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WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8069)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

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

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

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

This announcement 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 announcement 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 announcement misleading.

The board of Directors of the Company (the “Board”) hereby announces the audited consolidated results of the Group for the year ended 31 March 2020, together with the comparative figures for the corresponding period in 2019, as set out below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2020

	<i>Note</i>	2020 HK\$'000	2019 HK\$'000
Revenue	3	254,915	322,600
Cost of sales	5	(216,290)	(291,589)
Gross profit		38,625	31,011
Other gains/(losses) and other income, net	4	106	(1,119)
Selling expenses	5	(16,753)	(16,582)
Administrative expenses	5	(47,306)	(43,139)
Operating loss		(25,328)	(29,829)
Finance (costs)/income, net	6	(410)	86
Share of results of joint ventures	11	(360)	(2,930)
Loss before income tax		(26,098)	(32,673)
Income tax expense	7	–	(724)
Loss and total comprehensive loss for the year		(26,098)	(33,397)
Loss and total comprehensive loss attributable to:			
Owners of the Company		(25,915)	(33,116)
Non-controlling interests		(183)	(281)
		(26,098)	(33,397)
Basic and diluted loss per Share <i>(expressed in HK cents)</i>	8	(6.48)	(8.28)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	<i>Note</i>	2020 HK\$'000	2019 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,490	9,115
Right-of-use assets		2,186	–
Prepayments, deposits and other receivables		535	560
Interest in a joint venture	<i>11</i>	11,870	12,230
		17,081	21,905
Current assets			
Inventories		48	558
Financial assets at fair value through profit or loss	<i>12</i>	9,409	10,521
Trade receivables	<i>10</i>	49	5
Prepayments, deposits and other receivables		13,107	27,204
Current income tax recoverable		–	3,404
Derivative financial instruments		23	–
Amount due from a related company		28	–
Short-term fixed deposit		3,000	3,000
Cash and cash equivalents		16,327	41,329
		41,991	86,021
Total assets		59,072	107,926
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>13</i>	4,000	4,000
Reserves		70,538	70,538
Accumulated losses		(33,548)	(7,498)
		40,990	67,040
Non-controlling interests		137	320
Total equity		41,127	67,360

	<i>Note</i>	2020 HK\$'000	2019 HK\$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		2,747	–
Other non-current liabilities		601	653
		<u>3,348</u>	<u>653</u>
Current liabilities			
Trade payables	14	972	5,902
Accruals and other payables		8,918	33,066
Lease liabilities		4,707	–
Obligations under finance leases		–	22
Amounts due to related companies		–	923
		<u>14,597</u>	<u>39,913</u>
Total liabilities		<u>17,945</u>	<u>40,566</u>
Total equity and liabilities		<u>59,072</u>	<u>107,926</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 March 2020

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 the design, development and sales of outbound package tours, the sales of air tickets and/or hotel accommodations (the “FIT products”) and the sales of ancillary travel related products and services (collectively, the “Travel Related Products and Services”) and investments in tourism and travel technology related businesses (the “Tourism and Travel Technology Investments”).

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

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

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

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Hong Kong Financial Reporting Interpretations Committee (“HKFRIC”) Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“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 remeasurement 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.

(a) Going concern basis

For the year ended 31 March 2020, the Group recorded loss and total comprehensive loss for the year and net cash used in operating activities of approximately HK\$26,098,000 and HK\$17,551,000 respectively. As at 31 March 2020, including the short-term fixed deposit, the Group’s cash and bank balances was approximately HK\$19,327,000.

Following the outbreak of the coronavirus disease 2019 (“COVID-19”) in January 2020, precautionary and control measures have since been implemented in various countries, which included entry restrictions and quarantine measures over international travel. Given the Group derives a majority of its revenue from the provision of outbound package tours to customers located in Hong Kong and Macau with its particular focus on Japan-bound tours, the Group’s business operations have been adversely affected by the COVID-19 pandemic and the travel restrictions imposed by nations of its own and across the world.

In March 2020, the Government of Japan announced a temporary suspension of its visa-free policy that applies to Hong Kong and Macau passport holders up to 30 June 2020 and imposed entry ban on foreign nationals who have visited certain countries or regions, including Hong Kong and Macau, within 14 days prior to landing. Besides, the Hong Kong SAR Government imposed compulsory quarantine measures on travelers returning to Hong Kong and such measures would stay effective until 18 September 2020. As a result, all of the Group's package tours bound for Japan have been cancelled since 9 March 2020 and the suspension continues up to the date of this announcement.

