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

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

2019/2020
ANNUAL REPORT

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

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

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

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

Independent Non-executive Directors:

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Ms. Ng Ka Man, *ACS, ACIS*

COMPLIANCE OFFICER

Mr. Yuen Chun Ning

AUTHORISED REPRESENTATIVES

Mr. Yuen Sze Keung
Mr. Yuen Chun Ning

REGISTERED OFFICE

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75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Fairbairn Catley Low & Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

STOCK CODE

8069

COMPANY'S WEBSITE

http://www.wwpkg.com.hk

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 coronavirus disease 2019 ("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 ("TIC") (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.

CHAIRMAN'S STATEMENT

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 design, development and sales of outbound package tours, the sales of air tickets and/or hotel accommodations (the "FIT products") and the sales of ancillary travel related products and services (collectively, the "Travel Related Products and Services") and investments in tourism and travel technology related businesses (the "Tourism and Travel Technology Investments"). The Group markets its Travel Related Products and Services under the brand "縱橫遊 WWPKG". Its major Travel Related Products and Services is the provision of outbound package tours to various destinations with particular focus on Japan-bound tours.

FINANCIAL REVIEW

REVENUE AND GROSS PROFIT

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

	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 Note	1.3	1.3	N/A	0.8	0.8	N/A
Ancillary travel related products and services Note	4.4	4.4	N/A	4.6	4.6	N/A
Total	254.9	38.6	15.1.	322.6	31.0	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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 reduction 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 a joint venture (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 INC. by approximately HK$2.8 million;

— recognition of a gain on disposal of the shares of Feiyang International Holdings Group Limited ("Feiyang") 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).

GEARING RATIO

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less trade related debts and cash and cash equivalents. Total capital is calculated as 'equity', as shown in the consolidated statement of financial position. As at 31 March 2020, the Group was not at a net debt position (31 March 2019: same).

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 24 to the consolidated financial statements in this annual report.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

On 10 June 2019, the Company entered into a cornerstone investment agreement with Feiyang (as issuer), pursuant to which the Company subscribed for the shares of Feiyang as a cornerstone investor with a total consideration of approximately HK$5.0 million (excluding the relevant brokerage and levies). On 9 January 2020, the Company disposed on-market a total of 4,760,000 shares of Feiyang at the average price of approximately HK$1.16 per share of Feiyang for an aggregate gross sale proceeds of approximately HK$5.5 million (excluding transaction costs) (the "Disposal"). After the Disposal, the Group did not hold any shares of Feiyang.

Save as disclosed above, there were no other significant investments, material acquisitions or disposals of subsidiaries by the Company during FY19/20.

CHARGE OVER THE GROUP'S ASSETS

As at 31 March 2020, the Group did not record any charge over its assets (31 March 2019: finance lease liabilities of approximately HK$0.02 million were secured by the Group's motor vehicles with aggregate net book value of approximately HK$0.2 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, the Group did not have other plans for material investments or capital assets as of 31 March 2020.

CONTINGENT LIABILITIES

As at 31 March 2020, the Group had no significant contingent liabilities (31 March 2019: same).

FOREIGN EXCHANGE EXPOSURE

The Group's revenue was mainly denominated in Hong Kong dollars. However, the settlement of substantial portion of its land costs, such as hotel tariffs, transportation costs, meal expenses and admission ticket costs, is denominated in Japanese Yen. The Group is therefore exposed to foreign exchange risk primarily with respect to Japanese Yen. The Group has implemented foreign exchange risk management procedures to manage exposure to foreign exchange risk in relation to Japanese Yen. The procedures were established to control the foreign exchange risk to an acceptable level by ensuring that the Group is able to obtain sufficient amount of Japanese Yen at acceptable exchange rates for meeting its payment obligations arising from business operations and at the same time do not purchase unnecessary amounts of Japanese Yen more than it requires. The purchase amounts were limited to the corresponding costs of the travel elements payable in Japanese Yen for the Japan bound tours for the coming four weeks (or eight weeks during peak seasons). Such amounts were estimated based on the actual enrolment data (i.e. headcount enrolled for the Group's Japan bound tours) and the costs of travel elements payable in Japanese Yen per headcount, of which such costs were determined with reference to the historical spending and the effect of general inflation.

Although the Group may enter into foreign exchange forward contracts with major and reputable financial institutions and foreign currency services companies of long establishment history to manage its exposure to foreign exchange risk, it does not intend to speculate on the future direction of foreign exchange fluctuation. As at 31 March 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 of Directors of the Company (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 HK$ million	Reallocation HK$ million	Amount utilised up to 31 March 2020 HK$ million	Balance as at 31 March 2020 HK$ million	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)	–	
	57.0	–	(46.9)	10.1	

DIVIDEND

In order to retain more cash to finance the working capital requirements and future development of the Group, the Board does not recommend the payment of final dividend for FY19/20 (FY18/19: nil). The Board will consider future dividend distribution in due course according to the Company's dividend policy.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Yuen Sze Keung ("Mr. SK Yuen"), aged 68, joined the Group in 1984 and was appointed as the Chairman and an executive Director on 8 June 2016. He is a member of the Nomination Committee and Remuneration Committee of the Board. Mr. SK Yuen also serves as a director of Package Tours (Hong Kong) Limited and WWPKG Management Company Limited, which are subsidiaries of the Company.

Mr. SK Yuen has over 40 years of experience in the tourism industry. He has been involved in and played a critical role in the development of the Group's businesses. He has been responsible for the Group's major decision-making, overall strategic planning and determining corporate policies, as well as overseeing the accounting and human resources functions of the Group. Mr. SK Yuen is the spouse of Ms. Chan Suk Mei and the father of Mr. Yuen Chun Ning, both of whom are executive Directors.

Ms. Chan Suk Mei ("Ms. Chan"), aged 67, joined the Group in 1979 and was appointed as an executive Director on 8 June 2016. Ms. Chan also serves as a director of Package Tours (Hong Kong) Limited, Worldwide Package Travel Service Limited and WWPKG Management Company Limited, which are subsidiaries of the Company.

Ms. Chan has over 40 years of experience in the tourism industry. She has the overall responsibility for overseeing the Japan outbound tour services and administrative matters of the Group. Ms. Chan is the spouse of Mr. SK Yuen and the mother of Mr. Yuen Chun Ning, both of whom are executive Directors.

Mr. Yuen Chun Ning ("Mr. CN Yuen"), aged 42, joined the Group in 2005 and was appointed as the Chief Executive Officer, an executive Director and the compliance officer of the Company on 8 June 2016. Mr. CN Yuen also serves as a director of Worldwide Package Travel Service Limited and WWPKG Management Company Limited, and a managing director of Package Tours (Hong Kong) Limited, which are subsidiaries of the Company, and a director of Triplabs (BVI) Limited and Triplabs Limited, which are joint ventures of the Company.

Mr. CN Yuen obtained his Bachelor of Environmental Studies degree in Planning from the University of Waterloo, Canada in 2001, and his Master degree of Philosophy from the University of Cambridge, United Kingdom in 2002. Mr. CN Yuen joined the Group in 2005 and has gained over 14 years of experience in the tourism industry through managing the Group's operations. He has been responsible for managing all lines of businesses of the Group and its overall operations, as well as overseeing the Group's IT development. Mr. CN Yuen is the son of Mr. SK Yuen and Ms. Chan, both of whom are executive Directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ho Wing Huen ("Mr. Ho"), aged 74, was appointed as an independent non-executive Director on 16 December 2016. He is the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Board. Mr. Ho obtained his degree of Bachelor of Science (General) from The University of Hong Kong in 1966. He then obtained his Postgraduate Certificate in Education from The University of Hong Kong in 1971 and his degree of Master of Social Sciences in 1989. Mr. Ho is a Chartered Statistician of the Royal Statistical Society in the United Kingdom. Mr. Ho has over 42 years of experience in statistics. He worked in the Census and Statistics Department in Hong Kong since 1972 and retired as the Commissioner in 2006. He was a member of the (Hong Kong) Hang Seng Index Advisory Committee from 1994 to 2006. He was appointed an ordinary officer of the Most Excellent Order of the British Empire by the United Kingdom Government in 1993 and was awarded the Silver Bauhinia Star by the Hong Kong SAR Government in 2006.

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

Mr. Lam Yiu Kin ("Mr. Lam"), aged 65, was appointed as an independent non-executive Director on 16 December 2016. Mr. Lam is the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Board. Mr. Lam obtained his Higher Diploma in Accountancy from The Hong Kong Polytechnic University in 1975 and was conferred an Honorary Fellow by The Hong Kong Polytechnic University in 2002. Mr. Lam is a fellow member of the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the Association of Chartered Certified Accountants, the Chartered Accountants of Australia and New Zealand and the Institute of Chartered Accountants in England & Wales. Mr. Lam has over 43 years of experience in accounting, auditing and business consulting. He was a member of the Listing Committee and the Financial Reporting Advisory Panel of the Stock Exchange from 1997 to 2003, a committee member of the HKICPA from 1994 to 2009, and an audit partner of PricewaterhouseCoopers from 1993 to 2013.

Mr. Lam is an independent non-executive director of COSCO SHIPPING Ports Limited (Stock Code: 1199), Global Digital Creations Holdings Limited (Stock Code: 8271), Nine Dragons Paper (Holdings) Limited (Stock Code: 2689), Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (Stock Code: 1349), Shougang Concord Century Holdings Limited (Stock Code: 103), Vital Innovations Holdings Limited (formerly known as Vital Mobile Holdings Limited) (Stock Code: 6133), CITIC Telecom International Holdings Limited (Stock Code: 1883), Bestway Global Holding Inc. (Stock Code: 3358) and Topsports International Holdings Limited (Stock Code: 6110), all of which are companies listed in Hong Kong, and Spring Asset Management Limited as the manager of Spring Real Estate Investment Trust (Stock Code: 1426), a real estate investment trust the units of which are listed in Hong Kong.

