



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

Third Quarterly Report

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

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

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

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

Independent Non-executive Directors:

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Ms. Ng Ka Man, *ACS, ACIS*

COMPLIANCE OFFICER

Mr. Yuen Chun Ning

AUTHORISED REPRESENTATIVES

Mr. Yuen Sze Keung
Mr. Yuen Chun Ning

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

COMPLIANCE ADVISER

Lego Corporate Finance Limited

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Fairbairn Catley Low & Kong

PRINCIPAL BANKERS

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

STOCK CODE

8069

COMPANY'S WEBSITE

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

MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors of the Company (the “Board”) is pleased to announce the unaudited third quarterly financial results of the Group for the nine months ended 31 December 2017, together with the comparative figures for the corresponding period in 2016, as set out below.

BUSINESS REVIEW

Founded in 1979, the Group is one of the long-established and well-known travel agents in Hong Kong. The Group markets its travel related products under the brand “縱橫遊”. The Group’s businesses include (i) the design, development and sales of outbound package tours; (ii) the sales of air tickets and hotel accommodations (the “FIT products”); and (iii) the provision 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 of the Stock Exchange (the “Listing”) by way of placing and public offer on 12 January 2017 (the “Listing Date”).

For the nine months ended 31 December 2017, the Group recorded an increase in revenue of 17.0% as compared to the corresponding period in 2016, which was mainly due to the following:

- sales of package tours for the nine months ended 31 December 2017 improved, when the number of tour participants increased by 16.1%, especially during the Easter holidays’ period coupled with the cherry blossom season in Japan in April 2017, as compared to the corresponding period in 2016; and
- sales of package tours bound for Japan during the nine months ended 31 December 2016 was first negatively impacted by the Kumamoto Earthquake that occurred in April 2016, when the Group’s package tours bound for Kyushu in Japan during the period from 15 April 2016 to 27 June 2016 were completely suspended, and then the appreciation of Japanese Yen (“JPY”) against Hong Kong Dollars (“HK\$”) between the months of June 2016 and October 2016 led to the decrease in demand of customers who were cost conscious of the Group’s Japan bound tours, especially during the summer holidays’ months of July and August.

As a result of the increased revenue, coupled with the fact that no Listing expenses were charged for the nine months ended 31 December 2017 (nine months ended 31 December 2016: approximately HK\$11.1 million), the Group’s profit turned around from a net loss of approximately HK\$12.6 million for the nine months ended 31 December 2016 to a net profit of approximately HK\$1.5 million for the nine months ended 31 December 2017.

Going forward, the Directors expect that the overall financial performance of the Group for the year ending 31 March 2018 will continue to benefit from the absence of the adversities affecting the Group’s operations in the previous year (namely, natural disasters and substantial appreciation of JPY against HK\$) and the non-recurring Listing expenses.

On 6 November 2017, the Company noted that an unauthorised party accessed the Group’s customer database on its system (the “Issue”). Further details of the Issue were set out in the announcement of the Company dated 7 November 2017. As at the date of this report, the Directors consider that the Issue has not caused any material adverse impact on the Group’s operation and financial condition. The Group will continue to assess the potential impact arising from the Issue and will notify investors and shareholders through issue of announcements when any material change in circumstances is identified.

FINANCIAL REVIEW

Revenue and gross profit

The tables below show the breakdown of the Group's revenue, gross profit and gross profit margin by major category of services/products:

	Nine months ended 31 December				Three months ended 31 December			
	2017		2016		2017		2016	
	Revenue HK\$ million	%	Revenue HK\$ million	%	Revenue HK\$ million	%	Revenue HK\$ million	%
Package tours	324.5	98.1	276.8	97.9	111.2	98.4	113.1	98.3
FIT products ^{Note}	1.5	0.5	2.2	0.8	0.4	0.4	0.8	0.7
Ancillary travel related products and services ^{Note}	4.6	1.4	3.6	1.3	1.4	1.2	1.2	1.0
Total	330.6	100.0	282.6	100.0	113.0	100.0	115.1	100.0

