsorships to charitable organizations

During the year ended 31 March 2018, the Group made sponsorships on flight tickets to various charitable organizations to support their charitable events, including Benji’s Centre Charity Raffle, Bosco Charity Association Annual Charity Ball, Playright 30th Anniversary Charitable Gala Dinner, and Lions Club of Victoria 56th Annual Party.

“Partner Employer Award” Scheme

The Group always looks forward to having new talents to join this fast-growing travel industry. The Group has therefore joined the “Partner Employer Award” Scheme organised by the Hong Kong General Chamber of Small and Medium Business to provide internship opportunities to local students, allowing them to accumulate work experience, explore career development and enhance competitiveness. Five interns participated in the scheme during the year ended 31 March 2018 and were deployed to frontline and back office under the supervision of the Group’s staff members.

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

REPORT OF THE DIRECTORS



The Board is pleased to present its annual report with the audited consolidated financial statements of the Group for the year ended 31 March 2018.

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 ended 31 March 2018.

BUSINESS REVIEW

A review of the Group's businesses, an analysis of the Group's performance during the year ended 31 March 2018 using financial key performance indicators, a description of the principal risks and uncertainties facing the Group and an indication of the future development in the Group's businesses, are set out in the "Chairman's Statement" on pages 3 to 4 and "Management Discussion and Analysis" on pages 5 to 10 in this annual report, the sub-section headed "Principal Risks and Uncertainties" below and the notes to the consolidated financial statements. Particulars of the important event affecting the Group that has occurred since the end of the reporting period are set in the section headed "Management Discussion and Analysis — Events After the Reporting Period" on page 9 in this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with the requirements of relevant laws and regulations. During the year ended 31 March 2018, as far as the Board and management are aware of, there was no material breach or non-compliance with any applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

Details of the environmental, social and governance of the Group are set out in the "Environmental, Social and Governance Report" on pages 24 to 34 in this annual report.

RELATIONSHIP WITH STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its key stakeholders, including its employees, customers and suppliers, to meet its immediate and long-term business goals. During the year ended 31 March 2018, 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

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 38 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 87.9% (2017: 84.6%) of the Group's total revenue from package tours for the year ended 31 March 2018. 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.

REPORT OF THE DIRECTORS



Exposure to foreign exchange risk particularly in relation to Japanese Yen

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

IT security issue and loss of data

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

BUSINESS OBJECTIVES AND PROGRESS

The table below sets out the progress of the Group's achievement of its business objectives as disclosed in the Prospectus during the period from the Listing Date up to 31 March 2018:

Business objective	Implementation plan	Actual business progress
Promoting brand recognition and awareness	<ul style="list-style-type: none"> — Placing advertisements — Sponsoring television travel programmes and films — Implementing and monitoring a digital marketing campaign — Organising travel seminars and participating in tourism fairs — Cooperating with credit card companies and banks to offer promotion and discounts on products and services 	<ul style="list-style-type: none"> — Advertisements were made on newspapers, travel and lifestyle magazines and public transportation. — The Group sponsored a series of television travel programme in October 2017. — The Group's digital marketing campaign had been on-going. — Travel seminars were organised to introduce the Group's special tours and deluxe tours to potential customers. — The Group participated in tourism fairs to promote its travel products destined for Japan, Korea and Taiwan. — The Group had been closely cooperating with a major bank to offer promotions, special discounts and year-round discounts on its travel products.

REPORT OF THE DIRECTORS

Business objective	Implementation plan	Actual business progress
Strengthening customer relationship management efforts	<ul style="list-style-type: none"> — Reviewing customers' feedback and monitoring members' movements and redemption activities on existing membership system — Adopting a CRM system to conduct customer data analysis 	<ul style="list-style-type: none"> — Customers' feedback were reviewed on a timely basis, and movement of members and redemption activities were reviewed on a monthly basis. — Evaluation of the current membership system was completed, results of which including proposed improvements and new features (for example, membership benefits) will be incorporated into the Group's new CRM system, which will also possess the capability of conducting customer data analytics to formulate sales and marketing action plans. Sourcing and selection of CRM system vendor had been in progress.
Developing new products and services	<ul style="list-style-type: none"> — Researching for new destinations or new travel elements for existing tours — Developing one to two new destination(s) for package tours 	<ul style="list-style-type: none"> — The Group was appointed as the exclusive ticketing agency for Legoland Japan in Hong Kong, which opened in April 2017. — The Group engaged with one of its major airline suppliers on a new exclusive flight route, whereby charter flights destined for Kumamoto in Japan would be launched on a bi-weekly basis during the period from 16 November 2017 to 17 May 2018.
Strengthening and enhancing sales channels	<ul style="list-style-type: none"> — Revamping website and incorporating an integrated online sales platform with package tours, tickets, and hotels modules and online membership system — Incorporating "ticket plus hotel" FIT packages module, enhancement of existing modules and more sales and marketing functions including online chat function into the integrated online sales platform — Opening an additional branch in strategic location — Refurbishing one of the existing branches to give a unified and new image across all branches 	<ul style="list-style-type: none"> — All modules were incorporated subsequently in April 2018. — Feasibility study in connection with the additional functions and enhancements was completed. — The Group had already set up branches at prime locations in Hong Kong and had continued to identify locations for an additional branch that could be strategically justified and with reference to the retail leasing market trend. — Preliminary interior design plan for the refurbishment of the Group's branch in Mongkok was confirmed.

REPORT OF THE DIRECTORS



Business objective	Implementation plan	Actual business progress
Increasing operational efficiency by improving information systems	<ul style="list-style-type: none"> — Upgrading or replacing hotlines telephone system — Commencing upgrade or replacement of existing accounting system and sourcing for service providers to upgrade or replace the Group's existing tour operating system with integrated management information functions — Renovating offices to improve working environment and efficient use of office space 	<ul style="list-style-type: none"> — Replacement of the Group's hotlines telephone system was completed. — The Group's tour operating system was upgraded, which enhanced both systems security and operational efficiency. — Instead of renovation, an additional office was leased in May 2017 to improve the working environment.
Expanding staff team	<ul style="list-style-type: none"> — Recruiting a general manager to oversee the business operations — Recruiting one to two experienced IT specialist(s) to support the new online sales platform — Recruiting one to two advertising officer(s) to plan and manage advertising campaigns — Recruiting one to two accounting officer(s) to support the chief financial officer to meet financial reporting requirements 	<ul style="list-style-type: none"> — Recruitment process had been on-going with the ideal candidate to be identified. — Recruitment process had been on-going with the ideal candidate(s) to be identified. — Recruitment of advertising officer was completed. — Recruitment process had been on-going with the ideal candidate(s) to be identified.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2018 are set out in the consolidated statement of comprehensive income on page 53 in this annual report.