Mr. Yen Yuen Ho, Tony ("Mr. Yen"), aged 72, was appointed as an independent non-executive Director on 16 December 2016. Mr. Yen is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Board. Mr. Yen is a solicitor of Hong Kong and the United Kingdom. He is also a barrister and solicitor of Australia. From 1994 to 2007, Mr. Yen was the Law Draftsman of the Department of Justice of Hong Kong. He was also a member of the Hong Kong SAR Government's Law Reform Commission. He was awarded the Silver Bauhinia Star by the Hong Kong SAR Government in 2000. From 2011 to 2017, Mr. Yen was a member of the Hong Kong SAR Government's Panel of Review Board on School Complaints.

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

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

SENIOR MANAGEMENT

Ms. Hon Piu Kwun Queenie ("Ms. Hon"), aged 42, is the chief financial officer of the Group. Ms. Hon obtained her degree of Bachelor of Commerce in Finance and Accounting from the University of Toronto, Canada in 2001. She became a certified public accountant under the Delaware State Board of Accountancy, United States in 2005. Ms. Hon is a fellow member of the American Institute of Certified Public Accountants. Prior to joining the Group in 2015, Ms. Hon worked in Arthur Andersen, which has been combined with PricewaterhouseCoopers, between 2001 and 2015 with her last position as senior manager of assurance department in PricewaterhouseCoopers. She has over 18 years of experience in accounting, auditing and business consulting. She has been responsible for the supervision and management of financial activities of the Group.

Mr. Lai Ka Fai ("Mr. Lai"), aged 41, is the IT manager of the Group. Mr. Lai attained his Higher Diploma in Computer Studies from the City University of Hong Kong in 1998. He later received his degree of Bachelor Science in Information Systems from the Staffordshire University, United Kingdom by way of online distance learning in 2002. Mr. Lai joined the Group in 1999 as a project executive and was promoted to the position of IT manager in 2011. He has been responsible for the supervision of the IT department and development of IT projects.

Mr. Mak Shing Yip ("Mr. Mak"), aged 46, is the operating manager of the Group. Mr. Mak obtained his degree of Master of Business Administration from Honolulu University, the United States by way of online distance learning in 2010. Mr. Mak joined the Group in 1991 as an operation clerk and was promoted to the position of meetings, incentives, conferences and events ("MICE") team salesperson in 1994, branch manager in 2000 and subsequently operating manager in 2006. He has gained over 28 years of experience in the tourism industry through servicing in the Group. He has been responsible for overseeing the Group's outbound tours and MICE tour operations.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for FY19/20.

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.

BOARD OF DIRECTORS

As at 31 March 2020 and at the date of this annual report, the Board comprises:

EXECUTIVE DIRECTORS:

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

INDEPENDENT NON-EXECUTIVE DIRECTORS:

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

The Chairman and executive Director, Mr. SK Yuen, is the spouse of Ms. Chan, an executive Director, and the father of Mr. CN Yuen, the Chief Executive Officer and an executive Director. All of the executive Directors are interested in the shares of the Company (the "Shares") through their interest in WWPKG Investment Holdings Limited ("WWPKG Investment"), the ultimate holding company of the Group. Please refer to the section headed "Biographical Details of Directors and Senior Management" and sub-sections headed "Report of the Directors — Disclosure of Interests" and "Report of the Directors — Connected Transactions" on pages 13 to 15, pages 41 to 42 and pages 42 to 44 in this annual report respectively for more details. Save as disclosed above, the Directors and the senior management have no other financial, business, family or other material/relevant relationships with one another.

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having been enquired by the Company, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct concerning securities transactions by the Directors during FY19/20.

RESPONSIBILITIES OF THE BOARD

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

During FY19/20, the Board has met at all times the requirements under Rules 5.05(1) and 5.05(2) of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non- executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has also complied with Rule 5.05A of the GEM Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

Independent non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election in accordance with the Articles of Association. The term of appointment of the independent non-executive Directors is set out in the sub-section headed "Report of the Directors — Directors' Service Contracts" on page 40 in this annual report. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence and must provide an annual confirmation of his independence to the Company.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company continuously updates the Directors on the Group's businesses and the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. During FY19/20, each of the Directors participated in appropriate continuous professional development activities by way of attending director training webcasts and in-house training.

BOARD MEETINGS

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

Set out below are details of the attendance records of each Director at the Board meetings, committee meetings and general meeting of the Company held during FY19/20:

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

CORPORATE GOVERNANCE FUNCTIONS

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

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

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

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

The Audit Committee currently consists of three members, namely Mr. Lam Yiu Kin (chairman of the Audit Committee), Mr. Ho Wing Huen and Mr. Yen Yuen Ho Tony, all being independent non-executive Directors. The Audit Committee has reviewed this annual report, including the audited consolidated results of the Group for FY19/20.

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

— To review the financial information of the Group.

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

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

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

According to the current terms of reference, the Audit Committee shall meet at least four times for a financial year. During FY19/20, four meetings of the Audit Committee were held to review the unaudited consolidated quarterly results, the unaudited consolidated interim results and the audited consolidated annual results of the Group and make recommendations to the Board; to review the effectiveness of risk management and internal control systems, including the risk register and assessment conducted by management and the report on internal controls review as prepared by an independent professional consultant; and to make recommendations to the Board on the re-appointment of external auditor.

REMUNERATION COMMITTEE

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

The primary duties of the Remuneration Committee are:

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

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

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

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

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

During FY19/20, one meeting of the Remuneration Committee was held to review the remuneration packages of individual executive Directors and senior management for submission to the Board for approval.

Details of the emoluments of the Directors during FY19/20 are set out in Note 9 to the consolidated financial statements in this annual report. The emoluments paid to the senior management of the Group, who were not directors of the Company during FY19/20 were within the following bands:

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

NOMINATION COMMITTEE

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

The primary duties of the Nomination Committee are:

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

— To identify individuals suitably qualified to become Board members.

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

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

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

During FY19/20, one meeting of the Nomination Committee was held to review the retirement and re-election of Directors for the 2019 annual general meeting; to review the independence of the independent non-executive Directors; and to review the structure, size and diversity of the Board.

BOARD DIVERSITY POLICY

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

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

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

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

During FY19/20, internal audit projects covering (i) IT security and data privacy and (ii) customer servicing and quality control management were executed in accordance with the approved internal audit plan. All internal control deficiencies identified were communicated to the management, and significant internal control deficiencies were summarized and reported to the Audit Committee. Remedial actions to mitigate the associated risks have already been implemented in stages by the Group to further improve its risk management and internal control systems.

The Board with the assistance of the Audit Committee has conducted a review of the effectiveness of the Group's risk management and internal control systems. Considering the abovementioned corrective measures and improvements that had been taken by management, the Board is satisfied with the effectiveness and adequacy of the internal control and risk management systems of the Group for FY19/20.

DIVIDEND POLICY

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

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

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

AUDITOR'S REMUNERATION

During FY19/20, the fees paid/payable to the Company's external auditor are set out as follows:

	Fee paid/ payable HK$'000
Audit services	910
Non-audit services	121

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

COMPANY SECRETARY

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

During FY19/20, the Company Secretary was Ms. Ng Ka Man ("Ms. Ng"), a manager of the Listing Department of TMF Hong Kong Limited, which is an external company secretarial service provider engaged by the Company. Ms. Ng provided company secretarial services to the Company and reported to the primary corporate contact person of the Company, Ms. Hon, the chief financial officer of the Group.

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

During FY19/20, Ms. Ng undertook no less than 15 hours of relevant professional training to update her skill and knowledge.

COMPLIANCE OFFICER

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

INVESTOR RELATIONS

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

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

CONSTITUTIONAL DOCUMENTS

During FY19/20, there had been no change in the Company's constitutional documents.

SHAREHOLDER COMMUNICATION

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

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

SHAREHOLDERS' RIGHTS

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

RIGHT TO CONVENE EXTRAORDINARY GENERAL MEETING

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

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

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

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

RIGHT TO SEND ENQUIRIES TO THE BOARD

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

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

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

INFORMATION DISCLOSURE

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

CONCLUSION

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

The Board hereby presents the Environmental, Social and Governance ("ESG") report of the Group for FY19/20. This ESG report was prepared according to the "comply or explain" provisions set out in Appendix 20 "Environmental, Social and Governance Reporting Guide" of the GEM Listing Rules.

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

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

STAKEHOLDER ENGAGEMENT

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

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

A. ENVIRONMENTAL

The Group's daily operations and its package tour arrangements are causing an impact on the environment in terms of the consumption of energy and emissions from transportation. The Group is committed to strike a balance between business development and environmental protection on the road to sustainable development. The Group has begun to collect and analyse environmental data and will continue to enhance its staff's performance and awareness on environmental protection. During FY19/20, there was no violated case related to environmental regulations.

A1. EMISSIONS

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

The Group considers greenhouse gas emissions reduction as one of its long-term objectives. Led by the tour escorts, package tours organised by the Group departed from Hong Kong. The emissions of the tours arising from air transportation cause pollution to the environment. When selecting airline suppliers, their environmental protection policies are considered by the Group in the hope of minimising the damage to the environment without compromising the tour operations. During FY19/20, the Group's total greenhouse gas emissions were approximately 1,228 tonnes of carbon dioxide equivalent (FY18/19: approximately 1,720 tonnes).

Hazardous wastes, which mainly include fluorescent light bulbs and toner cartridges for printers, are collected and disposed by property management offices and licensed contractors respectively. Printed flyers used to be the traditional method to showcase the Group's travel-related products to its customers. With the establishment of the Group's online sales platform, product flyers can now be easily downloaded online and shared via emails or mobile messaging applications. Product flyers will only be printed when needed. Please refer to the sub-section headed "A3. The Environment and Natural Resources" below for details on the reduction initiatives implemented in respect of the use of paper. During FY19/20, approximately 8 tonnes of non-hazardous office wastes were generated (FY18/19: approximately 10 tonnes).