In view of these circumstances and the uncertainties related to the possible impact of the COVID-19 pandemic, the Directors have given careful consideration to the future liquidity requirements and operating performance of the Group and its available sources of financing to assess whether the Group would have sufficient financial resources to fulfill its financial obligations to continue as a going concern. The Group has taken measures to deal with the potential impact of the COVID-19 pandemic to improve its financial position and to alleviate its liquidity pressure, which include but not limited to the following:

- (i) The Group has been closely monitoring the latest developments of travel restrictions worldwide and consulting with the relevant authorities from time to time to obtain the latest updates on the COVID-19 situation concerning Japan and other destinations. Furthermore, the Group has been maintaining close communication with its suppliers, particularly those supporting the Group's tours bound for Japan, to understand the latest situation locally and their readiness to resume operations upon uplifting of the travel restrictions.
- (ii) The Group has adopted a series of measures to control costs and to enhance cash flow and operational efficiency, including implementing salary reduction for the Directors; streamlining workflow; reducing operating costs by encouraging employees to take no-pay leave and/or annual leave; obtaining rent concessions from the landlords on the leases of certain branches and office premises of the Group, including a related party of the Group, who agreed to waive lease payments in respect of the Group's head office for the period from July 2020 to September 2020; and tightening advertising and promotion expenditures.
- (iii) The Group has successfully obtained a loan of HK\$8,000,000 for a term of 3 years under the SME Financing Guarantee Scheme of the Hong Kong SAR Government on 10 June 2020, which was secured by undertakings provided by the executive Directors as imposed by the scheme. Furthermore, in respect of the Group's available bank overdraft facilities of HK\$10,000,000 as at 31 March 2020 that is subject to annual review, the Directors are of the opinion that, given the long established relationship with the bank, the Group would be able to renew its banking facilities with the bank upon expiry in December 2020.
- (iv) The Group has applied for the Employment Support Scheme and the Travel Agents and Practitioners Support Scheme under the Anti-epidemic Fund launched by the Hong Kong SAR Government.
- (v) The Group has leveraged its relationships with suppliers in Japan and has expanded its activities to trade certain imported health related products and food items online.

Notwithstanding the above, whether management is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions are subject to inherent uncertainties. In particular, whether the Group will be able to generate adequate operating cash flows to continue as a going concern would depend upon when the travel restrictions to Japan and the compulsory quarantine measures on travelers returning to Hong Kong will be uplifted such that the Group could resume the operation of its Japan-bound tours on a timely basis. The Directors have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 31 March 2020, and assumed a resumption of Japan-bound tours by September 2020. The Directors have also considered the possible impact to its operating performance and cash flows in the event that such travel restrictions remain in place causing the suspension of Japan-bound tours for an extended period till March 2021. They are of the opinion that the Group will have sufficient financial resources

to satisfy its future working capital requirements as and when they fall due within the next twelve months from 31 March 2020. Accordingly, the Directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

(b) New standard, amendments to standards and interpretation adopted by the Group

The Group has applied the following new standard, amendments and interpretation for the first time for their annual reporting period commencing 1 April 2019:

Annual Improvements Project (Amendments)	<i>Annual Improvements to HKFRSs 2015–2017 Cycle</i>
HKFRS 16	<i>Leases</i>
HKFRIC-Int 23	<i>Uncertainty over Income Tax Treatments</i>
HKFRS 9 (Amendments)	<i>Prepayment Features with Negative Compensation</i>
HKAS 19 (Amendments)	<i>Plan Amendment, Curtailment or Settlement (amendments)</i>
HKAS 28 (Amendments)	<i>Long term Interests in Associates and Joint Ventures (amendments)</i>

The Group has to change its accounting policies following the adoption of HKFRS 16 as disclosed in Note 2(d). The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 April 2019. The other amendments and interpretation listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(c) New standards, amendments to standards and revised conceptual framework not yet adopted by the Group

The following new standards, amendments and revised conceptual framework are mandatory for accounting periods beginning on or after 1 April 2020, but the Group has not early adopted them:

		Effective for accounting year beginning on or after
HKAS 1 and HKAS 8 (Amendments)	<i>Definition of Material</i>	1 April 2020
HKAS 39, HKFRS 7 and HKFRS 9	<i>Hedge Accounting</i>	1 April 2020
HKFRS 3 (Revised) (Amendments)	<i>Definition of a Business</i>	1 April 2020
Conceptual Framework for Financial Reporting 2018	<i>Revised Conceptual Framework for Financial Reporting</i>	1 April 2020
HKFRS 17	<i>Insurance Contracts</i>	1 April 2021
HKFRS 10 and HKFRS 28 (Amendment)	<i>Sale or Contribution of Assets between an Investor and its Associate and Joint Venture</i>	To be determined

The Group anticipates that the application of the above new standards, amendments and revised conceptual framework have no material impact on the results and the financial position of the Group.

(d) Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 *Leases* on the Group's consolidated financial statements.

The Group has adopted HKFRS 16 retrospectively from 1 April 2019, but has not restated comparatives for the 2018/2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on 1 April 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of HKAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate as of 1 April 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 4.95% per annum.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of HKFRS 16 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

(i) *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review — there were no onerous contracts as at 1 April 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

(ii) *Measurement of lease liabilities*

	<i>HK\$’000</i>
Operating lease commitments disclosed as at 31 March 2019	6,783
Discounted using the lessee’s incremental borrowing rate of at the date of initial application	6,648
Add: finance lease liabilities recognised as at 31 March 2019	22
(Less): short-term leases not recognised as a liability	(1,922)
(Less): low-value leases not recognised as a liability	(93)
Add: adjustments as a result of a different treatment of extension and termination options	6,661
Lease liabilities recognised as at 1 April 2019	11,316
Of which are:	
Current lease liabilities	4,418
Non- current lease liabilities	6,898
	11,316