The Directors did not recommend the payment of final dividend for the year ended 31 March 2018 (2017: HK5.0 cents per Share).

DONATIONS

Charitable and other donations made by the Group during the year ended 31 March 2018 amounted to HK\$49,000 (2017: HK\$71,000).

SHARE CAPITAL

Details of the movement in the share capital of the Company during the years ended 31 March 2018 and 2017 are set out in Note 22 to the consolidated financial statements.

REPORT OF THE DIRECTORS

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 2018, calculated according to the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$53,686,000 (2017: 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 four financial years ended 31 March is set out in the section headed “Financial Highlights” in this annual report.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as set out in the sub-section headed “Share Option Scheme” below, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 March 2018.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2018.

SHARE OPTION SCHEME

The Share Option Scheme was adopted pursuant to a resolution passed by the Company’s then shareholders on 16 December 2016 for the primary purpose of providing eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants (the “Eligible Participants”) of the Share Option Scheme include any employee, adviser, consultant, service provider, agent, customer, partner or joint venture partner of the Company or any of its subsidiaries. The Share Option Scheme became effective on the Listing Date and, unless otherwise cancelled or amended, will remain in force for 10 years commencing on the Listing Date. As at the date of this annual report, (i) the remaining life of the Share Option Scheme is about 8.4 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.

REPORT OF THE DIRECTORS



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 annual report and there was no outstanding share option as at the date of this annual report.

DIRECTORS

The Directors during the year ended 31 March 2018 and up to the date of this annual report were:

Executive Directors:

Mr. Yuen Sze Keung (*Chairman*)

Ms. Chan Suk Mei

Mr. Yuen Chun Ning (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Ho Wing Huen

Mr. Lam Yiu Kin

Mr. Yen Yuen Ho Tony

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

REPORT OF THE DIRECTORS

DIRECTORS' SERVICE CONTRACTS

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

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

Save as disclosed in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's businesses to which the Company, any of its subsidiaries or its parent company was a party and in which a Director or the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 31 March 2018.

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

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

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

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

Long Position in the Company's Shares

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

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in this annual report, at no time during the year ended 31 March 2018 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into or existed during the year ended 31 March 2018.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31 March 2018, the aggregate amount of sales attributable to the Group's five largest customers represent less than 30% of the Group's total sales.

The percentages of purchases for the year ended 31 March 2018 attributable to the Group's major suppliers are as follows:

	Percentage of the Group's total purchases
The largest supplier	43.21%
Five largest suppliers in aggregate	61.47%

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.

REPORT OF THE DIRECTORS



CONTINUING CONNECTED TRANSACTION

Package Tours (Hong Kong) Limited entered into a services framework agreement with JCS Limited, pursuant to which JCS Limited would provide certain tour bus services for the Group's package tours. Details of the transaction was disclosed in the Prospectus. The annual caps, consideration for the year ended 31 March 2018 and other details are as follows:

Connected person	JCS Limited
Date of agreement	21 December 2016
Term	From 12 January 2017 to 31 March 2019 (both dates inclusive)
Particulars	Provision of certain tour bus services, inclusive of charter and non-charter buses, drivers and fuel, in Japan (except Okinawa) for the Group's package tours
Annual caps	HK\$15.3 million, HK\$16.0 million and HK\$17.1 million for each of the three financial years ended/ending 31 March 2017, 31 March 2018 and 31 March 2019
Consideration for the year ended 31 March 2018	HK\$8.7 million
Nature and extent of the connected person's interest	JCS Limited is a limited liability company incorporated in Japan whose business includes the provision of tour bus services in Japan. It is wholly and beneficially owned by Mr. Yuen Chun Yu Adrian, who is a son of Ms. Chan and Mr. SK Yuen, and the brother of Mr. CN Yuen. As such, JCS Limited is an associate of the controlling shareholders of the Company and hence a connected person of the Company under the GEM Listing Rules

The independent non-executive Directors have reviewed the above continuing connected transaction during the year ended 31 March 2018 and confirmed that the transaction has been entered into on the following basis:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) either on normal commercial terms or better; and
- (iii) in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

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

REPORT OF THE DIRECTORS

In addition, the auditor of the Company has confirmed to the Board that nothing has come to their attention that causes them to believe that the above continuing connected transaction for the year ended 31 March 2018:

- (i) has not been approved by the Board;
- (ii) was not, in all material respects, in accordance with the pricing policies of the Group if the transaction involves the provision of goods or services by the Group;
- (iii) was not entered into, in all material respects, in accordance with the relevant agreement governing the transaction; and
- (iv) has exceeded the relevant annual cap.

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

EMOLUMENT POLICY

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

PERMITTED INDEMNITY PROVISIONS

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

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

CONTROLLING SHAREHOLDERS' NON-COMPETING UNDERTAKING

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

REPORT OF THE DIRECTORS



The Controlling Shareholders have confirmed in writing to the Company of their compliance with the deed of non-competition for disclosure in this annual report for the year ended 31 March 2018.