A2. USE OF RESOURCES

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

Resources	Unit	FY19/20	FY18/19	Movement
Electricity	Kwh	140,813	184,021	↓23.5%
Water	Litres	199	167	↑19.2%

Energy consumption

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

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

Water consumption

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

Packaging materials

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

A3. THE ENVIRONMENT AND NATURAL RESOURCES

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

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

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

B. SOCIAL

EMPLOYMENT AND LABOUR PRACTICES

B1. EMPLOYMENT

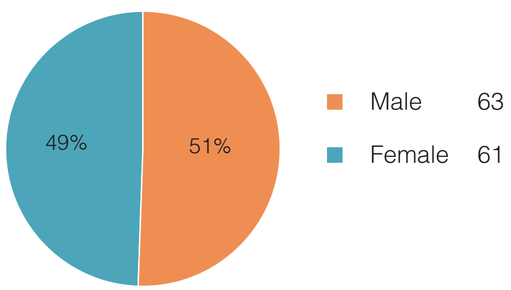
The Group adopts a fair recruitment policy that prohibits damage to equal employment opportunity or unfair treatment caused by factors such as ethnicity, race, gender, religious belief, social origin or identity, geographic location, age, physical condition and marital status. Only the capabilities of candidates and the needs of the Group will be considered during recruitment. The Group strictly complies with the Employment Ordinance and the Mandatory Provident Fund Schemes Ordinance of Hong Kong and has relevant policies and procedures in place. The Group's promotion policy primarily depends on the length of service of the employees and their performance appraisals. An internal transfer programme is also in place to minimise staff turnover. In the past, employees applied for internal transfers for reasons concerning overseas travelling, continuous education, family and other matters. The Group used its best endeavours to accommodate their applications and make arrangements according to their will and job commitment and situation. During FY19/20, the Group has not identified any complaints or violation of laws in relation to compensation and dismissal, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti- discrimination and other entitlements and benefits.

The Group has to respond swiftly to the changing tourism market. To attract new talents, the Group offers competitive remuneration packages to employees. However, salary alone is not enough to retain outstanding employees, a suitable working environment and benefits are taken into consideration as well. In this regard, the Group provides flexible and diversified benefits to suit the actual needs of its staff members. Morale among the staff members is also boosted by a dynamic working environment. During FY19/20, the Group organised lunch gatherings and Christmas gala for its employees that facilitated inter-departmental interactions and exchange of ideas. The Group fully understands the importance of work-life balance and allow staff members to get off early on festivals as well as provide them with special offers to travel with families and friends. During FY19/20, the Group was nominated and awarded as a "Family-Friendly Employer" by the Home Affairs Bureau and the Family Council.

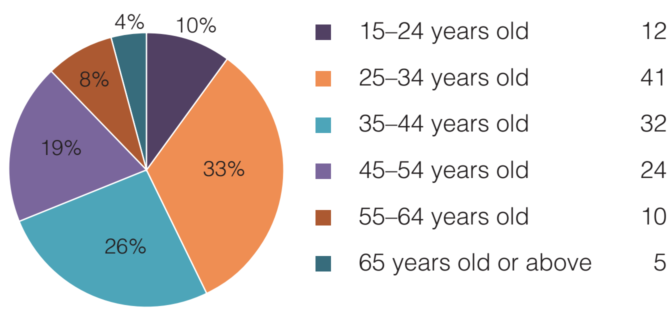
As at 31 March 2020, the Group had a workforce of 124 employees, including the 3 executive Directors, who are all located in Hong Kong (31 March 2019: 141 employees).

Overview of the Group's employees as at 31 March 2020

By gender



By age group



The Group's employee turnover rate	Unit	FY19/20	FY18/19
Total turnover rate	percentage (%)	2.8	3.3
By gender			
Male	percentage (%)	2.0	3.2
Female	percentage (%)	3.6	3.3
By age			
15–24 years old	percentage (%)	6.3	6.1
25–34 years old	percentage (%)	3.3	4.0
35–44 years old	percentage (%)	2.6	2.4
45–54 years old	percentage (%)	1.7	2.9
55–64 years old	percentage (%)	0.8	1.4
65 years old or above	percentage (%)	–	–

B2. HEALTH AND SAFETY

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

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

The COVID-19 and its impact on Hong Kong has been a major concern for the Group since the outbreak began. In view of the seriousness of this outbreak, the Group has enhanced its existing health and safety measures to help keeping its customers and employees safe, including:

- Distribute face masks to all employees, who are required to wear them at all times during office hours
- Shorten operating hours of the Group's branches
- Recommend customers to wear face masks during their visits at the branches
- Sanitise high-touch surfaces with disinfectants frequently while the branches are open
- Set up automatic hand sanitiser dispenser at the head office's reception area
- Send reminders to employees to check body temperatures daily before going to work, practice good personal hygiene and refrain from work and seek medical advice promptly when having respiratory symptoms

The Group has stipulated safety guidelines in accordance with the Occupational Safety and Health Ordinance of Hong Kong. Besides interior decoration, the design of the Group's branches also takes occupational safety and practicality into account. For instance, desk height is designed to match the height of most staff members and facilitate communication with customers. Suggestion boxes are available in the Group's office premises to collect opinions about occupational safety and other issues anonymously for the consideration of the human resources department. The Group has not identified any casualties and accidents in relation to workplace health and safety, hence no material non-compliance relating to working environment and protecting employees from occupational hazards, during FY19/20.

B3. DEVELOPMENT AND TRAINING

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

Classroom training distribution	Unit	FY19/20	FY18/19
Total training hours	hours	1,434	1,707
Average training hours			
Male	hours	50	29
Female	hours	37	36
Senior management	hours	27	47
Middle management	hours	46	43
Supervisors	hours	41	51
General staff	hours	41	19
Percentage of trained employees by category			
Male	Percentage (%)	17.5	23.9
Female	percentage (%)	39.3	47.1
Senior management	percentage (%)	100.0	66.7
Middle management	percentage (%)	50.0	100.0
Supervisors	percentage (%)	87.5	100.0
General staff	percentage (%)	15.3	20.2

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

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

B4. LABOUR STANDARDS

The Group does not tolerate any illegal behaviours and employment of child and forced labour is prohibited according to the Employment Ordinance of Hong Kong. Candidates must provide identification documents at interviews to ensure legal age requirement is met. The Group also understands the importance of work-life balance. The Group's employees will not be forced to work overtime and may apply for flexible working hours depending on their job commitment and situation. In case of discrimination, staff members can file complaint directly to the human resources manager. During FY19/20, the Group did not identify any non-compliance issue relating to preventing child and forced labour.

OPERATING PRACTICES

B5. SUPPLY CHAIN MANAGEMENT

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

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

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

B6. PRODUCT RESPONSIBILITY

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

In view of raising the standard of outbound tour escorts, the TIC decided that all tour escorts leading outbound tours must hold a valid Tour Escort Pass ("TEP"). To apply for a TEP, one needs to complete the Certificate Course for Outbound Tour Escorts organised by the TIC with a full attendance record (or hold other certificates recognised by the TIC) and pass the Certificate Examination for Outbound Tour Escorts given by the TIC. The TEP is valid for three years, and may be renewed for additional terms of three years. During FY19/20, all tour escorts of the Group held valid TEPs. The Certificate Course for Outbound Tour Escorts covers the roles and duties of a tour escort, Package Tour Accident Contingency Fund Scheme, general travel insurance policies, basic principles and skillset on crisis management, emergencies' handling and first-aid skills. In addition, the Group provides on-the-job training for its tour escorts to ensure the delivery of customer satisfaction.

To protect the interest of customers, the Group's staff explain the itinerary and the terms stated on the tour enrolment form in detail during registration at the branches. Branch staff members emphasize on the terms and conditions of the tour enrolment to ensure customers have a clear understanding of the contents before signing to avoid potential disputes in the future. Prior to departure, a pre-tour information package is delivered to each tour participant electronically, followed by a phone call from the responsible tour escort assigned to the tour, when the hotels and itinerary of the tour will be confirmed in order to give confidence to customers. To ensure their safety, customers are required to purchase "WWPKG Peace of Mind" travel insurance policy at registration if they do not have annual travel insurance policy already in place.

Despite the Group's effort in providing quality service to customers, it is impossible to meet the expectations of every one of them. During FY19/20, the Group received complaints filed by its customers to the TIC mainly regarding tour cancellation due to insufficient patrons. The Group uses its best endeavors to provide viable solutions, for example, proposals to transfer the customers to other package tours departing on the same date and/or to other package tours with similar itineraries. In case of adverse weather conditions, the safety of the Group's customers must first be considered. If a tour is delayed or cancelled due to natural disasters or other reasons, the Group makes every effort to provide alternative arrangements. If a tourist attraction is inaccessible, the Group will compensate the customers with another tourist attraction or refund the admission fees (if any), so that the journey of the customers will not be affected. Particularly amid the COVID-19 outbreak, despite its possession of rights to collect handling fee from customers for cancelling package tours for "reasons beyond control" as defined by the TIC, such handling fee was waived for the Group's majority of customers.

Customer Data Protection and Privacy Policy

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

Save as disclosed herein, the Group has not identified any material non-compliance relating to health and safety, advertising, labelling and privacy matters relating to goods or services provided during FY19/20.

B7. ANTI-CORRUPTION

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

During FY19/20, the Group has not identified any confirmed or suspected cases of bribery, extortion, fraud and money laundering. The Group upholds the code of good faith in any circumstance to ensure that its operations are in compliance with the laws and regulations.

COMMUNITY

B8. COMMUNITY INVESTMENT

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

Supporting Pok Oi Hospital

The Group has been a keen supporter of Pok Oi Hospital for eight consecutive years. During FY19/20, a team of volunteering management and staff members organised by the Group visited and spent a joyful day with the children at Pok Oi Hospital Mrs. Yam Wing Yin Day Nursery. Also, amid the COVID-19 outbreak, the Group donated 10 air purifiers to care and attention homes as well as day care centres for the elderly operated by Pok Oi Hospital.