(iii) *Measurement of right-of-use assets*

The associated right-of-use assets were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

(iv) *Adjustments recognised in the consolidated statement of financial position on 1 April 2019*

The change in accounting policies affected the following items in the consolidated statement of financial position on 1 April 2019:

Consolidated statement of financial position (extract)	At 31 March 2019 (As originally presented) HK\$'000	Effects of the adoption of HKFRS 16 HK\$'000	At 1 April 2019 (Restated) HK\$'000
Non-current assets			
Property, plant and equipment	9,115	(220)	8,895
Right-of-use assets	–	11,379	11,379
Non-current liabilities			
Lease liabilities	–	(6,898)	(6,898)
Current liabilities			
Obligations under finance lease	(22)	22	–
Lease liabilities	–	(4,418)	(4,418)
Equity			
Accumulated losses	7,498	135	7,633

The impact on disclosure of segment and loss per Share were not significant.

3. REVENUE AND SEGMENT INFORMATION

(a) **Revenue**

	2020 HK\$'000	2019 HK\$'000
Sales of package tours	249,228	317,240
Margin income from sales of the FIT products	1,258	750
Margin income from sales of ancillary travel related products and services	4,429	4,610
	254,915	322,600

(b) **Segment information**

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

The Group is organised into two reporting segments:

- (i) Travel Related Products and Services; and
- (ii) Tourism and Travel Technology Investments.

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

Segment results and other segment items are as follows:

	2020			2019		
	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Total HK\$'000	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Total HK\$'000
Reportable segment revenue	<u>254,915</u>	<u>–</u>	<u>254,915</u>	<u>322,600</u>	<u>–</u>	<u>322,600</u>
Reportable segment loss	<u>(22,468)</u>	<u>(360)</u>	<u>(22,828)</u>	<u>(25,511)</u>	<u>(2,770)</u>	<u>(28,281)</u>
Unallocated expenses			(2,860)			(4,478)
Finance income			63			89
Finance costs			<u>(473)</u>			<u>(3)</u>
Loss before income tax			(26,098)			(32,673)
Income tax expense			<u>–</u>			<u>(724)</u>
Loss and total comprehensive loss			<u>(26,098)</u>			<u>(33,397)</u>
Share of results of joint ventures	<u>–</u>	<u>(360)</u>	<u>(360)</u>	<u>(160)</u>	<u>(2,770)</u>	<u>(2,930)</u>
Depreciation of property, plant and equipment	2,961	–	2,961	2,488	–	2,488
Depreciation of right-of-use assets	5,234	–	5,234	–	–	–
Impairment loss on property, plant and equipment	5,546	–	5,546	–	–	–
Impairment loss on right-of-use assets	<u>4,869</u>	<u>–</u>	<u>4,869</u>	<u>–</u>	<u>–</u>	<u>–</u>

For the years ended 31 March 2020 and 2019, unallocated expenses represent corporate expenses.

Segment assets and liabilities are as follows:

	2020				2019			
	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Unallocated HK\$'000	Total HK\$'000	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Unallocated HK\$'000	Total HK\$'000
Reportable segment assets	<u>33,134</u>	<u>11,870</u>	<u>14,068</u>	<u>59,072</u>	<u>81,289</u>	<u>12,230</u>	<u>14,407</u>	<u>107,926</u>
Reportable segment liabilities	<u>(17,913)</u>	<u>–</u>	<u>(32)</u>	<u>(17,945)</u>	<u>(40,534)</u>	<u>–</u>	<u>(32)</u>	<u>(40,566)</u>
Capital expenditure	<u>7,100</u>	<u>–</u>	<u>–</u>	<u>7,100</u>	<u>18,198</u>	<u>10,000</u>	<u>–</u>	<u>28,198</u>

Capital expenditure comprises additions to property, plant and equipment, interests in joint ventures and financial assets at fair value through profit or loss.

Segment assets and liabilities are reconciled to the Group's assets and liabilities as follows:

	2020		2019	
	Assets HK\$'000	Liabilities HK\$'000	Assets HK\$'000	Liabilities HK\$'000
Reportable segment assets/ (liabilities)	45,004	(17,913)	93,519	(40,534)
Unallocated:				
Prepayments, deposits and other receivables	286	–	812	–
Financial assets at fair value through profit or loss	9,409	–	10,521	–
Cash and cash equivalents	4,373	–	3,074	–
Accruals and other payables	<u>–</u>	<u>(32)</u>	<u>–</u>	<u>(32)</u>
	<u>59,072</u>	<u>(17,945)</u>	<u>107,926</u>	<u>(40,566)</u>

(c) Geographic information

The Group's business is domiciled in Hong Kong and all revenue was generated from customers located in Hong Kong and Macau. As at 31 March 2020 and 2019, all non-current assets were located in Hong Kong.

(d) Information about a major customer

There is no single external customer that contributed to more than 10% revenue of the Group's revenue for the year ended 31 March 2020 (2019: same).