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 2018, the Directors were not aware of any business or interest of the Directors and their respective close associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

SUFFICIENCY OF PUBLIC FLOAT

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

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

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

AUDITOR

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

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

By order of the Board

Yuen Sze Keung

Chairman

11 June 2018

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF WWPKG HOLDINGS COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of WWPKG Holdings Company Limited (the "Company") and its subsidiaries ("the Group") set out on pages 53 to 105, which comprise:

- the consolidated statement of financial position as at 31 March 2018;
- 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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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

Independence

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT



BASIS FOR OPINION (CONTINUED)

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

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue and cost of sales recognition of sales of package tours</p> <p><i>(Refer to Notes 5 and 7 to the consolidated financial statements)</i></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 tours 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 deposits paid to the suppliers and accruals for land costs based on a time proportion basis is prepared manually.</p> <p>During the year, the Group recorded revenue from sales of package tours of HK\$413,932,000 and corresponding cost of sales of HK\$361,081,000.</p> <p>We focused on the recognition in revenue and cost of sales recognition of sales of package tours because these involve manual procedures to determine the appropriate revenue and expense recognition point and both the amounts of revenue from sales of package tours and corresponding cost of sales are financially significant to the Group, all of which give rise to a higher inherent risk that revenue and corresponding cost of sales of sales of package tours could be recorded in the incorrect period or could be misstated. In addition, inappropriate recognition of revenue and corresponding cost of sales of sales of package tours could result in misstatement of the associated customer deposits received in advance and trade deposits paid to service providers as recorded at the year end date.</p>	<p>We performed the following audit procedures relating to the occurrence of revenue and cut-off in revenue and cost of sales recognition of sales of package tours:</p> <ul style="list-style-type: none"> • Understood, evaluated and tested management's key controls on the occurrence of revenue and cut-off in revenue and cost of sales recognition of sales of package tours. • Tested on sampling basis the sales transaction of the year by tracing the sales transactions to the supporting documents including sales invoices and bank statements. • Tested on sampling basis the reconciliation between cash/credit card/EPS receipt report and sales summary. • Performed substantive testing on the accuracy of the system generated sales listing used in recognising sales and quantifying the cut-off adjustments at each month end by tracing to supporting documents of source data, such as tour listings, flight departure records, sales invoices and supplier invoices. • Tested the mathematical accuracy of the calculation of the relevant cut-off adjustments made by management. • Tested on sampling basis the advanced receipts from customers as at the year end date by tracing the receipts to the supporting documents including sales invoices and bank statements. • Tested on sampling basis the trade deposits paid to the suppliers and accruals for land costs as at the year end date by tracing the payments and accruals to the supporting documents including supplier invoices and bank statements.

We found no material variances from the above testing.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT



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

As part of an audit in accordance with HKSAAs, 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

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

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, 11 June 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2018



	Note	2018 HK\$'000	2017 HK\$'000
Revenue	5	421,105	390,820
Cost of sales	7	(361,081)	(331,327)
Gross profit		60,024	59,493
Other income and other gains, net	6	799	815
Selling expenses	7	(18,548)	(19,857)
Administrative expenses	7	(43,888)	(54,908)
Operating loss		(1,613)	(14,457)
Finance income, net	11	50	18
Loss before income tax		(1,563)	(14,439)
Income tax (expense)/credit	12	(215)	132
Loss and total comprehensive loss for the year		(1,778)	(14,307)
Loss and total comprehensive loss attributable to:			
Owners of the Company		(1,757)	(14,232)
Non-controlling interests		(21)	(75)
		(1,778)	(14,307)
Basic and diluted loss per share (<i>expressed in HK cents</i>)	13	(0.44)	(4.42)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	2018 HK\$'000	2017 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	7,838	7,655
Prepayments, deposits and other receivables	19	2,654	650
Deferred income tax assets	26	816	510
		11,308	8,815
Current assets			
Inventories	17	452	1,698
Trade receivables	18	622	199
Prepayments, deposits and other receivables	19	51,896	30,933
Derivative financial assets	20	—	38
Current income tax recoverable		3,124	3,986
Short- term fixed deposit	21	5,000	—
Cash and cash equivalents	21	76,043	138,588
		137,137	175,442
Total assets		148,445	184,257
EQUITY			
Equity attributable to owners of the Company			
Share capital	22	4,000	4,000
Reserves		68,038	80,537
Retained earnings		25,618	34,876
		97,656	119,413
Non-controlling interests		601	622
Total equity		98,257	120,035

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018



	Note	2018 HK\$'000	2017 HK\$'000
LIABILITIES			
Non-current liabilities			
Obligations under finance leases	25	22	107
Other non-current liabilities	24	621	743
Deferred income tax liabilities	26	43	38
		686	888
Current liabilities			
Trade payables	23	5,176	6,556
Accruals and other payables	24	42,743	55,361
Dividend payable to minority shareholders of a subsidiary		—	105
Obligations under finance leases	25	85	151
Amounts due to related companies	30(c)	1,498	1,161
		49,502	63,334
Total liabilities		50,188	64,222
Total equity and liabilities		148,445	184,257

The consolidated financial statements on pages 53 to 105 were approved for issue by the Board of Directors on 11 June 2018 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 2018

	Attributable to owners of the Company					Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note)	Retained earnings HK\$'000	Sub-total HK\$'000		
Balance at 1 April 2016	—	—	11,371	49,108	60,479	802	61,281
Total comprehensive loss							
Loss for the year	—	—	—	(14,232)	(14,232)	(75)	(14,307)
Transactions with owners							
Dividends to non-controlling interests	—	—	—	—	—	(105)	(105)
Capitalisation of shares (Note 22)	3,000	(3,000)	—	—	—	—	—
Issue of shares upon Share Offer (Note 22)	1,000	79,000	—	—	80,000	—	80,000
Listing expenses charged to share premium (Note 22)	—	(6,834)	—	—	(6,834)	—	(6,834)
Total transactions with owners	4,000	69,166	—	—	73,166	(105)	73,061
Balance at 31 March 2017 and 1 April 2017	4,000	69,166	11,371	34,876	119,413	622	120,035
Total comprehensive loss							
Loss for the year	—	—	—	(1,757)	(1,757)	(21)	(1,778)
Transactions with owners							
Dividend paid relating to 2017	—	(12,499)	—	(7,501)	(20,000)	—	(20,000)
Balance at 31 March 2018	4,000	56,667	11,371	25,618	97,656	601	98,257