"Partner Employer Award" Scheme

The Group always looks forward to having new talents to join this fast-growing travel industry. The Group has therefore joined the "Partner Employer Award" Scheme organised by the Hong Kong General Chamber of Small and Medium Business to provide internship and employment opportunities to local students and graduates respectively, allowing them to accumulate work experience, explore career development and enhance competitiveness. During FY19/20, three local graduates from post secondary institutions were recruited and deployed to the Group's back office under the supervision of departmental heads.

Donations to COVID-19 Relief

Apart from supporting Pok Oi Hospital, the Group gave away a total of 20,000 face masks to the needy in Hong Kong through various charities and non-profit organisations amid a shortage of face masks and buying frenzy caused by the COVID-19 outbreak during February and March 2020.

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

REPORT OF THE DIRECTORS

The Board hereby presents its annual report with the audited consolidated financial statements of the Group for FY19/20.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are the sales of Travel Related Products and Services and Tourism and Travel Technology Investments.

BUSINESS REVIEW

A review of the Group's businesses, an analysis of the Group's performance during FY19/20 using financial key performance indicators, a description of the principal risks and uncertainties facing the Group and an indication of the future development in the Group's businesses, are set out in the sections headed "Chairman's Statement" on pages 3 to 4 and "Management Discussion and Analysis" on pages 5 to 12 in this annual report, the sub-section headed "Principal Risks and Uncertainties" below and the notes to the consolidated financial statements.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with the requirements of relevant laws and regulations. During FY19/20, as far as the Board and management are aware of, there was no material breach or non-compliance with any applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

Details of the environmental, social and governance of the Group are set out in the section headed "Environmental, Social and Governance Report" on pages 26 to 35 in this annual report.

RELATIONSHIP WITH STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its key stakeholders, including its employees, customers and suppliers, to meet its immediate and long-term business goals. During FY19/20, there were no material and significant disputes between the Group and its employees, customers and suppliers.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

CATASTROPHIC EVENTS, POLITICAL INSTABILITY AND ISSUANCE OF ANY OUTBOUND TRAVEL ALERT

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

THE GROUP'S CONTINUING SUCCESS DEPENDS ON ITS REPUTATION AND BRAND RECOGNITION

The reputation of a travel agent is one of the major consideration for customers in their choice of travel agents. The Group believes its success in the past was largely dependent on its reputation and established brand built over the last 40 years of business. However, the Group's reputation and brand may be damaged by various factors including adverse publicity, customers' complaints over the Group's products and services, misconduct or negligence committed by the Group's employees or service providers and accidents during the tours giving rise to injuries to customers. The Group's quality control system will not completely eliminate the risk of substandard quality or safety issues relating to its products and services. If customers are dissatisfied with the Group's products or services or if incidents attracting adverse publicity arise, it may damage the Group's reputation and brand, which in turn will adversely affect its business, results of operation and prospects.

MATERIAL PORTION OF THE GROUP'S REVENUE DERIVES FROM THE SALES OF TOURS BOUND FOR JAPAN

Tours bound for Japan accounted for 81.3% (FY18/19: 81.7%) of the Group's total revenue from package tours for FY19/20. Demand for Japan bound tours may be adversely affected by the happening of natural or other disasters, changes in Japan's political, economical or social environment, changes in the preference of the customers in Hong Kong or the exchange rate of Japanese Yen against Hong Kong dollars. If the demand for the Group's Japan bound tours decreases and the Group is unable to increase its sales of package tours bound for other destinations to compensate for the decrease in demand for Japan bound tours, its business and results of operation may be adversely affected.

EXPOSURE TO FOREIGN EXCHANGE RISK PARTICULARLY IN RELATION TO JAPANESE YEN

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

IT SECURITY ISSUE AND LOSS OF DATA

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

REPORT OF THE DIRECTORS

RESULTS AND APPROPRIATIONS

The results of the Group for FY19/20 are set out in the consolidated statement of comprehensive income on page 51 in this annual report.

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

DONATIONS

Charitable and other donations made by the Group during FY19/20 amounted to approximately HK$99,000 (FY18/19: approximately HK$146,000).

SHARE CAPITAL

Details of the movements in the share capital of the Company during FY19/20 and FY18/19 are set out in Note 24 to the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the sub-sections headed "Chairman's Statement — Outlook" on page 4 and "Management Discussion and Analysis — Prospects" on page 12 in this annual report and Note 34 to the consolidated financial statements, there were no significant events subsequent to the end of the reporting period, which would materially affect the Group's operating and financial performance as of the date of this report.

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).

PRE-EMPTIVE RIGHTS

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

FINANCIAL SUMMARY

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

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as set out in the sub-section headed "Share Option Scheme" below, no equity-linked agreements were entered into by the Group, or existed during FY19/20.

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.

SHARE OPTION SCHEME

The Share Option Scheme was adopted pursuant to a resolution passed by the Company's then shareholders on 16 December 2016 for the primary purpose of providing eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants (the "Eligible Participants") of the Share Option Scheme include any employee, adviser, consultant, service provider, agent, customer, partner or joint venture partner of the Company or any of its subsidiaries. The Share Option Scheme became effective on 12 January 2017 (the "Listing Date") and, unless otherwise cancelled or amended, will remain in force for 10 years commencing on the Listing Date. As at the date of this annual report, (i) the remaining life of the Share Option Scheme is about 6.6 years; and (ii) the total number of Shares available for issue under the Share Option Scheme is 40,000,000 Shares, representing 10% of the issued share capital of the Company.

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

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

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

No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during FY19/20 and there was no outstanding share option as at the date of this annual report.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors during FY19/20 and up to the date of this annual report were:

EXECUTIVE DIRECTORS:

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

INDEPENDENT NON-EXECUTIVE DIRECTORS:

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

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

DIRECTORS' SERVICE CONTRACTS

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

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

Save as disclosed in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's businesses to which the Company, any of its subsidiaries or its parent company was a party and in which a Director or the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of or at any time during FY19/20.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

DISCLOSURE OF INTERESTS

A. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2020, 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 meaning of Part XV of 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 they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the required standard of dealings by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long Positions in the Company's Shares

Name of Director	Capacity/Nature	Number of Shares held/ interested in	Percentage of shareholding
Ms. Chan (Note)	Interest in a controlled corporation	300,000,000	75%
Mr. SK Yuen (Note)	Interest in a controlled corporation	300,000,000	75%

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

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

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

Save as disclosed above, as at 31 March 2020, none of the Directors and chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 March 2020, the interests and short positions of the persons (other than the Directors or chief executive of the Company) in the Shares, underlying Shares and debentures 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 which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long Position in the Company's Shares

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

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

Save as disclosed above, as at 31 March 2020, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying Shares and 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

Save as disclosed in the sub-section headed "Disclosure of Interests" above, at no time during FY19/20 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into or existed during FY19/20.

MAJOR SUPPLIERS AND CUSTOMERS

For FY19/20, the aggregate amount of sales attributable to the Group's five largest customers represent less than 30% of the Group's total sales.

The percentages of purchases for FY19/20 attributable to the Group's major suppliers are as follows:

	Percentage of the Group's total purchases
The largest supplier	25.1%
Five largest suppliers in aggregate	44.5%

None of the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of the Company's issued Shares) had any interest in the major suppliers noted above.

CONNECTED TRANSACTIONS

The related party transactions as disclosed in Note 32(A) to the consolidated financial statements constituted connected transactions as defined under Chapter 20 of the GEM Listing Rules, which complied with the requirements thereunder.

EMOLUMENT POLICY

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

PERMITTED INDEMNITY PROVISIONS

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

During FY19/20 and up to the date of this annual report, the Company has taken out and maintained appropriate insurance to cover potential legal actions against its Directors.

CONTROLLING SHAREHOLDERS' NON-COMPETING UNDERTAKING

Each of Ms. Chan, Mr. SK Yuen, Mr. CN Yuen and WWPKG Investment (the "Controlling Shareholders") has executed a deed of non-competition through which they shall not and shall procure each of their close associates and/or companies controlled by them (excluding any member of the Group) not to, whether on their own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (whether as an investor, a shareholder, partner, principal, agent, director, employee or otherwise and whether for profit, reward, interest or otherwise) any restricted business. In addition, the Controlling Shareholders and/or each of their close associates and/or companies controlled by them (excluding any member of the Group) is offered or becomes aware of any project or new business opportunity that relates to the restricted business. For details of the deed of non-competition, please refer to the section headed "Relationship with Our Controlling Shareholders" in the prospectus of the Company dated 30 December 2016.

The Controlling Shareholders have confirmed in writing to the Company of their compliance with the deed of non-competition for disclosure in this annual report for FY19/20.

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

DIRECTORS' 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.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

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

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

By order of the Board

Yuen Sze Keung
Chairman
18 June 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of WWPKG Holdings Company Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of WWPKG Holdings Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 51 to 111, which comprise:

- the consolidated statement of financial position as at 31 March 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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

Independence

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

Key Audit Matters

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

BASIS FOR OPINION (CONTINUED)

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

(i) Assessment of going concern basis of accounting in the preparation of the consolidated financial statements
(ii) Impairment of property, plant and equipment and right-of-use assets

Key Audit Matters	How our audit addressed the Key Audit Matters
(i) Assessment of going concern basis of accounting in the preparation of the consolidated financial statements *Refer to Note 2.1(a) to the consolidated financial statements for the Group's basis of preparation and going concern assumption.* 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 view of these circumstances and the uncertainties related to the possible impact of the COVID-19 pandemic, management have reviewed the cashflow projections of the Group which cover a period of not less than twelve months from 31 March 2020 and assumed a resumption in Japan bound tours by September 2020, given careful consideration to the future liquidity requirements, the timing of uplifting of travel restrictions and operating performance of the Group and its available sources of financing to assess whether the Group will have sufficient financial resources to fulfill its financial obligations to continue as a going concern.	*Our procedures to address this key audit matter included:* • Discussing with management to understand how the COVID-19 pandemic impacts the Group's business operation and the future business plans; • Assessing the basis of preparation of the cash flow projection and assessing the key assumptions used, by considering: • the forecast revenue and operating expenses with reference to historical trend and data of the Group; • management's expected timing of uplifting the travel restriction based on the latest development of the COVID-19 pandemic; • management cost saving measures; and • the availability of government grant from the Hong Kong SAR Government. • Performing independent sensitivity analysis to assess the impact of changes in the key assumptions underlying the cash flow forecast for example a further travel restriction are imposed by the governments; and • Assessing the adequacy and appropriateness of management's going concern disclosures in the consolidated financial statements. We found the key assumptions and judgements used in the management's assessment of going concern basis of accounting were supported by available evidence.