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Other income		
Referral income	154	116
Management services fee income	144	48
Aviation business cooperation income	100	175
Dividend income	197	–
Subsidies (<i>Note (i)</i>)	599	642
	<u>1,194</u>	<u>981</u>
Other gains/(losses), net		
Exchange losses, net	(379)	(777)
Fair value losses on derivative financial instruments	(121)	(71)
Fair value losses on listed equity securities in Hong Kong	(1,112)	(3,912)
Gain on disposal of listed equity securities in Hong Kong	524	–
Gain on bargain purchase (<i>Note (ii)</i>)	–	2,500
Gain on disposal of interest in a joint venture	–	160
	<u>(1,088)</u>	<u>(2,100)</u>
Other gains/(losses) and other income, net	<u><u>106</u></u>	<u><u>(1,119)</u></u>

Notes:

- (i) Subsidies mainly represent grants received from local governments in Hong Kong and Japan. There are no unfulfilled conditions or contingencies relating to these grants.
- (ii) The amount represents the difference between consideration paid by the Group for the acquisition of a joint venture, Triplabs (BVI) Limited (the “JV Company”), and the Group’s share of net assets of the JV Company. Details of the acquisition are set out in Note 11 to the consolidated financial information.

5. EXPENSES BY NATURE

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Land costs (<i>Note</i>)	114,922	150,177
Air fare costs	101,008	140,488
Operating lease rentals of:		
— Office and branches premises	—	9,749
— Equipment rental	—	342
Short-term lease expenses	2,127	—
Low-value assets lease expenses	397	—
Advertising and promotion	3,191	5,809
Credit card fees	2,477	3,376
Employee benefits expenses, excluding Directors' benefits and interests		
— Salaries, discretionary bonus and allowances	20,130	22,077
— Pension costs-defined contribution plan	1,114	1,372
— Other employee benefits	279	398
	<u>21,523</u>	<u>23,847</u>
Directors' benefits and interests	4,599	4,803
Depreciation of property, plant and equipment	2,961	2,488
Depreciation of right-of-use assets	5,234	—
Impairment loss on property, plant and equipment	5,546	—
Impairment loss on right-of-use assets	4,869	—
Office, telecommunication and utility expenses	1,101	1,254
Exchange losses, net	39	221
Legal and professional fees	2,308	3,115
Auditor's remuneration		
— Audit services	910	1,100
— Non-audit services	121	60
Others	<u>7,016</u>	<u>4,481</u>
	<u><u>280,349</u></u>	<u><u>351,310</u></u>

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.

6. FINANCE (COSTS)/INCOME, NET

	2020 HK\$'000	2019 HK\$'000
Finance income		
Bank interest income	<u>63</u>	<u>89</u>
Finance costs		
Interest expense on lease liabilities/financial lease liabilities	<u>(473)</u>	<u>(3)</u>
Finance (costs)/income, net	<u><u>(410)</u></u>	<u><u>86</u></u>

7. INCOME TAX EXPENSE

The applicable rate of Hong Kong profits tax is 16.5% (2019: 16.5%). No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group does not have any assessable profit arising in Hong Kong during the years ended 31 March 2020 and 2019.

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 charged to the consolidated statement of comprehensive income represents:

	2020 HK\$'000	2019 HK\$'000
Over-provision in prior years	–	49
Deferred income tax expense	<u>–</u>	<u>(773)</u>
	<u><u>–</u></u>	<u><u>(724)</u></u>

8. 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.

	2020	2019
Loss attributable to owners of the Company (HK\$'000)	(25,915)	(33,116)
Weighted average number of ordinary shares in issue ('000)	400,000	400,000
Basic loss per Share (HK cents per share)	<u><u>(6.48)</u></u>	<u><u>(8.28)</u></u>

(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 2020 (2019: same).

9. DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 March 2020 (2019: nil).

10. TRADE RECEIVABLES

As at 31 March 2020 and 2019, the ageing analysis of trade receivables based on invoice date are as follows:

	2020 HK\$'000	2019 HK\$'000
1 to 30 days	<u>49</u>	<u>5</u>

The carrying amounts of trade receivables approximate their fair values as at 31 March 2020 and 2019 and the credit terms granted by the Group generally range up to 90 days.

As at 31 March 2020 and 2019, no trade receivables are considered past due or 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\$.

11. INTEREST IN A JOINT VENTURE

(a) Share of net assets of a joint venture

	2020 HK\$'000	2019 HK\$'000
As at 1 April	12,230	–
Additions	–	13,100
Disposals (<i>Note (i)</i>)	–	(440)
Share of post-tax results of joint ventures	(360)	(2,930)
Share of changes in reserve of a joint venture (<i>Note (ii)</i>)	<u>–</u>	<u>2,500</u>
As at 31 March	<u>11,870</u>	<u>12,230</u>

Notes:

- (i) On 25 May 2018, the Group completed an acquisition of 20% of the issued share capital of Airbare.com Limited (“Airbare”) by way of cash consideration of HK\$600,000, which was accounted for as interest in a joint venture. On 25 October 2018, the Board and the board of directors of CTEH INC. (“CTEH”) jointly announced that WWPKG Management Company Limited (“WWPKG Management”) and CTEH Ventures Limited (“CTEH Ventures”), each being a wholly-owned subsidiary of the Company and of CTEH respectively, entered into a joint venture agreement (the “JV Agreement”) in relation to the subscription of shares of the JV Company. Pursuant to the JV Agreement, (i) CTEH Ventures subscribed for 50% of the JV Company's issued share capital, which was satisfied by cash payment in the sum of HK\$15.0 million; and (ii) WWPKG Management subscribed for 50% of the JV Company's issued share capital, which was satisfied by (1) cash payment in the sum of HK\$9.4 million; and (2) the transfer of all of the issued share capital of Airbare held to the subsidiary of the JV Company. Airbare ceased to be a joint venture of the Group upon the abovementioned transfer of its issued share capital on 29 November 2018 (the “date of disposal”). At the date of disposal, the carrying value of Airbare was HK\$440,000.
- (ii) The amount represents the Group's share of share-based payment reserve of the JV Company.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 HK\$'000	2019 HK\$'000
Listed equity securities in Hong Kong (<i>Note</i>)	<u>9,409</u>	<u>10,521</u>

Note:

The listed equity securities were designated as financial assets at fair value through profit or loss at inception. The fair values of the listed equity securities were based on their bid prices in an active market. Fair value loss on the listed equity securities of HK\$1,112,000 (2019: HK\$3,912,000) was recognised in “other gains/(losses) and other income, net” for the year.

13. SHARE CAPITAL

	Number of Shares	Share capital HK\$'000
Authorised:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 1 April 2019 and 31 March 2020	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 1 April 2019 and 31 March 2020	<u>400,000,000</u>	<u>4,000</u>

14. TRADE PAYABLES

As at 31 March 2020 and 2019, the ageing analysis of trade payables based on invoice date are as follows:

	2020 HK\$'000	2019 HK\$'000
1 to 30 days	276	4,665
31 to 60 days	355	998
61 to 90 days	6	164
91 to 120 days	221	6
Over 120 days	<u>114</u>	<u>69</u>
	<u>972</u>	<u>5,902</u>

The carrying amount of trade payables approximate their fair values as at 31 March 2020 and 2019.

15. EVENTS AFTER THE REPORTING PERIOD

On 10 June 2020, the Group has obtained a loan of \$8,000,000 for a term of 3 years under the SME Financing Guarantee Scheme of the Hong Kong SAR Government, which was secured by undertakings provided by the executive Directors as imposed by the scheme.

Subsequent to 31 March 2020 and up to the date of this announcement, the COVID-19 pandemic has been causing material disruption to the Group's business operations, which has been adversely affecting the Group's operating performance and financial condition. A series of measures have been adopted to control costs and to enhance cash flow and operational efficiency, and the Group has been closely monitoring the market situation and the development of the pandemic so as to adjust its business strategies accordingly. As of the date on which these consolidated financial information were authorised for issue, the Group expected its revenue for the first quarter ending 30 June 2020 and the interim period ending 30 September 2020 would be adversely affected. The Group continues to monitor the impact of the pandemic on its financial performance and is currently unable to estimate the quantitative impact to the Group.

CHAIRMAN'S STATEMENT

Dear Shareholders

The year ended 31 March 2020 ("FY19/20") was a highly challenging one for the Group as its business and financial performances had been bombarded by a series of unpredictable events, including the economic recession led by the escalation of the China-United States trade war, the unstable local political atmosphere in Hong Kong and not least the ongoing pandemic of the COVID-19.

For FY19/20, the Group recorded a decrease in revenue of 21.0% as compared to the previous financial year, which was mainly due to the decrease in revenue from package tours by 21.4% led by the decrease in the number of tour participants by 21.7%. Nonetheless, the Group's operating loss decreased by 15.1% from approximately HK\$29.8 million for the year ended 31 March 2019 ("FY18/19") to approximately HK\$25.3 million for FY19/20. Such improvement in the Group's financial performance was mainly attributable to the increase in gross profit by 24.5% from approximately HK\$31.0 million for FY18/19 to approximately HK\$38.6 million for FY19/20, as a result of (i) the decrease in forfeiture incurred on flights operated; (ii) the ability to adjust the selling prices of our package tours upwards; and (iii) the reduction in the number of package tours with lower profit margins.

BUSINESS REVIEW

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

- New enhancements to the Group's online sales platform were made to improve user interface design and user experience, and tasks were performed to increase the Group's search engine optimisation (SEO) ranking.
- The Group continued to engage in effective digital marketing campaigns to promote its brand and travel products through various online social media and search engines to reach out to wider spectrum of potential customers.
- The Group continued its efforts in introducing new travel products and extending its geographical reach, when package tours destined for the European region including Turkey and Portugal were launched with excellent post-tour reviews received from customers.
- Customer care has always been of utmost importance to us. Amid the COVID-19 outbreak, the Group became one of the first among the travel agents in Hong Kong to announce its cancellation of package tour departures in order to safeguard the health and safety of its customers and employees, starting with those departing for China on 26 January 2020. Furthermore, despite its possession of rights to collect handling fee from customers for cancelling package tours for "reasons beyond control" as defined by the Travel Industry Council of Hong Kong (e.g. red or black outbound travel alerts issued by the Hong Kong SAR Government, travel advisories (warnings) issued by governments of the destinations and/or the World Health Organisation ("WHO")), such handling fee was waived for our majority of customers.