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 2018



	Note	2018 HK\$'000	2017 HK\$'000
Cash flows from operating activities			
Cash (used in)/generated from operations	27	(34,450)	3,224
Interest paid		(7)	(19)
Income tax refund/(paid)		346	(6,165)
Net cash used in operating activities		(34,111)	(2,960)
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,235)	(3,860)
Proceeds from disposal of property, plant and equipment		—	270
Interest received		57	37
Increase in short-term fixed deposit		(5,000)	—
Net cash used in investing activities		(8,178)	(3,553)
Cash flows from financing activities			
Repayment of obligations under finance leases		(151)	(353)
Dividend paid to equity shareholders		(20,000)	—
Dividend paid to minority shareholders of a subsidiary		(105)	—
Issue of new shares		—	80,000
Payment for professional expenses incurred in connection with the Listing		—	(6,168)
Net cash (used in)/generated from financing activities		(20,256)	73,479
Net (decrease)/increase in cash and cash equivalents		(62,545)	66,966
Cash and cash equivalents at beginning of the year		138,588	71,622
Cash and cash equivalents at end of the year		76,043	138,588

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 Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address of the Company is at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at Unit 706–8, 7/F, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively the “Group”) are (i) the design, development and sales of package tours; (ii) the sales of air tickets and/or 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 (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 (“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.
- (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



1 GENERAL INFORMATION AND REORGANISATION (CONTINUED)

1.2 Reorganisation (Continued)

- (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.

On the Listing Date, the Shares were listed on GEM 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 HKFRSs (which include all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, 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 Group has applied the following amendments to standards for the first time for their annual period commencing 1 April 2017:

HKAS 7 (Amendment)	Statement of Cash Flows
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendment)	Disclosure of interest in other entities

The adoption of these amendments had no impact on the consolidated financial statements, except for the amendments to HKAS 7 requiring the disclosures of changes in liabilities arising from financing activities as provided in Note 27 to the consolidated financial statements.

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 2018, but have not been early adopted by the Group.

		Effective for accounting year beginning on or after
HKFRS 1 (Amendment)	First Time Adoption of IFRS	1 January 2018
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendment)	Clarifications to IFRS 15	1 January 2018
HKAS 28 (Amendment)	Investments in associates and joint ventures	1 January 2018
HKAS 40 (Amendment)	Transfers of investment property	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 9 (Amendment)	Financial Instruments	1 January 2019
HKFRS 16	Leases	1 January 2019
HKFRIC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HKFRIC Int 23	Uncertainty over Income Tax Treatments	1 January 2019
HKFRS 10 and HKFRS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

Under HKAS 17, lessees were required to make a distinction between a finance lease (on the 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 statement of financial position and related ratios (capital adequacy ratio and leverage ratio). If the Group early adopts HKFRS 16, as at 31 March 2018, the amount of operating leasing commitment amounted to HK\$12,756,000 (2017: HK\$7,522,000) (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 would also be immaterial.

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 (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. The Group assesses the impact of the adoption of HKFRS 15 by analysing the Group’s key revenue streams against the 5-step approach and does 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 assesses 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 Principles of consolidation

Subsidiaries

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

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

2.3 Business combinations

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 *Business combinations (Continued)*

Acquisition-related costs are expensed as incurred.

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

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

2.4 *Segment reporting*

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

2.5 *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 or are attributable to part of the net investment in a foreign operation.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 *Property, plant and equipment*

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

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

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

Leasehold improvements	20% or over the lease term, whichever is shorter
Furniture, fixtures and office equipment	20% 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Note 2.7).

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

2.7 *Impairment of non-financial assets*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period. Details about each type of financial assets are set out in Note 16 to the consolidated financial statements.

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

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, ie are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets. The Group has not elected to designate any financial assets at fair value through profit or loss.

(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. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The Group's loans and receivables comprise of trade and other receivables, deposits, short-term fixed deposit and cash and cash equivalents.

(iii) *Held-to-maturity investments*

The Group classifies investments as held-to-maturity if:

- they are non-derivative financial assets
- they are quoted in an active market
- they have fixed or determinable payments and fixed maturities
- the Group intends to, and is able to, hold them to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (Continued)

(a) Classification (Continued)

(iv) Available-for-sale financial assets

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at fair value through profit or loss, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

(b) Reclassification

The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

(c) Recognition and derecognition

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

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 *Financial assets (Continued)*

(d) **Measurement**

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

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised in profit or loss within other income or other expenses.

Dividends on financial assets at fair value through profit or loss and available-for-sale equity instruments are recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established.

Interest income from financial assets at fair value through profit or loss is included in the net gains/ (losses). Interest on available-for-sale securities, held-to-maturity investments and loans and receivables calculated using the effective interest method is recognised in the statement of profit or loss as part of revenue from continuing operations.

Details on how the fair value of financial instruments is determined are disclosed in Note 3.3.

2.9 *Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is currently an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.10 *Impairment of financial assets*

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. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of financial assets (Continued)

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that 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.

Impairment testing of trade receivables is described in Note 18.

2.11 Derivative financial instruments

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

2.12 Inventories

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

2.13 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.

2.14 Cash and cash equivalents

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Share capital

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

2.16 Trade and other payables

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

2.17 Current and deferred income tax

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

(a) Current income tax

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

(b) Deferred income tax

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

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in 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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction 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) is 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.

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 obligor in the provision of package tours services and sales of air tickets and hotel accommodations; (2) the Group retains the inventory risk before and after the customer orders, during the provision of services or on return; (3) the Group has latitude in establishing prices; and (4) the Group 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits

(a) Short-term obligation

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

(b) Other long-term employee benefit obligations

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

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

(c) Post-employment obligations

The Group operates defined contribution pension plans.

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

(d) Termination benefits

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Share-based payments

(a) Equity-settled share-based payment transactions

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

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

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

(b) Share-based payment transactions among group entities

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

There was no share option granted during the year ended 31 March 2018 (2017: Nil).