BASIS FOR OPINION (CONTINUED)

Key Audit Matters

Management have also considered the possible impact to its operating performance and cashflow 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 going concern basis of accounting is appropriate.

We considered this is a key audit matter due to the assessment of going concern basis of accounting is dependent upon certain management assumptions and judgements, in particular the forecast revenue and operating expenses, the timing of uplifting the travel restrictions to Japan and the quarantine measures on travelers returning to Hong Kong which may be inherently uncertain.

(ii) Impairment of property, plant and equipment and right-of-use assets

Refer to Note 2.9 to the consolidated financial statements for the Group's accounting policies on impairment for non-financial assets and Note 4 on the critical accounting estimates and judgements in relation to the impairment.

As at 31 March 2020, the Group had property, plant and equipment and right-of-use assets with net carrying amount of approximately HK$2,490,000 and HK$2,186,000 respectively after impairment.

Management prepared impairment assessment on the Group's operation having impairment indicators with the support of cash flow forecasts. The recoverable amount was determined based on the value-in-use calculations of these operational assets. These calculations involved significant management judgement with respect to the assumptions used including the expected timing of uplifting of travel restrictions, gross margins and operating costs. Based on management's impairment assessment, impairment of property, plant and equipment and right-of-use assets amounted approximately HK$5,546,000 and HK$4,869,000, respectively, was recognised for the year ended 31 March 2020.

Management's assessment on impairment of property, plant and equipment and right-of-use assets is considered as a key audit matter because of the significant judgements and estimates involved in the management's impairment assessment.

How our audit addressed the Key Audit Matters

Our procedures to address this key audit matter included:

- Understanding the management's key controls over the identification of impairment indications of the property, plant and equipment and right-of-use assets and the preparation of the cash flow forecasts;
- Assessing the appropriateness of the valuation methodology used by management;
- Discussing business plans with management and assessing impact of the expected timing of uplifting of the travel restriction on the Group's business; and
- Evaluating the key assumptions used in the impairment assessment including the forecast revenue and operating expenses by applying our knowledge of the business and industry and comparing the forecast with historical trend and data of the Group.

We found the key assumptions and judgements made in the impairment assessment supportable based on available evidence.

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 June 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Note	2020 HK$'000	2019 HK$'000
Revenue	5	**254,915**	322,600
Cost of sales	7	**(216,290)**	(291,589)
Gross profit		**38,625**	31,011
Other gains/(losses) and other income, net	6	**106**	(1,119)
Selling expenses	7	**(16,753)**	(16,582)
Administrative expenses	7	**(47,306)**	(43,139)
Operating loss		**(25,328)**	(29,829)
Finance (costs)/income, net	11	**(410)**	86
Share of results of joint ventures	21	**(360)**	(2,930)
Loss before income tax		**(26,098)**	(32,673)
Income tax expense	12	**–**	(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 *(expressed in HK cents)*	13	**(6.48)**	(8.28)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	2020 HK$'000	2019 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15(A)	**2,490**	9,115
Right-of-use assets	15(B)	**2,186**	–
Prepayments, deposits and other receivables	19	**535**	560
Interest in a joint venture	21	**11,870**	12,230
		17,081	21,905
Current assets			
Inventories	17	**48**	558
Financial assets at fair value through profit or loss	22	**9,409**	10,521
Trade receivables	18	**49**	5
Prepayments, deposits and other receivables	19	**13,107**	27,204
Current income tax recoverable		**–**	3,404
Derivative financial instruments	20	**23**	–
Amount due from a related company	32(C)	**28**	–
Short-term fixed deposit	23	**3,000**	3,000
Cash and cash equivalents	23	**16,327**	41,329
		41,991	86,021
Total assets		**59,072**	107,926
EQUITY			
Equity attributable to owners of the Company			
Share capital	24	**4,000**	4,000
Reserves		**36,990**	63,040
		40,990	67,040
Non-controlling interests		**137**	320
Total equity		**41,127**	67,360

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	2020 HK$'000	2019 HK$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	15(B)	**2,747**	–
Other non-current liabilities	26	**601**	653
		3,348	653
Current liabilities			
Trade payables	25	**972**	5,902
Accruals and other payables	26	**8,918**	33,066
Lease liabilities	15(B)	**4,707**	–
Obligations under finance leases	27	**–**	22
Amounts due to related companies	32(C)	**–**	923
		14,597	39,913
Total liabilities		**17,945**	40,566
Total equity and liabilities		**59,072**	107,926

The consolidated financial statements on pages 51 to 111 were approved for issue by the Board of Directors on 18 June 2020 and were signed on its behalf.

Yuen Sze Keung
Executive Director

Yuen Chun Ning
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

	Attributable to owners of the Company							
	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000 (Note)	Other reserve HK$'000	(Accumulated losses)/ retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1 April 2019, as originally presented	**4,000**	**56,667**	**11,371**	**2,500**	**(7,498)**	**67,040**	**320**	**67,360**
Impact on initial application of HKFRS 16	**–**	**–**	**–**	**–**	**(135)**	**(135)**	**–**	**(135)**
Balance at 1 April 2019, as restated	**4,000**	**56,667**	**11,371**	**2,500**	**(7,633)**	**66,905**	**320**	**67,225**
Total comprehensive loss								
Loss for the year	**–**	**–**	**–**	**–**	**(25,915)**	**(25,915)**	**(183)**	**(26,098)**
Balance at 31 March 2020	**4,000**	**56,667**	**11,371**	**2,500**	**(33,548)**	**40,990**	**137**	**41,127**
Balance at 1 April 2018	4,000	56,667	11,371	–	25,618	97,656	601	98,257
Total comprehensive loss								
Loss for the year	–	–	–	–	(33,116)	(33,116)	(281)	(33,397)
Share of changes in reserve of a joint venture	–	–	–	2,500	–	2,500	–	2,500
Balance at 31 March 2019	4,000	56,667	11,371	2,500	(7,498)	67,040	320	67,360

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2020

	Note	2020 HK$'000	2019 HK$'000
Cash flows from operating activities			
Cash used in operations	29(I)	**(20,955)**	(9,095)
Income tax refunded/(paid)		**3,404**	(230)
Net cash used in operating activities		**(17,551)**	(9,325)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2,793)**	(2,957)
Interest received		**63**	89
Investments in joint venture		**–**	(10,000)
Investments in listed equity securities		**(4,998)**	(14,433)
Proceeds from disposal of listed equity securities		**5,522**	–
Decrease in short-term fixed deposit		**–**	2,000
Net cash used in investing activities		**(2,206)**	(25,301)
Cash flows from financing activities			
Payment for lease liabilities/finance lease liabilities (including interest)		**(5,245)**	(88)
Net cash used in financing activities		**(5,245)**	(88)
Net decrease in cash and cash equivalents		**(25,002)**	(34,714)
Cash and cash equivalents at beginning of the year		**41,329**	76,043
Cash and cash equivalents at end of the year	23	**16,327**	41,329

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 8 June 2016 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address of the Company is at 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (Continued)

(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 annual report.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (Continued)

(a) Going concern basis (Continued)

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

The Group has to change its accounting policies following the adoption of HKFRS 16 as disclosed in Note 2.2. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (Continued)

(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)	*Definition of Material*	1 April 2020
HKAS 39, HKFRS 7 and HKFRS 9	*Hedge Accounting*	1 April 2020
HKFRS 3(Revised) (Amendments)	*Definition of a Business*	1 April 2020
Conceptual Framework for Financial Reporting 2018	*Revised Conceptual Framework for Financial Reporting*	1 April 2020
HKFRS 17	*Insurance Contracts*	1 April 2021
HKFRS 10 and HKFRS 28 (Amendment)	*Sale or Contribution of Assets between an Investor and its Associate and Joint Venture*	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.

2.2 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. The new accounting policies are disclosed in Note 2.23.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 CHANGES IN ACCOUNTING POLICIES (Continued)

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

	HK$'000
Operating lease commitments disclosed as at 31 March 2019 (Note 31(B))	6,783
Discounted using the leasee'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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 CHANGES IN ACCOUNTING POLICIES (Continued)

(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.

2.3 PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

(i) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.4).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 PRINCIPLES OF CONSOLIDATION (Continued)

(i) Subsidiaries (Continued)

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

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

(ii) Joint arrangements

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

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position (refer to Note 2.3(iii)).

(iii) Equity method

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.9.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 PRINCIPLES OF CONSOLIDATION (Continued)

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss or transferred to another category of equity as specified or permitted by applicable HKFRSs.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

2.4 BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

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

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

Acquisition-related costs are expensed as incurred.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 BUSINESS COMBINATIONS (Continued)

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

2.5 SEGMENT REPORTING

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

2.6 SEPARATE FINANCIAL STATEMENTS

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

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

2.7 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 PROPERTY, PLANT AND EQUIPMENT

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

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

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. (refer to Note 2.9)

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

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 FINANCIAL ASSETS

(i) Classification

The Group classifies its financial assets in the following measurement categories:

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

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

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

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

(ii) Recognition and derecognition

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

(iii) Measurement

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 FINANCIAL ASSETS (Continued)

(iii) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses) and other income, net". Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss and presented in "other gains/(losses) and other income, net" in the reporting period in which it arises.