OUTLOOK

We envisage that the travel and tourism industry will remain grim for the first three quarters of 2020, if not longer. The outbreak of the COVID-19 since January 2020, which has since been declared as a pandemic by the WHO in March 2020, has been casting severe implications for many business sectors including tourism. A number of governments have issued entry restrictions, visa suspensions and quarantine measures that are impacting international travel. For Hong Kong, the Compulsory Quarantine of Persons Arriving at Hong Kong from Foreign Places Regulation (Cap. 599E) took effect on 19 March 2020 for a period of six months. In Japan, the visa-free policy that applies to Hong Kong and Macau passport holders was suspended on 9 March 2020, thereafter the Japanese government declared a state of emergency in major metropolitan areas in response to the pandemic until 25 May 2020. Moreover, on the supply side, majority of our airline suppliers have been operating bare skeleton or limited passenger flight schedules. Given the Group derives a majority of its revenue from the provision of outbound package tours and with its particular focus on Japan-bound tours, we expect the above-mentioned restrictions, together with the low sentiment for leisure travel, to have significant adverse impact on the Group's revenue for the six months ending 30 September 2020.

The Group is closely observing the development of the pandemic and has already adopted a series of measures to control costs and to enhance cash flow and operational efficiency. We believe that once the pandemic scare ends and the restrictions lift, a stream of new business opportunities and challenges will open up. With our over 40 years of industry experience and business insights as well as a dedicated management team, we are confident that the Group is able to face the opportunities and challenges ahead.

APPRECIATION

I would like to extend my sincere appreciation to all of our business partners, customers and shareholders of the Company (the "Shareholders") for their loyalty and support. I would also like to thank our management team and staff for their hard work and contribution, especially during these challenging times. 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, 18 June 2020

MANAGEMENT DISCUSSION AND ANALYSIS

Founded in 1979, the Group is one of the long-established and well-known travel agents in Hong Kong. The Group's businesses include the sales of Travel Related Products and Services and Tourism and Travel Technology Investments. The Group markets its Travel Related Products and Services under the brand “縱橫遊WWPKG”. Its major Travel Related Products and Services is the provision of outbound package tours to various destinations with particular focus on Japan-bound tours.

FINANCIAL REVIEW

Revenue and gross profit

The following table sets out the Group's revenue and gross profit by major category of Travel Related Products and Services:

	FY19/20			FY18/19		
	Revenue HK\$'million	Gross profit HK\$'million	Gross profit margin %	Revenue HK\$'million	Gross Profit HK\$'million	Gross profit margin %
Package tours	249.2	32.9	13.2	317.2	25.6	8.1
FIT products <i>Note</i>	1.3	1.3	N/A	0.8	0.8	N/A
Ancillary travel related products and services <i>Note</i>	4.4	4.4	N/A	4.6	4.6	N/A
Total	<u>254.9</u>	<u>38.6</u>	15.1	<u>322.6</u>	<u>31.0</u>	9.6

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

For FY19/20, the Group's revenue from package tours decreased by 21.4% to approximately HK\$249.2 million, as compared to FY18/19. The decrease in the Group's revenue from package tours was mainly due to the decrease in number of tour participants as discussed in the section headed “Chairman's Statement” above.

For FY19/20, the Group's gross profit and gross profit margin from package tours increased by 28.5% to approximately HK\$32.9 million and increased by 5.1 percentage points to 13.2% respectively, as compared to FY18/19. The improvements in the Group's gross profit and gross profit margin were mainly attributable to the following:

- the change in the Group's strategy in connection with charter flights and block reservations with airline suppliers for all destinations reduced the amount of forfeiture incurred on flights operated during FY19/20;

- as a result of the above-mentioned change in the Group's strategy in connection with charter flights and block reservations, the Group in general faced less pricing pressure and was able to improve its package tours' selling prices and hence gross profit margin despite the decrease in overall revenue and number of tour participants; and
- the Group launched certain relatively low-priced package tours with lower gross profit margins that were supported by charter flights destined for Kumamoto in Japan between November 2017 and October 2018.

FIT products

Revenue from FIT products increased from approximately HK\$0.8 million for FY18/19 to approximately HK\$1.3 million for FY19/20, mainly due to active marketing and promotion applied on products covering Japan and Southeast Asia.

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, guided local tours and experiences, 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 ancillary travel related products and services decreased slightly from approximately HK\$4.6 million for FY18/19 to approximately HK\$4.4 million for FY19/20, mainly due to the decrease in margin income from insurance companies for the sales of travel insurance to tour participants and sales of admission tickets to theme parks and shows, offset by the revenue from guided local tours launched during the year.

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) short-term lease expense and depreciation of right-of-use assets for the Group's branches. Selling expenses for FY19/20 remained stable at approximately HK\$16.8 million as compared to FY18/19, as the reductions in advertising and promotion expenses and credit card charges were generally offset by the recognition of impairment losses on property, plant and equipment and right-of-use assets in respect of the Group's branches.