2.21 Provisions

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Leases

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

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

2.23 Dividend distribution

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

2.24 Government grants

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Foreign exchange risk

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

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

As at 31 March 2018, if JPY had strengthened/weakened by 10% with all other variables held constant, the post-tax loss would have been approximately HK\$876,000 lower/higher (2017: post-tax loss would have been approximately HK\$654,000 lower/higher), mainly as a result of foreign exchange gains/losses on revaluation of JPY denominated cash and cash equivalents, deposits and other receivables, derivative financial assets, trade payables and amounts due to related companies.

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

(b) Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents, short-term fixed deposit, trade and other receivables. 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.

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 2018, the top three debtors accounted for approximately 100% (2017: top debtor accounted for approximately 100%) and the largest debtor accounted for approximately 96% (2017: approximately 100%) 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management is controlled by maintaining sufficient cash and cash equivalents generated from the operating activities. As at 31 March 2018 and 2017, 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 2018, the Group had banking facilities in the aggregate amount of HK\$51,500,000 (2017: HK\$51,000,000), including a bank guarantee to suppliers in the amount of HK\$5,000,000 (2017: HK\$5,000,000) for future operating activities. The banking facilities as at 31 March 2017 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, all of which were fully released by 8 June 2017. The banking facilities as at 31 March 2018 were secured by corporate guarantee of the Company. The banking facilities do not contain any material covenants and the Group has not breached any covenants on its banking facilities.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	On demand HK\$'000	Within 1 year HK\$'000	Between 1 to 2 years HK\$'000	Total HK\$'000
As at 31 March 2018				
Trade payables	—	5,176	—	5,176
Other payables	—	5,086	—	5,086
Obligations under finance leases	—	88	22	110
Amounts due to related companies	1,498	—	—	1,498
	1,498	10,350	22	11,870
As at 31 March 2017				
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
	1,161	10,329	110	11,600

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management (Continued)

As at 31 March 2018 and 2017, the Group had net cash position as follows:

	2018 HK\$'000	2017 HK\$'000
Total obligations under finance leases (Note 25)	107	258
Less: cash and cash equivalents (Note 21)	(76,043)	(138,588)
Less: short-term fixed deposit	(5,000)	—
Net cash	(80,936)	(138,330)
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).

	Level 2 HK\$'000
As at 31 March 2018	
Assets/(liabilities)	
Forward exchange contracts	—
As at 31 March 2017	
Assets	
Forward exchange contracts	38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(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 2018 and 2017, 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.

There were no transfers between levels 1 and 2 during the years ended 31 March 2018 and 2017.

3.4 Offsetting financial assets and financial liabilities

As at 31 March 2018 and 2017, 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:

	2018 HK\$'000	2017 HK\$'000
Sales of package tours	413,932	382,054
Margin income from sales of FIT products	1,472	2,768
Margin income from sales of ancillary travel related products and services	5,701	5,998
	421,105	390,820

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information

The board of Directors has identified the Group's operating segments based on the reports reviewed by the chief operating decision maker that are used for making strategic decisions. The chief operating decision maker has been identified as the executive Directors of the Company. The only component in internal reporting to the chief operating decision maker is the Group's travel and travel-related services business for the year ended 31 March 2018 (2017: 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 2018 (2017: 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 2018 and 2017, all non-current assets were located in Hong Kong.

6 OTHER INCOME AND OTHER GAINS, NET

	2018 HK\$'000	2017 HK\$'000
Other income		
Referral income	120	177
Subsidies	384	784
Write back of other payables	—	86
	504	1,047
Other gains/(losses), net		
Exchange gains/(losses), net	206	(45)
Fair value gains/(losses) on derivative financial instruments	90	(535)
(Loss)/gain on disposal of property, plant and equipment	(1)	348
	295	(232)
Other income and other gains, net	799	815

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 EXPENSES BY NATURE

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

	2018 HK\$'000	2017 HK\$'000
Land costs (Note)	197,734	177,437
Air fare costs	162,563	151,579
Auditor's remuneration		
— Audit services	1,155	900
— Non-audit services	260	57
Employee benefits expenses, excluding Directors' benefits and interests (Note 8)	24,816	25,729
Directors' benefits and interests (Note 9)	4,819	4,466
Depreciation of property, plant and equipment (Note 15)	2,404	1,652
Office, telecommunication and utility expenses	1,485	1,397
Operating lease rentals of:		
— Office and branches premises	8,885	7,908
— Equipment rental	25	374
Advertising and promotion	7,082	8,474
Credit card fees	3,846	3,872
Exchange losses, net	66	1,666
Legal and professional fees	3,082	950
Professional expenses incurred in connection with the Listing	—	15,007
Others	5,295	4,624
	423,517	406,092

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

	2018 HK\$'000	2017 HK\$'000
Salaries, discretionary bonuses and allowances	22,985	23,550
Pension costs — defined contribution plan (Note)	1,351	1,358
Other employee benefits	480	821
	24,816	25,729

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 (2017: Nil) utilised during the year ended 31 March 2018 to reduce future contributions. As at 31 March 2018, contributions totalling HK\$381,000 (2017: HK\$411,000) 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 2018 and 2017 is set out below:

Year ended 31 March 2018

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



9 DIRECTORS' BENEFITS AND INTERESTS (CONTINUED)

Year ended 31 March 2017

Name	Fees HK\$'000	Salaries, other allowances and benefits HK\$'000	Discretionary bonuses HK\$'000	Pension costs — defined contribution plan HK\$'000	Total HK\$'000
Executive directors					
Yuen Sze Keung (Chairman) (Note i)	—	1,440	—	18	1,458
Yuen Chun Ning (Chief Executive Officer) (Note i)	—	1,020	—	18	1,038
Chan Suk Mei (Note i)	—	1,800	—	18	1,818
Independent non-executive Directors ("INED")					
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

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 Chief Executive Officer of the Company on 8 June 2016.

(ii) Mr. 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 2018 (2017: same).

As at 31 March 2018 and 2017, 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 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at 31 March 2018 or at any time during the year ended 31 March 2018 (2017: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 DIRECTORS' BENEFITS AND INTERESTS (CONTINUED)

There was no arrangement under which a Director waived or agreed to waive any emoluments during the year ended 31 March 2018 (2017: 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 2018 (2017: 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 2018 (2017: same).