Equity instruments

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

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

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

For other financial assets at amortised cost, the impairment is measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.12 DERIVATIVES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. However, the derivatives of the Group do not qualify for hedging accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and presented in "other gains/(losses) and other income, net". Trading derivatives are classified as a current asset or liability.

2.13 INVENTORIES

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

2.14 TRADE AND OTHER RECEIVABLES

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

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance (refer to Note 2.10(iv) for a description of the Group's impairment policies).

2.15 CASH AND CASH EQUIVALENTS

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

2.16 SHARE CAPITAL

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

2.17 TRADE AND OTHER PAYABLES

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 INCOME TAX

The income tax expense for the reporting period comprises current and deferred income tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity respectively.

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 REVENUE RECOGNITION

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

(i) Revenue from sales of package tours

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

(ii) Margin income from sales of FIT products

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

(iii) Margin income from sales of ancillary travel related products and services

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

(iv) Customer loyalty programme (contract liabilities)

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

(v) Interest income

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

(vi) Referral income, management services fee income and aviation business cooperation income

Referral income, management services fee income and aviation business cooperation income are recognised at a point in time when the services are rendered.

(vii) Dividend income

Dividends are received from financial assets measured at FVPL. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 EMPLOYEE BENEFITS

(i) Short-term obligation

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

(ii) Other long-term employee benefit obligations

Liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

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

(iii) Post-employment obligations

The Group operates defined contribution pension plans.

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

(iv) Termination benefits

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 SHARE-BASED PAYMENTS

(i) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which it receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

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

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

(ii) Share-based payment transactions among group entities

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

2.22 PROVISIONS AND CONTINGENT LIABILITIES

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 PROVISIONS AND CONTINGENT LIABILITIES (Continued)

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.23 LEASES

The Group as lessee

The Group has changed its accounting policies for leases where the Group is the lessee. The new policies are described below and the impact of the change is disclosed in Note 2.2.

Accounting policies applied until 31 March 2019

Until 31 March 2019, leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased assets or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

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

Accounting policies applied from 1 April 2019

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 LEASES (Continued)

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

2.24 DIVIDEND DISTRIBUTION

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

2.25 GOVERNMENT GRANTS

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

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchases of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets. Note 6 provides further information on how the Group accounts for government grants.

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

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

(a) Foreign exchange risk

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

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

As at 31 March 2020, if JPY had strengthened/weakened by 5% with all other variables held constant, the post-tax loss would have been approximately HK$155,000 lower/higher (2019: post-tax loss would have been approximately HK$76,000 lower/higher), mainly as a result of foreign exchange gains/losses on revaluation of JPY denominated cash and cash equivalents, deposits and other receivables, derivative financial instruments, trade payables and amounts due to related companies.

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

(b) Credit risk

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

	2020 HK$'000	2019 HK$'000
Trade receivables	49	5
Deposits and other receivables	11,724	26,281
Amount due from a related company	28	–
Short- term fixed deposit	3,000	3,000
Cash at banks	15,069	40,906
Maximum exposure to credit risk	29,870	70,192

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

(i) Risk management

Sales to retail customers are settled in cash or via major credit cards, in which credit risk is mitigated. Also, the Group has policies in place to ensure that sales of products on credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers.

Short-term fixed deposit and cash at banks are held in international financial institutions located in Hong Kong, which are of high credit quality. The Group has policies to limit the amount of credit exposure to any financial institution, and does not expect any losses arising from non-performance by these counterparties. Therefore, expected credit loss rate of short-term fixed deposit and cash at banks is assessed to be close to zero.

(ii) Impairment of financial assets

The Group has three main types of financial assets that are subject to the expected credit loss model:

- trade receivables;
- short-term fixed deposit and cash at banks; and
- other financial assets at amortised cost (including deposits and other receivables and amount due from a related company).

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

Trade receivables

The Group applies the HKFRS 9 simplified approach to measure ECL, which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 March 2020 or 1 April 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified forecast economic conditions to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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

Impairment losses on trade receivables are presented as net impairment losses within operating profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Given the track record of regular repayments of trade receivables, the risk of default by the customers is considered not significant and the Group does not expect any losses from non-performance by customers. Therefore, expected credit loss rate of trade receivables is assessed to be close to zero and no provision was made as at 31 March 2020 and 2019.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other financial assets at amortised cost

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

(c) Liquidity risk

Prudent liquidity risk management is controlled by maintaining sufficient cash and cash equivalents generated from the operating activities. As at 31 March 2020 and 2019, the Group held cash and cash equivalents, marketable securities and trade receivable respectively, which are expected to readily generate cash inflows for managing liquidity risk.

As at 31 March 2020, the Group had banking facilities in the aggregate amount of HK$50,200,000 (2019: HK$56,500,000), including a bank guarantee to suppliers in the amount of HK$10,000,000 (2019: HK$10,000,000) for future operating activities. The banking facilities were secured by corporate guarantee of the Company and do not contain any material covenants. The Group has not breached any covenants on its banking facilities.

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

	On demand HK$'000	Within 1 year HK$'000	Between 1 to 2 years HK$'000	Total HK$'000
As at 31 March 2020				
Trade payables	**–**	**972**	**–**	**972**
Other payables	**–**	**3,325**	**–**	**3,325**
Lease liabilities	**–**	**4,707**	**2,747**	**7,454**
	–	**9,004**	**2,747**	**11,751**
As at 31 March 2019				
Trade payables	–	5,902	–	5,902
Other payables	–	3,812	–	3,812
Amounts due to related companies	923	–	–	923
Obligations under finance leases	–	22	–	22
	923	9,736	–	10,659

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 CAPITAL RISK MANAGEMENT

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

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

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

As at 31 March 2020 and 2019, the Group had net cash position as follows:

	2020 **HK$'000**	2019 HK$'000
Obligations under finance leases	**–**	22
Lease liabilities	**7,454**	–
Less: cash and cash equivalents	**(16,327)**	(41,329)
Less: short-term fixed deposit	**(3,000)**	(3,000)
Net cash	**(11,873)**	(44,307)
Gearing ratio	**N/A**	N/A

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 FAIR VALUE ESTIMATION

The carrying amounts of the Group's financial assets and financial liabilities, including short-term fixed deposit, cash and cash equivalents, trade and other receivables, amount due from a related company and trade and other payables, approximate their fair values due to their short-term maturities.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table:

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
As at 31 March 2020				
Financial assets at FVPL				
Listed equity securities in Hong Kong (Note 22)	9,409	–	–	9,409
Derivative financial instruments				
Foreign exchange forward contracts (Note 20)	–	23	–	23
	–	23	–	9,432

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of foreign exchange forward contracts held by the Group is determined using forward exchange rates at the year-end date, with the resulting value discounted back to present value.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no transfers between levels during the year.

3.4 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at 31 March 2020 and 2019, there were no financial assets or financial liabilities which were subject to offsetting, enforceable master netting or similar agreements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

INCOME TAX

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

Deferred income tax assets relating to temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred income tax assets and income tax charges in the period in which such estimates have been changed.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

The Group follows the guidance of HKAS 36 *Impairment of Assets* to determine whether property, plant and equipment and right-of-use assets are required to be impaired, which requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the recoverable amount of the asset is less than its carrying balance, including factors such as industry performance and changes in operational cash flows. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). The recoverable amount of the CGU has been determined based on value-in-use calculation or fair value less cost to sell, whichever is higher. The calculation requires the use of estimates, including operating results, income and expenses of the business, future economic conditions on growth rates and future returns. Significant changes in the key assumptions on which the recoverable amount of the asset is based could significantly affect the Group's financial position and results of operations. Based on the management's assessment, impairment charge of HK$10,415,000 was recognised during the year ended 31 March 2020 (2019: nil).

5 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.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(B) SEGMENT INFORMATION (Continued)

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	254,915	–	254,915	322,600	–	322,600
Reportable segment loss	(22,468)	(360)	(22,828)	(25,511)	(2,770)	(28,281)
Unallocated expenses			(2,860)			(4,478)
Finance income			63			89
Finance costs			(473)			(3)
Loss before income tax			(26,098)			(32,673)
Income tax expense			–			(724)
Loss and total comprehensive loss			(26,098)			(33,397)
Share of results of joint ventures	–	(360)	(360)	(160)	(2,770)	(2,930)
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	4,869	–	4,869	–	–	–

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

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(B) SEGMENT INFORMATION (Continued)

Segment assets and liabilities are as follows:

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

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 Assets HK$'000	2020 Liabilities HK$'000	2019 Assets HK$'000	2019 Liabilities HK$'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	–	(32)	–	(32)
	59,072	(17,945)	107,926	(40,566)

(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).

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

	2020 HK$'000	2019 HK$'000
Other income		
Referral income	154	116
Management services fee income	144	48
Aviation business cooperation income	100	175
Dividend income	197	–
Subsidies (Note (i))	599	642
	1,194	981
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 (Note (ii))	–	2,500
Gain on disposal of interest in a joint venture	–	160
	(1,088)	(2,100)
Other gains/(losses) and other income, net	106	(1,119)

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 21 to the consolidated financial statements.

7 EXPENSES BY NATURE

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

	2020 HK$'000	2019 HK$'000
Land costs (Note)	**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
	21,523	23,847
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	**7,016**	4,481
	280,349	351,310

Note:

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

8 EMPLOYEE BENEFITS EXPENSES, EXCLUDING DIRECTORS' BENEFITS AND INTERESTS

	2020 HK$'000	2019 HK$'000
Salaries, discretionary bonuses and allowances	**20,130**	22,077
Pension costs — defined contribution plan (Note)	**1,114**	1,372
Other employee benefits	**279**	398
	21,523	23,847

Note:

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

There were no forfeited contributions (2019: Nil) utilised during the year ended 31 March 2020 to reduce future contributions. As at 31 March 2020, contributions totalling HK$171,000 (2019: HK$273,000) were payable.