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) depreciation of right-of-use assets for the Group's office premises; (iii) office, telecommunication and utility expenses incurred in the Group's daily operations; (iv) legal and professional fees; and (v) other miscellaneous administrative expenses. Administrative expenses increased by 9.7% to approximately HK\$47.3 million for FY19/20, mainly due to the recognition of impairment losses on property, plant and equipment and right-of-use assets in respect of the Group's office premises.

Share of results of joint ventures

As at 31 March 2020, the Group held 50% equity interest in the JV Company, which had investments in eight startup companies that engaged in tourism and travel technology related businesses, including (i) travel metasearch engines for flight tickets; (ii) data-centric advertising solutions; (iii) vacation photography booking platform; (iv) property standardisation and management system for budget and midscale hotels and guest houses; (v) artificial intelligence ("AI") powered influencer marketing programme; (vi) technology infrastructure solutions for both online and offline travel agents; (vii) social interaction and group-buying element incorporated travel activity platform; and (viii) AI-powered chatbot solutions.

During FY19/20, pursuant to the convertible promissory note agreement for one of its investees, the JV Company redeemed 50% of the principal amount of such note at a price equal to two times of the original principal amount invested, resulting in net sales proceeds and a gain on redemption of approximately HK\$0.8 million. Also, a net fair value loss of approximately HK\$0.9 million was charged for FY19/20 based on the results of the JV Company's assessments on the fair values of the above-mentioned eight investments. Both gain on redemption and net fair value loss were presented in "other (losses)/gains and other income, net" of the JV Company's statement of comprehensive income and proportionately in "share of results of joint ventures" of the Group's consolidated statement of comprehensive income.

Loss and total comprehensive loss for the year

The Group's loss and total comprehensive loss decreased by 21.9% from approximately HK\$33.4 million for FY18/19 to approximately HK\$26.1 million for FY19/20. The improvement in the Group's loss position was mainly attributable to the following:

- increase in gross profit by 24.5% from approximately HK\$31.0 million for FY18/19 to approximately HK\$38.6 million for FY19/20 for reasons as discussed in the sub-section headed "Revenue and Gross Profit" above;
- decrease in the fair value loss on the Company's investment in the shares of CTEH by approximately HK\$2.8 million;

- recognition of a gain on disposal of the shares of Feiyang International Holdings Group Limited held by the Company of approximately HK\$0.5 million; and
- no income tax expense was incurred during FY19/20 as opposed to that of approximately HK\$0.7 million recorded in FY18/19 mainly as a result of de-recognition of previously recognised deferred tax assets; offset by
- increase in administrative expense as discussed in the sub-section headed “Administrative Expenses” above.

LIQUIDITY AND FINANCIAL RESOURCES

The Group’s financial position as at 31 March 2020 remained healthy with net assets value of approximately HK\$41.1 million (31 March 2019: approximately HK\$67.4 million). Including the short-term fixed deposit, the Group’s cash and bank balances was approximately HK\$19.3 million as at 31 March 2020 (31 March 2019: approximately HK\$44.3 million). The cash and bank balances of the Group were mainly denominated in Hong Kong dollars, which accounted for 90.6% (31 March 2019: 97.0%) of the total balances.

Current ratio is calculated as current assets divided by current liabilities. The Group’s current ratio as at 31 March 2020 was 2.9 times (31 March 2019: 2.2 times).

PLEDGE OF ASSETS

As at 31 March 2020, the Group did not pledge any of its assets as securities for facilities granted to the Group (31 March 2019: Same).

CAPITAL EXPENDITURE

During FY19/20, the Group acquired property, plant and equipment and financial assets at fair value through profit or loss at total costs of approximately HK\$7.8 million (FY18/19: property, plant and equipment, interests in joint ventures and financial assets at fair value through profit or loss were acquired at total costs of approximately HK\$27.4 million), which was financed by internal resources of the Group or net proceeds from the initial public offering (the “IPO”) of the Company.

CAPITAL STRUCTURE

Details of changes in the Company’s share capital are set out in Note 13 to the consolidated financial information.

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 2020, the Group had outstanding foreign exchange forward contracts denominated in Japanese Yen of notional principal amounts of approximately HK\$0.7 million (31 March 2019: no outstanding foreign exchange forward contract). 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 2020, the Group had a workforce of 121 employees (31 March 2019: 138), 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 FY19/20 amounted to approximately HK\$21.5 million (FY18/19: approximately HK\$23.8 million).

The Company has adopted a share option scheme on 16 December 2016 with a term of 10 years (the "Share Option Scheme"). The Share Option Scheme is designed to motivate eligible participants, including executives and key employees, who may make a contribution to the Group, and enables the Group to attract and retain individuals with experience and ability and to reward them for their contributions. During FY19/20, no share options had been granted, exercised, lapsed or cancelled under the Share Option Scheme.

The Group did not experience any significant labour disputes or substantial changes in the number of its employees that led to any disruption of its normal business operations during FY19/20.

USE OF PROCEEDS

The net proceeds from the IPO of the Company, after deducting underwriting commissions and all related expenses, amounted to approximately HK\$57.0 million (the “Net Proceeds”). As at 31 March 2020, the unutilised Net Proceeds of approximately HK\$10.1 million were deposited into licensed banks in Hong Kong.