There were no other emoluments payable to the INEDs during the year ended 31 March 2018 (2017: same).

10 FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals for the year ended 31 March 2018 included three directors (2017: three), details of whose remuneration are set out in Note 9 above. Details of the remuneration of the remaining two highest paid employees (2017: two) for the years ended 31 March 2018 and 2017 are as follows:

	2018 HK\$'000	2017 HK\$'000
Salaries and allowances	1,900	1,850
Discretionary bonuses	150	292
Pension cost — defined contribution plan	18	29
	2,068	2,171

The emoluments on these individuals fell within the following bands:

	Number of individuals	
	2018	2017
Emolument bands		
HK\$500,001 to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	1	—
HK\$1,500,001 to HK\$2,000,000	—	1
	2	2

There were no amounts paid or receivable by the aforementioned two highest paid individuals as an inducement to join or upon joining the Group during the year ended 31 March 2018 (2017: 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 2018 (2017: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



11 FINANCE INCOME, NET

	2018 HK\$'000	2017 HK\$'000
Finance income		
Bank interest income	57	37
Finance costs		
Interest expense on obligations under finance leases	(7)	(17)
Bank overdraft	—	(2)
	(7)	(19)
Finance income, net	50	18

12 INCOME TAX (EXPENSE)/CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year ended 31 March 2018 (2017: 16.5%).

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

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

	2018 HK\$'000	2017 HK\$'000
Current income tax expense	(535)	(667)
Over-provision in prior years	19	380
Deferred income tax credit (Note 26)	301	419
	(215)	132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 INCOME TAX (EXPENSE)/CREDIT (CONTINUED)

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

	2018 HK\$'000	2017 HK\$'000
Loss before income tax	(1,563)	(14,439)
Tax calculated at a tax rate of 16.5%	258	2,382
Income not subject to tax	10	6
Expenses not deductible for tax purpose	(502)	(2,636)
Over provision in prior years	19	380
	(215)	132

13 BASIC AND DILUTED LOSS PER SHARE

(a) Basic

Basic loss per Share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods. In determining the weighted average number of ordinary shares for the year ended 31 March 2017, the additional 299,990,000 Shares issued pursuant to the capitalisation issue in respect of the Listing were treated as if they had been in issue since 1 April 2016.

	2018	2017
Loss attributable to owners of the Company (HK\$'000)	(1,757)	(14,232)
Weighted average number of ordinary shares in issue ('000)	400,000	321,641
Basic loss per Share (HK cents per Share)	(0.44)	(4.42)

(b) Diluted

Diluted loss per Share is the same as basic loss per Share due to the absence of potential dilutive ordinary shares during the year ended 31 March 2018 (2017:same).

14 DIVIDENDS

The Board did not recommend the payment of final dividend for the year ended 31 March 2018. A final dividend in respect of the year ended 31 March 2017 of HK5.0 cents per Share, amounting to a total dividend of HK\$20,000,000, was declared on 30 August 2017 and paid on 22 September 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Computer software HK\$'000	Website HK\$'000	Total HK\$'000
Year ended 31 March 2017						
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)
Closing net book amount						
At 31 March 2017	849	2,460	680	261	3,405	7,655

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Computer software HK\$'000	Website HK\$'000	Total HK\$'000
Year ended 31 March 2018						
Cost						
At 1 April 2017	4,850	6,018	1,508	435	3,648	16,459
Additions	—	921	—	976	722	2,619
Disposals	(188)	(87)	—	—	—	(275)
At 31 March 2018	4,662	6,852	1,508	1,411	4,370	18,803
Accumulated depreciation						
At 1 April 2017	(4,001)	(3,558)	(828)	(174)	(243)	(8,804)
Charge (Note 7)	(367)	(714)	(349)	(189)	(785)	(2,404)
Disposals	157	86	—	—	—	243
At 31 March 2018	(4,211)	(4,186)	(1,177)	(363)	(1,028)	(10,965)
Closing net book amount At 31 March 2018	451	2,666	331	1,048	3,342	7,838

Depreciation expenses of HK\$1,295,000 (2017: HK\$709,000) has been charged in “administrative expenses” and HK\$1,109,000 (2017: HK\$943,000) has been charged in “selling expenses” for the year.

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

	2018 HK\$'000	2017 HK\$'000
Costs	1,508	1,508
Accumulated depreciation	(1,177)	(828)
Net book amount	331	680

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



16 FINANCIAL INSTRUMENTS BY CATEGORY

	2018 HK\$'000	2017 HK\$'000
Financial assets		
Financial assets at fair value through profit or loss		
Derivative financial instruments	—	38
Loans and receivables		
Trade receivables	622	199
Deposits and other receivables	49,341	30,643
Short- term fixed deposit	5,000	—
Cash and cash equivalents	76,043	138,588
	131,006	169,430
	131,006	169,468
Financial liabilities		
Other financial liabilities at amortised costs		
Trade payables	5,176	6,556
Other payables	5,086	3,509
Dividend payable to minority shareholders of a subsidiary	—	105
Amounts due to related companies	1,498	1,161
Obligations under finance leases	107	258
	11,867	11,589

17 INVENTORIES

	2018 HK\$'000	2017 HK\$'000
Merchandise for sales	452	1,698

The cost of inventories included in cost of sales during the year ended 31 March 2018 amounted to approximately HK\$3,604,000 (2017: HK\$2,745,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 TRADE RECEIVABLES

Trade receivables represents income receivables 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 2018 and 2017.

As at 31 March 2018 and 2017, the ageing analysis of trade receivables based on invoice date were as follows:

	2018 HK\$'000	2017 HK\$'000
1 to 30 days	381	148
31 to 60 days	241	51
	622	199

As at 31 March 2018 and 2017, 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 have any collateral or other credit enhancements over the trade receivables. The Group's trade receivables are denominated in HK\$.