	Nine months ended 31 December				Three months ended 31 December			
	2017		2016		2017		2016	
	Gross profit HK\$ million	Gross profit margin %	Gross profit HK\$ million	Gross profit margin %	Gross profit HK\$ million	Gross profit margin %	Gross profit HK\$ million	Gross profit margin %
Package tours	41.6	12.8	34.8	12.6	17.3	15.6	19.2	17.0
FIT products ^{Note}	1.5	N/A	2.2	N/A	0.4	N/A	0.8	N/A
Ancillary travel related products and services ^{Note}	4.6	N/A	3.6	N/A	1.4	N/A	1.2	N/A
Total	47.7	14.4	40.6	14.4	19.1	16.9	21.2	18.4

Note: The Group's revenue from sales of the 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 17.2% from approximately HK\$276.8 million for the nine months ended 31 December 2016 to approximately HK\$324.5 million for the nine months ended 31 December 2017. As discussed in the sub-section headed "Business Review" above, such increase in revenue was mainly due to the overall increase in the number of tour participants, as well as the absence of the negative impact imposed by the Kumamoto Earthquake and the comparatively high HK\$:JPY rate on the corresponding period in 2016.

For the nine months ended 31 December 2017, the Group's gross profit margin from package tours remained relatively consistent at 12.8% (nine months ended 31 December 2016: 12.6%). This was due to the offsetting impact between:

- the increase in gross profit margin for the second quarter ended 30 September 2017 as compared to the corresponding period in 2016, as a result of the reduction in land costs, being one of the major components of the Group's package tours' cost of sales, contributed by the depreciation of JPY against HK\$; and
- the decrease in gross profit margin for the third quarter ended 31 December 2017 as compared to the corresponding period in 2016, as a result of the launch of a new exclusive flight route destined for Kumamoto in Japan, whereby charter flights supporting the Group's certain relatively low-priced tours with lower profit margins have been operating since 16 November 2017 on a bi-weekly basis.

FIT products

FIT products generally include air tickets, hotel accommodations and combination of both. The Group's revenue from the sales of the FIT products decreased from approximately HK\$2.2 million for the nine months ended 31 December 2016 to approximately HK\$1.5 million for the nine months ended 31 December 2017 mainly due to continuous keen competition from online agencies, booking platforms of hotels and budget airlines, as well as the fact that the Group's new online sales platform, one of the key purposes for which is to cater for the increasing trend of booking air tickets and hotel accommodations online, was subject to further major enhancements to be completed by the end of this financial year.

Ancillary travel related products and services

Ancillary travel related products and services mainly include travel insurance, admission tickets to attractions such as theme parks and shows, local transportation such as airport transportation, railway tickets and transportation passes. The Group's revenue from the sales of ancillary travel related products and services increased from approximately HK\$3.6 million for the nine months ended 31 December 2016 to approximately HK\$4.6 million for the nine months ended 31 December 2017 mainly due to (i) the increase in sales of Japan rail passes; (ii) the Group's appointment as the exclusive ticketing agency for Legoland Japan in Hong Kong with admission ticket sales commenced in February 2017; and (iii) the increase 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 for the nine months ended 31 December 2017 remained relatively consistent as compared to the corresponding period in 2016, as the increase in the branches' rental expenses, particularly as a result of the Group's expansion of its Shatin branch in October 2016, was offset by the decrease in advertising and marketing expenses on the Group's sponsored television travel programmes.

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 17.4% from approximately HK\$38.4 million for the nine months ended 31 December 2016 to approximately HK\$31.7 million for the nine months ended 31 December 2017 mainly due to the recognition of non-recurring Listing expenses of approximately HK\$11.1 million during the corresponding period in 2016, 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 repair and maintenance expenses on information technology systems associated with the Issue.

Profit/loss and total comprehensive income/loss for the period

Profit and total comprehensive income turned around from a loss and total comprehensive loss of approximately HK\$12.6 million for the nine months ended 31 December 2016 to a profit and total comprehensive income of approximately HK\$1.5 million for the nine months ended 31 December 2017 mainly due to the increase in gross profit of approximately HK\$7.1 million because of the increase in revenue as discussed in the subsection headed "Revenue and gross profit" above and the decrease in administrative expenses of approximately HK\$6.7 million for reasons as discussed in the sub-section headed "Administrative expenses" above.