9 DIRECTORS' BENEFITS AND INTERESTS

The remuneration of each Director of the Company paid/payable by the Group for the years ended 31 March 2020 and 2019 are set out below:

Year ended 31 March 2020

Name	Fees HK$'000	Salaries, other allowances and benefits HK$'000	Discretionary bonuses HK$'000	Pension costs — defined contribution plan HK$'000	Total HK$'000
Executive Directors					
Yuen Sze Keung *(Chairman)*	–	1,380	–	–	1,380
Yuen Chun Ning *(Chief Executive Officer)*	–	978	–	18	996
Chan Suk Mei	–	1,725	–	–	1,725
Independent non-executive Directors ("INED")					
Lam Yiu Kin	192	–	–	–	192
Ho Wing Huen	153	–	–	–	153
Yen Yuen Ho Tony	153	–	–	–	153
	498	4,083	–	18	4,599

9 DIRECTORS' BENEFITS AND INTERESTS (CONTINUED)

Year ended 31 March 2019

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

The Group has not paid consideration to any third parties for making available Directors' services during the year ended 31 March 2020 (2019: same).

As at 31 March 2020 and 2019, there were no loans, quasi-loans and other dealing arrangements in favour of the Directors, bodies corporate controlled by and connected entities with the Directors.

Save as disclosed in Note 32 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at 31 March 2020 or at any time during the year ended 31 March 2020 (2019: same).

There was no arrangement under which a Director waived or agreed to waive any emoluments during the year ended 31 March 2020 (2019: same).

There were no amounts paid or receivable by Directors as an inducement to join or upon joining the listed issuer during the year ended 31 March 2020 (2019: same).

There was no compensation paid or receivable by Directors or past Directors for the loss of office as a Director or for the loss of any other office in connection with the management of the affairs of the Company and its subsidiaries during the year ended 31 March 2020 (2019: same).

There were no other emoluments payable to the INEDs during the year ended 31 March 2020 (2019: same).

10 FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals for the year ended 31 March 2020 included three directors (2019: three), details of whose remuneration are set out in Note 9 above. Details of the remuneration of the remaining two highest paid employees (2019: two) for the years ended 31 March 2020 and 2019 are as follows:

	2020	2019
	HK$'000	HK$'000
Salaries and allowances	**2,111**	2,103
Discretionary bonuses	**–**	–
Pension cost — defined contribution plan	**18**	18
	2,129	2,121

The emoluments on these individuals fell within the following bands:

	Number of individuals	
	2020	2019
Emolument bands		
HK$500,001 to HK$1,000,000	**1**	1
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**1**	1
	2	2

There were no amounts paid or receivable by the aforementioned two highest paid individuals as an inducement to join or upon joining the Group during the year ended 31 March 2020 (2019: same).

There was no compensation paid or receivable by the aforementioned two highest paid individuals for the loss of any office in connection with the management of the affairs of the Company and its subsidiaries during the year ended 31 March 2020 (2019: same).

11 FINANCE (COSTS)/INCOME, NET

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

12 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 (Note 28)	–	(773)
	–	(724)

12 INCOME TAX EXPENSE (CONTINUED)

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

	2020 HK$'000	2019 HK$'000
Loss before income tax	(26,098)	(32,673)
Tax calculated at a tax rate of 16.5%	4,306	5,391
Income not subject to tax	129	427
Expenses not deductible for tax purpose	(1,532)	(1,733)
Tax losses for which no deferred income tax was recognised	(2,903)	(4,108)
De-recognition of previously recognised deferred income tax assets	–	(750)
Over-provision in prior years	–	49
	–	(724)

13 BASIC AND DILUTED LOSS PER SHARE

(A) BASIC

Basic loss per Share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	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)*	(6.48)	(8.28)

(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).

14 DIVIDENDS

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

15 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(A) PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Computer software HK$'000	Construction in progress HK$'000	Website HK$'000	Total HK$'000
Year ended 31 March 2019							
Cost							
At 1 April 2018	4,662	6,852	1,508	1,411	–	4,370	18,803
Additions	6	29	–	–	2,625	1,105	3,765
Disposals	–	(7)	–	–	–	–	(7)
At 31 March 2019	4,668	6,874	1,508	1,411	2,625	5,475	22,561
Accumulated depreciation							
At 1 April 2018	(4,211)	(4,186)	(1,177)	(363)	–	(1,028)	(10,965)
Charge (Note 7)	(229)	(852)	(163)	(334)	–	(910)	(2,488)
Disposals	–	7	–	–	–	–	7
At 31 March 2019	(4,440)	(5,031)	(1,340)	(697)	–	(1,938)	(13,446)
Closing net book amount							
At 31 March 2019	228	1,843	168	714	2,625	3,537	9,115
Year ended 31 March 2020							
Cost							
At 1 April 2019	**4,668**	**6,874**	**1,508**	**1,411**	**2,625**	**5,475**	**22,561**
Additions	**506**	**60**	**–**	**100**	**712**	**724**	**2,102**
Disposals	**(437)**	**(354)**	**–**	**–**	**–**	**–**	**(791)**
Reclassification	**(84)**	**–**	**(650)**	**–**	**(3,337)**	**3,337**	**(734)**
At 31 March 2020	**4,653**	**6,580**	**858**	**1,511**	**–**	**9,536**	**23,138**
Accumulated depreciation							
At 1 April 2019	**(4,440)**	**(5,031)**	**(1,340)**	**(697)**	**–**	**(1,938)**	**(13,446)**
Charge (Note 7)	**(260)**	**(859)**	**–**	**(314)**	**–**	**(1,528)**	**(2,961)**
Disposals	**437**	**354**	**–**	**–**	**–**	**–**	**791**
Reclassification	**32**	**–**	**482**	**–**	**–**	**–**	**514**
At 31 March 2020	**(4,231)**	**(5,536)**	**(858)**	**(1,011)**	**–**	**(3,466)**	**(15,102)**
Impairment							
At 1 April 2019	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Charge (Note 7)	**(291)**	**(720)**	**–**	**(346)**	**–**	**(4,189)**	**(5,546)**
At 31 March 2020	**(291)**	**(720)**	**–**	**(346)**	**–**	**(4,189)**	**(5,546)**
Closing net book amount							
At 31 March 2020	**131**	**324**	**–**	**154**	**–**	**1,881**	**2,490**

15 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(A) PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expenses of HK$1,798,000 (2019: HK$1,499,000) was recognised in "administrative expenses" and HK$1,163,000 (2019: HK$989,000) was recognised in "selling expenses" for the year.

(B) RIGHT-OF-USE ASSETS

The Group has lease contracts for properties used in its operations. The movements during the year are set out below:

	Total HK$'000
Net book value at 1 April 2019, as previously reported	–
Opening adjustment upon the adoption of HKFRS 16 (Note 2.2)	11,379
Net book value at 1 April 2019, as restated	11,379
Additions	1,128
Lease modification	(218)
Depreciation (Note 7)	(5,234)
Impairment (Note 7)	(4,869)
Net book value at 31 March 2020	2,186

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	31 March 2020 HK$'000	1 April 2019 HK$'000
Right-of-use assets		
Office premises and office equipment	**2,186**	11,211
Motor vehicles	**–**	168
	2,186	11,379
Lease liabilities		
Current	**4,707**	4,418
Non-current	**2,747**	6,898
	7,454	11,316

In the previous year, the Group only recognised lease assets and lease liabilities in relationship to leases that were classified as "finance leases" under HKAS 17 *Leases*. For details of adjustments recognised upon the adoption of HKFRS 16 on 1 April 2019, please refer to Note 2.2.

15 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(B) RIGHT-OF-USE ASSETS (Continued)

(ii) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	2020 HK$'000
Depreciation charge of right-of-use assets	
Office premises and office equipment	5,066
Motor vehicles	168
Interest expenses (included in finance costs)	473
Impairment loss on right-of-use assets	4,869
Expenses relating to short-term leases (included in selling expenses and administrative expenses)	2,127
Expenses relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	397

The total cash outflow for leases including interest expenses in the year ended 31 March 2020 was approximately HK$5,245,000.

(iii) The Group's leasing activities and how these are accounted for

The Group leases various properties as branches and office premises. Lease contracts are typically made for fixed periods, but may have extension options as described in (iv) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(iv) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The Group recognises right-of-use assets with extension and termination options that are exercisable only by the Group and not by the respective lessor only if the Group is highly likely to exercise the options.

16 FINANCIAL INSTRUMENTS BY CATEGORY

	2020 HK$'000	2019 HK$'000
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	9,409	10,521
Derivative financial instruments	23	–
	9,432	10,521
Financial assets at amortised costs		
Trade receivables	49	5
Deposits and other receivables	11,724	26,281
Amount due from a related company	28	–
Short-term fixed deposit	3,000	3,000
Cash and cash equivalents	16,327	41,329
	31,128	70,615
	40,560	81,136
Financial liabilities		
Financial liabilities at amortised costs		
Trade payables	972	5,902
Other payables	3,325	3,812
Amounts due to related companies	–	923
Obligations under finance leases	–	22
Lease liabilities	7,454	–
	11,751	10,659

17 INVENTORIES

	2020 HK$'000	2019 HK$'000
Merchandise for sales	48	558

The cost of inventories included in cost of sales during the year ended 31 March 2020 amounted to approximately HK$778,000 (2019: HK$2,365,000).

18 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	49	5

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$.

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2020 HK$'000	2019 HK$'000
Non-current portion		
Rental deposits	535	560
Current portion		
Trade deposits	8,715	21,391
Rental, utilities and other deposits	1,681	1,834
Amounts due from employees	60	151
Other prepayments	1,918	1,483
Other current assets	733	2,345
	13,107	27,204

The carrying amounts of prepayments, deposits and other receivables approximate their fair values as at 31 March 2020 and 2019.