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018 HK\$'000	2017 HK\$'000
Non-current portion		
Rental deposits	1,851	650
Prepayments for fixed assets	803	—
	2,654	650
Current portion		
Trade deposits	43,940	25,965
Rental, utilities and other deposits	555	2,040
Amounts due from employees	427	1,633
Other prepayments (Note)	4,406	940
Other current assets	2,568	355
	51,896	30,933

Note:

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

The carrying amounts of deposits and other receivables approximate their fair values as at 31 March 2018 and 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

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

	2018 HK\$'000	2017 HK\$'000
HK\$	44,706	27,437
JPY	9,844	4,146
	54,550	31,583

20 DERIVATIVE FINANCIAL INSTRUMENTS

	2018 HK\$'000	2017 HK\$'000
Forward exchange contracts — at fair value through profit or loss — Current assets	—	38

During the years ended 31 March 2018 and 2017, 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 2018, the Group did not have any outstanding forward exchange contract (2017: outstanding forward exchange contracts of notional principal amounts of HK\$4,842,000).

21 CASH AND CASH EQUIVALENTS AND SHORT-TERM FIXED DEPOSIT

	2018 HK\$'000	2017 HK\$'000
Cash on hand	287	961
Cash at bank	75,756	137,627
Cash and cash equivalents	76,043	138,588
Short-term fixed deposit	5,000	—

Cash and cash equivalents are denominated in the following currencies:

	2018 HK\$'000	2017 HK\$'000
HK\$	72,259	136,173
JPY	3,605	2,239
Others	179	176
	76,043	138,588

Short-term fixed deposit bears interest at 1.45% per annum with mature date on 24 December 2018. Such deposit is denominated in HK\$.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 SHARE CAPITAL

	Number of Shares	Share capital HK\$'000
Authorised:		
<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
As at 1 April 2017 and 31 March 2018	10,000,000,000	100,000
Issued and fully paid:		
<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
Issues of Shares pursuant to the Share Offer (Note (d))	100,000,000	1,000
As at 1 April 2017 and 31 March 2018	400,000,000	4,000

Notes:

- (a) On 8 June 2016, the Company was incorporated in the Cayman Islands with an 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 2018 and 2017, the ageing analysis of trade payables based on invoice date were as follows:

	2018 HK\$'000	2017 HK\$'000
1 to 30 days	3,961	4,773
31 to 60 days	991	1,390
61 to 90 days	140	200
91 to 120 days	44	29
Over 120 days	40	164
	5,176	6,556

The carrying amounts of trade payables approximate their fair values as at 31 March 2018 and 2017 and are denominated in the following currencies:

	2018 HK\$'000	2017 HK\$'000
HK\$	4,179	4,941
JPY	997	1,615
	5,176	6,556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 ACCRUALS AND OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES

	2018 HK\$'000	2017 HK\$'000
Other non-current liabilities		
Provisions for reinstatement cost	449	560
Long service payment	172	183
	621	743
Accruals and other payables		
Advanced receipts from customers	32,370	50,016
Accrued staff costs	1,614	1,670
Deferred revenue	348	166
Other payables (Note)	8,411	3,509
	42,743	55,361

Note:

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

The carrying amounts of accruals and other payables approximate their fair values as at 31 March 2018 and 2017.

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

	2018 HK\$'000	2017 HK\$'000
HK\$	42,875	55,314
JPY	489	790
	43,364	56,104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



25 OBLIGATIONS UNDER FINANCE LEASES

	2018 HK\$'000	2017 HK\$'000
Gross finance lease liabilities — minimum lease payments		
No later than 1 year	88	159
Later than 1 year and no later than 2 years	22	110
	110	269
Future finance charges on finance leases	(3)	(11)
Present values of finance lease liabilities	107	258
The present values of finance lease liabilities are as follows:		
No later than 1 year	85	151
Later than 1 year and no later than 2 years	22	107
Total obligations under finance leases	107	258

Assets arranged under finance leases represent motor vehicles. As at 31 March 2018, the lease terms are 3 to 4 years with effective interest rate of 5.52% (2017: 5.52%) per annum.

26 DEFERRED INCOME TAX

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

	2018 HK\$'000	2017 HK\$'000
Deferred income tax assets		
— to be recovered after more than 12 months	816	510
Deferred income tax liabilities		
— to be recovered after more than 12 months	(43)	(38)
Deferred income tax assets, net	773	472

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 DEFERRED INCOME TAX (CONTINUED)

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

	2018 HK\$'000	2017 HK\$'000
As at 1 April	472	53
Credited to the consolidated statement of comprehensive income (Note 12)	301	419
As at 31 March	773	472

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:

	2018 HK\$'000			2017 HK\$'000		
	Decelerated tax depreciation HK\$'000	Tax losses HK\$'000	Total HK\$'000	Decelerated tax depreciation HK\$'000	Tax losses HK\$'000	Total HK\$'000
Deferred income tax assets						
As at 1 April	—	1,075	1,075	214	—	214
Recognised in profit or loss	—	423	423	(214)	1,075	861
As at 31 March	—	1,498	1,498	—	1,075	1,075

	2018 HK\$'000	2017 HK\$'000
Deferred income tax liabilities		
Accelerated tax depreciation		
As at 1 April	(603)	(161)
Recognised in profit or loss	(122)	(442)
As at 31 March	(725)	(603)

The Group has tax losses arising in Hong Kong of HK\$2,568,000 for the year ended 31 March 2018 (2017: HK\$6,514,000), 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 2018, tax losses amounting HK\$9,082,000 (2017: HK\$6,514,000) has been recognised as deferred tax assets of HK\$1,498,000 (2017: HK\$1,075,000), 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 (USED IN)/GENERATED FROM OPERATIONS

	2018 HK\$'000	2017 HK\$'000
Loss before income tax	(1,563)	(14,439)
Adjustments for:		
Depreciation of property, plant and equipment	2,404	1,652
Loss/(gain) on disposal of property, plant and equipment	1	(348)
Finance income, net	(50)	(18)
Fair value losses/(gains) on derivative financial instruments	38	(30)
Operating cash flows before changes in working capital	830	(13,183)
Changes in working capital:		
Inventories	1,246	(1,267)
Trade receivables	(423)	27
Prepayments, deposits and other receivables	(22,180)	(13,817)
Amounts due from/(to) related companies	337	(219)
Trade payables	(1,380)	1,529
Accruals, other payables and other non-current liabilities	(12,880)	30,154
Cash (used in)/generated from operations	(34,450)	3,224