FUTURE PROSPECTS

With its long-established brand name, well-maintained business relationship with suppliers, ability to respond to adversities, and healthy net assets position, the Group will continue to execute its business strategy to expand both revenue streams and customer base. The Group will continue to put forth its best efforts to drive business performance and growth by:

- 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;
- enhancing its integrated online sales platform through a number of further major enhancements so that such platform will eventually satisfy most of the travel needs of the Group's customers as a user-friendly and informative one-stop shop;
- 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; and
- exploring investment opportunities that could create operating synergies.

In response to the Issue, details of which were set out in the announcement of the Company dated 7 November 2017, the Group is in the process of implementing appropriate upgrading of its systems to defend against further cyber attacks and will continue to strengthen the security of its systems to safeguard its customers' information and privacy.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

A. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 December 2017, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such director or chief executive is taken or deemed to have under such provision of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register of members of the Company, or which were required, pursuant to standard of dealings by Directors as referred to the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) *Long Positions in the Company's Shares*

Name of Director	Capacity/Nature	Number of Shares held/interested in	Percentage of shareholding
Ms. Chan Suk Mei ("Ms. Chan") (Note)	Interest in a controlled corporation	300,000,000	75%
Mr. Yuen Sze Keung ("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 ("BVI") and is owned as to 68.02%, 23.42% and 8.56% by Ms. Chan, Mr. SK Yuen and Mr. Yuen Chun Ning ("Mr. CN Yuen") respectively. Ms. Chan and Mr. SK Yuen are parties acting jointly and are therefore deemed to be interested in all the Shares held by WWPKG Investment under the SFO.

(ii) *Long Positions in the ordinary shares of Associated Corporations*

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

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executive of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register of members of the Company or which were required to be notified to the Company and the Stock Exchange, pursuant to standard of dealings by Directors as referred to the GEM Listing Rules.

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

As at 31 December 2017, the interest and short positions of the persons (other than the Directors or chief executive of the Company) in the Shares and underlying Shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long Position in the Company's Shares

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

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

Save as disclosed above, as at 31 December 2017, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in the sub-section headed "Disclosure of Interests" above, at no time during the nine months ended 31 December 2017 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.

CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE

The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules (the "CG Code"). The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the shareholders of the Company and enhance the business growth of the Group. During the nine months ended 31 December 2017, the Company has complied with all the code provisions as set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having been enquired by the Company, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct concerning securities transactions by the Directors during the nine months ended 31 December 2017.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2017.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

For the nine months ended 31 December 2017, each of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interests in any company that competes or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Lego Corporate Finance Limited as its compliance adviser, which provides advices and guidance to the Company in respect of compliance with the GEM Listing Rules including various requirements relating to the Directors' duties. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 5 July 2016, neither the compliance adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 December 2017.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted pursuant to a resolution passed by the Company's then shareholders on 16 December 2016. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during the nine months ended 31 December 2017 and there was no outstanding share option as at the date of this report.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") on 16 December 2016 with written terms of reference in compliance with the requirements as set out in Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee reviews, amongst others, the financial information of the Group; the relationship with and terms of appointment of the external auditors; and the Group's financial reporting system, risk management and internal control systems, and provides advices and comments to the Board. The Audit Committee consists of three independent non-executive Directors, chaired by Mr. Lam Yiu Kin, and the other two members are Mr. Ho Wing Huen and Mr. Yen Yuen Ho Tony. The unaudited third quarterly financial results of the Group for the nine months ended 31 December 2017 have been reviewed by the Audit Committee together with the Group's management.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 31 December 2017