As disclosed in the Company’s announcement dated 30 December 2019, having carefully considered the latest business environment and development needs of the Group, the Board had resolved to change the proposed use of part of the unutilised Net Proceeds in the amount of approximately HK\$15.5 million originally allocated for (i) promoting brand recognition and awareness; and (ii) strengthening and enhancing sales channels, to (i) reserving seats for non-series flights or charter flights; and (ii) general corporate and working capital purposes. The following table sets forth the status of the use of the Net Proceeds as at 31 March 2020:

Objective	Original allocation of Net Proceeds <i>HK\$ million</i>	Reallocation <i>HK\$ million</i>	Amount utilised up to 31 March 2020 <i>HK\$ million</i>	Balance as at 31 March 2020 <i>HK\$ million</i>	Expected timeframe
Promoting brand recognition and awareness	25.4	(9.4)	(13.7)	2.3	To be used in one to two years by continuously engaging in various advertising and marketing campaigns
Strengthening and enhancing sales channels	14.2	(6.1)	(7.0)	1.1	To be used in one to two years for enhancements of the Group’s online sales platform, incorporation of a new customer relationship management system and/or refurbishment of existing branches
Improving operational efficiency	11.7	–	(10.6)	1.1	To be used in one year
Reserving seats for non-series flights or charter flights	–	13.1	(7.5)	5.6	To be used in one year
General corporate and working capital purposes	5.7	2.4	(8.1)	–	
	<u>57.0</u>	<u>–</u>	<u>(46.9)</u>	<u>10.1</u>	

DIVIDEND

The Board does not recommend the payment of final dividend for FY19/20 (FY18/19: nil).

PROSPECTS

The unprecedented COVID-19 pandemic has taken a heavy toll on the economy and made the Group's operating environment extremely difficult. The Group's business operations have been disrupted by the travel restrictions imposed by nations of its own and across the world. Owing to the pandemic, on the supply side, majority of the Group's airline suppliers have been operating bare skeleton or limited passenger flight schedules, while on the demand side, leisure travel sentiment has remained low. A series of measures have been adopted to control costs and to enhance cash flow and operational efficiency, including:

- implemented salary reduction for the Directors;
- streamlined workflow and eliminated non-value added position or activities;
- encouraged employees to take no-pay leave and/or annual leave;
- obtained rent concessions on certain branch and office premise leases from the landlords;
- reduced advertising and promotion expenses;
- obtained financing in the commercial lending market;
- applied for the Employment Support Scheme and the Travel Agents and Practitioners Support Scheme under the Anti-epidemic Fund launched by the Hong Kong SAR Government; and
- expanded business activities to trade certain imported health related products and food items online.

Based on the latest situation, the Group expects its revenue for the first quarter ending 30 June 2020 and the interim period ending 30 September 2020 will be adversely affected. The Group is closely monitoring the market situation and the development of the pandemic so as to adjust its business strategies accordingly. With its long-established brand name, over 40 years of industry knowledge and experience, well-maintained business relationships with suppliers and ability to respond to adversities, the Group will put forth its best endeavor to drive business performance on its road to recovery and profitability when the pandemic recedes.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE

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

During FY19/20, 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 FY19/20.

DISTRIBUTABLE RESERVES

Under the Companies Law of the Cayman Islands, share premium is distributable to the 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 2020, calculated according to the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$43,847,000 (31 March 2019: approximately HK\$46,706,000).

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 FY19/20.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

During FY19/20, each of the Directors, the controlling Shareholders 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.

REVIEW OF ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2020 as set out in this annual results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

AUDIT COMMITTEE

The audit committee established by the Company (the “Audit Committee”) currently comprises three independent non-executive Directors. The Audit Committee has reviewed the annual results of the Group for the year ended 31 March 2020 at a meeting held on 18 June 2020.

ANNUAL GENERAL MEETING

The annual general meeting (“AGM”) will be held on Monday, 24 August 2020. For details of the AGM, please refer to the notice of AGM which is expected to be published in late June 2020.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 19 August 2020 to Monday, 24 August 2020 (both dates inclusive), during which period no Share transfers will be effected. In order to qualify for attending and voting at the AGM, all Share transfers must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 18 August 2020.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This announcement is published on the Company’s website (<http://www.wwpkg.com.hk>) and the website of the Stock Exchange (<http://www.hkex.com.hk>). The annual report for the year ended 31 March 2020 containing the information required by the GEM Listing Rules will be despatched to Shareholders and published on the websites of the Company and the Stock Exchange in due course.

By Order of the Board
WWPKG Holdings Company Limited
縱橫遊控股有限公司
Yuen Sze Keung
Chairman and Executive Director

Hong Kong, 18 June 2020

As at the date of this announcement, the executive Directors are Mr. Yuen Sze Keung, Ms. Chan Suk Mei and Mr. Yuen Chun Ning; and the independent non-executive Directors are Mr. Lam Yiu Kin, Mr. Ho Wing Huen, Mr. Yen Yuen Ho Tony.

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