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

	2018 HK\$'000	2017 HK\$'000
Cost disposed (Note 15)	275	1,718
Accumulated depreciation (Note 15)	(243)	(1,716)
(Loss)/gain on disposal of property, plant and equipment (Note 6)	(1)	348
Re-assessment of provision of reinstatement cost	(31)	—
Receivables for property, plant and equipment	—	(80)
Proceeds from disposal of property, plant and equipment	—	270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 CASH (USED IN)/GENERATED FROM OPERATIONS (CONTINUED)

Net debt reconciliation

	2018 HK\$'000	2017 HK\$'000
Cash and cash equivalents	76,043	138,588
Finance leases — repayable within one year	(85)	(151)
Finance leases — repayable after one year	(22)	(107)
Net cash	75,936	138,330

	2018 HK\$'000	2017 HK\$'000
Cash and cash equivalents	76,043	138,588
Gross debt — fixed interest rate	(107)	(258)
Net cash	75,936	138,330

Movements in net debt for the years ended 31 March 2018 and 2017:

	Liabilities from financing activities			Total HK\$'000
	Other assets Cash HK\$'000	Finance leases due within 1 year HK\$'000	Finance leases due after 1 year HK\$'000	
Net cash as at 1 April 2016	71,622	(353)	(258)	71,011
Cash flow	66,966	353	–	67,319
Other non-cash movement (Note a)	–	(151)	151	–
Net cash as at 31 March 2017	138,588	(151)	(107)	138,330
Cash flow	(62,545)	151	–	(62,394)
Other non-cash movement (Note a)	–	(22)	22	–
Net cash as at 31 March 2018	76,043	(22)	(85)	75,936

(a) Other non-cash movements during 2017 and 2018 mainly include reclassification finance leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



28 CONTINGENCIES

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

29 COMMITMENTS

(a) Capital commitment

Capital expenditure contracted for as at 31 March 2018 and 2017 but not yet provided is as follows:

	2018 HK\$'000	2017 HK\$'000
Website development	—	563
Implementation of IT systems	773	—

(b) Operating lease commitments

As a lessee

As at 31 March 2018 and 2017, the Group leased 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 operating lease expenditure charged during the year is disclosed in Note 7.

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

	2018 HK\$'000	2017 HK\$'000
No later than 1 year	6,919	5,642
Later than 1 year and no later than 5 years	5,837	1,880
	12,756	7,522

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 the BVI.

The Directors are of the view that the following individuals and companies were related parties that had transactions or balances with the Group as at and for the years ended 31 March 2018 and 2017:

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

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 2018 and 2017:

(a) Transactions with related parties

	2018 HK\$'000	2017 HK\$'000
Rental expenses		
Sky Right Investment Limited	2,820	2,784
Venue fee		
HCNY Consultancy Limited	305	294
Tour bus services fee		
JCS Limited	8,720	14,633
Booking services fee		
Y's Japan Limited	2,546	2,596

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

(b) Key management compensation

The remuneration of the Directors and other members of key management, who have the responsibility for planning, directing and controlling the activities of the Group, are set out in Note 9 and Note 10, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



30 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Amounts due to related companies

	2018 HK\$'000	2017 HK\$'000
— Y's Japan Limited	(759)	(339)
— JCS Limited	(711)	(793)
— HCNV Consultancy Limited	(28)	(29)
	(1,498)	(1,161)

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

31 SUBSIDIARIES

As at 31 March 2018, 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 sales of package tours, FIT products and ancillary travel related products and services in Hong Kong	15,000 ordinary shares	—	100%	—

32 EVENTS AFTER THE REPORTING PERIOD

On 25 May 2018, the Group completed an acquisition of 20% of the issued share capital of Airbare.com Limited for a cash consideration of HK\$600,000. Airbare.com Limited principally engages in the business of travel metasearch engines, which enables users to (i) search for information on flight tickets; (ii) navigate through multiple booking options simultaneously and compare prices and; (iii) direct users to respective service providers to complete the booking process.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company as at 31 March 2018

	Note	2018 HK\$'000	2017 HK\$'000
ASSETS			
Non-current asset			
Investment in a subsidiary		—	—
		—	—
Current asset			
Prepayments, deposits and other receivables		234	301
Amounts due from subsidiaries		42,450	3,217
Cash and cash equivalents		15,259	77,229
		57,943	80,747
Total assets		57,943	80,747
EQUITY			
Equity attributable to owners of the Company			
Share capital		(4,000)	(4,000)
Reserves	(i)	(56,667)	(69,166)
Accumulated losses/(retained earnings)	(i)	2,981	(7,501)
Total equity		(57,686)	(80,667)
LIABILITIES			
Current liabilities			
Accruals and other payables		(257)	(80)
Total liabilities		(257)	(80)
Total equity and liabilities		(57,943)	(80,747)

The statement of financial position of the Company was approved by the Board of Directors on 11 June 2018 and was signed on its behalf.

Yuen Sze Keung
Director

Yuen Chun Ning
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



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

Note (i): Reserve movement of the Company for the years ended 31 March 2018 and 2017.

	Share premium HK\$'000	(Accumulated losses)/ Retained earnings HK\$'000	Total HK\$'000
Balances at 8 June 2016 (date of incorporation)	—	—	—
Total comprehensive income			
Profit for the period	—	7,501	7,501
Transactions with owners			
Capitalisation of shares	(3,000)	—	(3,000)
Issue of shares upon Share Offer	79,000	—	79,000
Listing expenses charged to share premium	(6,834)	—	(6,834)
Total transactions with owners	69,166	—	69,166
Balances at 31 March 2017	69,166	7,501	76,667
Balances at 1 April 2017	69,166	7,501	76,667
Total comprehensive loss			
Loss for the year	—	(2,981)	(2,981)
Transactions with owners			
Dividend paid relating to 2017	(12,499)	(7,501)	(20,000)
Balances at 31 March 2018	56,667	(2,981)	53,686

FINANCIAL HIGHLIGHTS

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

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

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

Note:

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