	Note	Nine months ended 31 December		Three months ended 31 December	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Revenue	3	330,567	282,583	113,059	115,069
Cost of sales	5	(282,894)	(242,010)	(93,938)	(93,916)
Gross profit		47,673	40,573	19,121	21,153
Other income and other (losses)/gains, net	4	(44)	(550)	23	(1,475)
Selling expenses	5	(13,798)	(14,182)	(4,892)	(5,370)
Administrative expenses	5	(31,661)	(38,417)	(11,337)	(10,536)
Operating profit/(loss)		2,170	(12,576)	2,915	3,772
Finance income/(costs), net	6	51	(16)	8	(6)
Profit/(loss) before income tax		2,221	(12,592)	2,923	3,766
Income tax (expense)/credit	7	(761)	32	(621)	(1,048)
Profit/(loss) and total comprehensive income/(loss) for the period		1,460	(12,560)	2,302	2,718
Profit/(loss) and total comprehensive income/(loss) attributable to:					
Owners of the Company		1,457	(12,370)	2,275	2,695
Non-controlling interests		3	(190)	27	23
		1,460	(12,560)	2,302	2,718
Basic and diluted earnings/(loss) per share for profit/(loss) attributable to owners of the Company (expressed in HK cents)	8	0.36	(4.12)	0.57	0.90

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

	Attributable to owners of the Company						Non-controlling interests	Total
	Share Capital	Share Premium	Capital Reserve	Retained earnings	Sub-total			
	HK\$'000	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 April 2017	4,000	69,166	11,371	34,876	119,413	622	120,035	
Total comprehensive income (unaudited)								
Profit for the nine months ended 31 December 2017	—	—	—	1,457	1,457	3	1,460	
Total transactions with owners (unaudited)								
Dividend paid (Note 9)	—	—	—	(20,000)	(20,000)	—	(20,000)	
Balance at 31 December 2017 (unaudited)	4,000	69,166	11,371	16,333	100,870	625	101,495	
Balance at 1 April 2016	—	—	11,371	49,108	60,479	802	61,281	
Total comprehensive loss (unaudited)								
Loss for the nine months ended 31 December 2016	—	—	—	(12,370)	(12,370)	(190)	(12,560)	
Issue of Share	—	—	—	—	—	—	—	
Balance at 31 December 2016 (unaudited)	—	—	11,371	36,738	48,109	612	48,721	

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 8 June 2016 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address of the Company is at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at Unit 706-8, 7/F, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are (i) the design, development and sales of package tours; (ii) the sales of the FIT products; and (iii) the sales of ancillary travel related products and services.

The Shares were listed on GEM of the Stock Exchange on the Listing Date.

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

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

2 BASIS OF PREPARATION

The unaudited condensed consolidated financial information for the nine months ended 31 December 2017 has been prepared in accordance with the same accounting policies adopted in the Company's annual consolidated financial statements for the year ended 31 March 2017, except for the adoption of the new Hong Kong Financial Reporting Standards ("HKFRSs") and amendments to HKFRSs that are relevant and effective for the annual period beginning on 1 April 2017. The unaudited condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 March 2017 and interim condensed consolidated financial information for the six months ended 30 September 2017.

3 REVENUE AND SEGMENT INFORMATION

(a) Revenue

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

	Nine months ended 31 December		Three months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Sales of package tours	324,533	276,817	111,168	113,069
Margin income from sales of the FIT products	1,461	2,215	448	807
Margin income from sales of ancillary travel related products and services	4,573	3,551	1,443	1,193
	330,567	282,583	113,059	115,069

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information

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

There is no single external customer that contributed more than 10% of the Group's revenue for the nine months and the three months ended 31 December 2017 (nine months and three months ended 31 December 2016: same).

The Group's business is domiciled in Hong Kong and all revenue was generated from customers located in Hong Kong and Macau. As at 31 December 2017 and 31 March 2017, all non-current assets were located in Hong Kong.

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

	Nine months ended 31 December		Three months ended 31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other income				
Referral income	49	171	16	97
Other (losses)/gains, net				
Exchange (losses)/gains, net	(116)	(77)	20	(745)
Fair value gains/(losses) on derivative financial instruments	24	(642)	(13)	(827)
Loss on disposal of property, plant and equipment	(1)	(2)	—	—
	(93)	(721)	7	(1,572)
Other income and other (losses)/gains, net	(44)	(550)	23	(1,475)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

5 EXPENSES BY NATURE

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

	Nine months ended 31 December		Three months ended 31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Land costs (<i>Note</i>)	160,632	133,524	51,616	49,640
Air fare costs	121,619	106,383	42,126	43,666
Operating lease rentals of:				
— Office and branches premises	7,506	6,465	2,423	2,370
— Equipment rental	235	301	96	89
Advertising and promotion	5,550	6,108	2,201	2,403
Credit card fees	2,662	2,702	974	955
Employee benefits expenses, excluding Directors' benefits and interests				
— Salaries, discretionary bonuses and allowances	16,041	16,390	5,334	5,345
— Pension costs – defined contribution plan	973	1,019	321	330
— Other employee benefits	203	216	97	67
	17,217	17,625	5,752	5,742
Directors' benefits and interests	3,615	3,236	1,204	1,079
Depreciation of property, plant and equipment	1,693	1,090	608	480
Office, telecommunication and utility expenses	1,182	1,042	345	350
Exchange losses, net	94	1,639	43	455
Legal and professional fees	2,101	295	681	82
Professional expenses incurred in connection with the Listing	—	11,102	—	1,285
Auditor's remuneration				
— Audit service	848	458	275	158
Others	3,399	2,639	1,823	1,068
	328,353	294,609	110,167	109,822

Note:

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)

6 FINANCE INCOME/(COSTS), NET

	Nine months ended 31 December		Three months ended 31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Finance income				
Bank interest income	57	1	9	—
Finance costs				
Interest expense on obligations under finance leases	(6)	(15)	(1)	(4)
Bank overdraft	—	(2)	—	(2)
	(6)	(17)	(1)	(6)
Finance income/(costs), net	51	(16)	8	(6)

7 INCOME TAX (EXPENSE)/CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the nine months and the three months ended 31 December 2017 (nine months and three months ended 31 December 2016: 16.5%).

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

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

	Nine months ended 31 December		Three months ended 31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current income tax expense	(777)	(469)	(237)	(225)
Deferred income tax credit/(expense)	16	501	(384)	(823)
	(761)	32	(621)	(1,048)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

8 BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per Share is calculated by dividing the profit/(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, 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.

	Nine months ended 31 December		Three months ended 31 December	
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)
Profit/(loss) attributable to owners of the Company (HK\$'000)	1,457	(12,370)	2,275	2,695
Weighted average number of ordinary shares in issue ('000)	400,000	299,997	400,000	300,000
Basic earnings/(loss) per Share (HK cents per Share)	0.36	(4.12)	0.57	0.90

(b) Diluted

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

9 DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2017 (nine months ended 31 December 2016: nil). A final dividend in respect of the year ended 31 March 2017 of HK5 cents per ordinary Share, amounting to a total dividend of HK\$20,000,000, was declared on 29 June 2017 and paid on 22 September 2017.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

10 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 31 December 2017 and 31 March 2017, and during the nine months and the three months ended 31 December 2017 and 31 December 2016:

Name of related party	Relationship with the Group
Ms. Chan Suk Mei	Director of the Company
Mr. Yuen Sze Keung	Director of the Company
Mr. Yuen Chun Ning	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 unaudited condensed consolidated financial information, the following transactions were carried out with related parties during the periods:

(a) Transactions with related parties

	Nine months ended 31 December		Three months ended 31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Rental expenses				
Sky Right Investment Limited	2,115	2,061	705	705
Venue fee				
HCNY Consultancy Limited	237	215	78	82
Tour bus services fee				
JCS Limited	6,786	11,074	2,061	3,986
Booking services fee				
Y's Japan Limited	1,897	1,975	629	646

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

10 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management compensation

The remuneration of the Directors and other members of key management, who have the responsibility for planning, directing and controlling the activities of the Group, are set out below:

	Nine months ended 31 December		Three months ended 31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Salaries and allowances	4,933	4,508	1,645	1,502
Discretionary bonuses	—	—	—	—
Pension costs — defined contribution plan	44	65	14	20
	4,977	4,573	1,659	1,522

11 CONTINGENCIES

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