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

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

	2020 **HK$'000**	2019 HK$'000
HK$	**11,414**	24,259
JPY	**2,228**	3,505
	13,642	27,764

20 DERIVATIVE FINANCIAL INSTRUMENTS

	2020 **HK$'000**	2019 HK$'000
Foreign exchange forward contracts — at fair value through profit or loss		
— Current assets	**23**	–

During the years ended 31 March 2020 and 2019, the Group entered into foreign exchange forward contracts to manage its foreign exchange rate exposures in relation to the settlement of land costs in JPY which did not meet the criteria for hedge accounting. The Group's policy is not to utilise trading derivative financial instruments for speculative purposes. As at 31 March 2020, the Group had outstanding foreign exchange forward contracts of notional principal amounts of HK$698,000 (2019: no outstanding foreign exchange forward contract.

21 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 (Note (i))	–	(440)
Share of post-tax results of joint ventures	(360)	(2,930)
Share of changes in reserve of a joint venture (Note (ii))	–	2,500
As at 31 March	11,870	12,230

Notes:

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

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

Details of the joint venture as at 31 March 2020 and 2019.

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

21 INTEREST IN JOINT VENTURES (CONTINUED)

(A) SHARE OF NET ASSETS OF A JOINT VENTURE (Continued)

A summary of financial information for the joint venture of the Group as at 31 March 2020 is set out below:

Summarised statement of financial position

	2020 HK$'000	2019 HK$'000
ASSETS		
Non-current assets		
Interest in a joint venture	–	607
	–	607
Current assets		
Prepayments	6	–
Financial assets at fair value through profit or loss	16,575	15,429
Cash and cash equivalents	7,291	8,524
	23,872	23,953
Total assets	23,872	24,560
LIABILITIES		
Current liabilities		
Accruals and other payables	132	100
	132	100
Total liabilities	132	100
Net assets	23,740	24,460

Summarised statement of comprehensive income

	2020 HK$'000	2019 HK$'000
Other (losses)/gains and other income, net	(109)	122
Administrative expenses	(458)	(5,547)
Operating loss	(567)	(5,425)
Finance income	41	–
Share of results of a joint venture	(194)	(116)
Loss and total comprehensive loss for the year	(720)	(5,541)

(B) There are no material contingent liabilities and capital commitment relating to the Group's investment in the joint venture.

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 HK$'000	2019 HK$'000
Listed equity securities in Hong Kong (Note)	**9,409**	10,521

Note:

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

23 CASH AND CASH EQUIVALENTS AND SHORT-TERM FIXED DEPOSIT

	2020 HK$'000	2019 HK$'000
Cash on hand	**1,258**	423
Cash at banks	**15,069**	40,906
Cash and cash equivalents	**16,327**	41,329
Short-term fixed deposit	**3,000**	3,000

Cash and cash equivalents are denominated in the following currencies:

	2020 HK$'000	2019 HK$'000
HK$	**14,508**	40,021
JPY	**1,583**	1,130
Others	**236**	178
	16,327	41,329

Short-term fixed deposit bears interest at 1.9% per annum with mature date on 21 January 2021 (2019: 1.9% per annum with mature date on 21 January 2020). Such deposit is denominated in HK$.

24 SHARE CAPITAL

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

25 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	**114**	69
	972	5,902

The carrying amounts of trade payables approximate their fair values as at 31 March 2020 and 2019 and are denominated in the following currencies:

	2020 HK$'000	2019 HK$'000
HK$	**830**	4,445
JPY	**142**	1,457
	972	5,902

26 ACCRUALS AND OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES

	2020 **HK$'000**	2019 HK$'000
Other non-current liabilities		
Provisions for reinstatement cost	**374**	456
Provisions for long service payment	**227**	197
	601	653
Accruals and other payables		
Contract liabilities	**4,235**	27,661
Accrued staff costs	**1,358**	1,593
Other payables	**3,325**	3,812
	8,918	33,066

The carrying amounts of accruals and other payables approximate their fair values as at 31 March 2020 and 2019.

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

	2020 **HK$'000**	2019 HK$'000
HK$	**9,495**	33,272
JPY	**24**	447
	9,519	33,719

27 OBLIGATIONS UNDER FINANCE LEASES

	2020 HK$'000	2019 HK$'000
Gross finance lease liabilities — minimum lease payments		
No later than 1 year	–	22
Later than 1 year and no later than 2 years	–	–
	–	22
Future finance charges on finance leases	–	–
Present values of finance lease liabilities	–	22
The present values of finance lease liabilities are as follows:		
No later than 1 year	–	22
Later than 1 year and no later than 2 years	–	–
Total obligations under finance leases	–	22

Assets arranged under finance leases represent motor vehicles. Since the adoption of HKFRS 16 on 1 April 2019, finance lease liabilities were reclassified to lease liabilities as disclosed in Note 2.2(iv). These was no outstanding financial lease since then.

28 DEFERRED INCOME TAX

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

	2020 HK$'000	2019 HK$'000
As at 1 April	–	773
Charged to the consolidated statement of comprehensive income (Note 12)	–	(773)
As at 31 March	–	–

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

	2020 HK$'000	2019 HK$'000
Deferred income tax assets		
Tax losses		
As at 1 April	996	1,498
Recognised in profit or loss	(996)	(502)
As at 31 March	–	996

	2020 HK$'000	2019 HK$'000
Deferred income tax liabilities		
Accelerated tax depreciation		
As at 1 April	(996)	(725)
Recognised in profit or loss	996	(271)
As at 31 March	–	(996)

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

As at 31 March 2020, the Group did not recognise deferred income tax assets in respect of tax losses totalling HK$46,968,000 (2019: HK$29,374,000) that can be carried forward for offsetting against future taxable profits.

29 CASH FLOW INFORMATION

(I) CASH USED IN OPERATIONS

	2020 HK$'000	2019 HK$'000
Loss before income tax	(26,098)	(32,673)
Adjustments for:		
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	–
Finance costs/(income), net	410	(86)
Gain on bargain purchases	–	(2,500)
Gain on disposal of interest in a joint venture	–	(160)
Gain on disposal of listed equity securities in Hong Kong	(524)	–
Fair value losses on derivative financial instruments	(23)	–
Fair value losses on listed equities securities in Hong Kong	1,112	3,912
Share of results of joint ventures	360	2,930
Operating cash flows before changes in working capital	(6,153)	(26,089)
Changes in working capital:		
Inventories	510	(106)
Trade receivables	(44)	617
Prepayments, deposits and other receivables	14,122	25,985
Amounts due from/to related companies	(951)	(575)
Trade payables	(4,930)	726
Accruals and other payables and other non-current liabilities	(23,509)	(9,653)
Cash used in operations	(20,955)	(9,095)

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

	2020 HK$'000	2019 HK$'000
Cost disposed (Note 15(A))	791	7
Accumulated depreciation (Note 15(A))	(791)	(7)
Proceeds from disposal of property, plant and equipment	–	–

29 CASH FLOW INFORMATION (CONTINUED)

(II) Net debt reconciliation

	2020 HK$'000	2019 HK$'000
Cash and cash equivalents	**16,327**	41,329
Short-term fixed deposit	**3,000**	3,000
Finance leases — repayable within one year	**–**	(22)
Lease liabilities	**(7,454)**	–
Net cash	**11,873**	44,307

Movements in net debt for the years ended 31 March 2020 and 2019:

	Other assets	Liabilities from financing activities				
	Cash HK$'000	Finance leases due within 1 year HK$'000	Finance leases due after 1 year HK$'000	Lease liabilities due within 1 year HK$'000	Lease liabilities due after 1 year HK$'000	Total HK$'000
Net cash as at 1 April 2018	81,043	(85)	(22)	–	–	80,936
Cash flow	(36,714)	85	–	–	–	(36,629)
Other non- cash movement (Note)	–	(22)	22	–	–	–
Net cash as at 31 March 2019	44,329	(22)	–	–	–	44,307
Effect of adoption of HKFRS 16	–	22	–	(4,418)	(6,898)	(11,294)
Net cash as at 1 April 2019 (restated)	44,329	–	–	(4,418)	(6,898)	33,013
Cash flow	(25,002)	–	–	5,245	–	(19,757)
Remeasurement	–	–	–	218	–	218
New leases	–	–	–	(1,128)	–	(1,128)
Interest expenses	–	–	–	(473)	–	(473)
Other non-cash movement (Note)	–	–	–	(4,151)	4,151	–
Net cash as at 31 March 2020	19,327	–	–	(4,707)	(2,747)	11,873

Note:

Other non-cash movements during the years ended 31 March 2020 and 2019 mainly include reclassification of finance leases and lease liabilities.

30 CONTINGENCIES

As at 31 March 2020, the Group did not have any significant contingent liabilities (2019: same).

31 COMMITMENTS

(A) CAPITAL COMMITMENT

Capital expenditure contracted for as at 31 March 2020 and 2019 but not yet provided is as follows:

	2020 HK$'000	2019 HK$'000
Website development	–	875
Implementation of IT systems	–	150
	–	1,025

(B) OPERATING LEASE COMMITMENTS

As a lessee

The Group leases a number of premises under non-cancellable operating leases, except for office premises under cancellable operating lease agreements with a related company (Note 32(A)). The leases terms for office premises are for 3 years and are renewable at the end of the lease period at market rate. The Group can terminate the leases by giving a 3-month written notice to the landlord.

The Group also leases various office equipment under cancellable operating lease agreements. The Group is required to give a 1-month notice for the termination of these agreements.

From 1 April 2019, leases were recognised as a right-of-use asset, except for short-term and low-value leases, details of which are set out in Note 2.2 and Note 15(B).

As at 31 March 2020, the future aggregate minimum lease payments under non-cancellable operating leases in respect of short-term and low-value leases are as follows:

	2020 HK$'000	2019 HK$'000
No later than 1 year	333	4,835
Later than 1 year but not more than 5 years	328	1,948
	661	6,783

32 RELATED PARTY TRANSACTIONS

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

The Directors are of the view that the following individuals and companies were related parties that had transactions or balances with the Group as at and for the years ended 31 March 2020 and 2019:

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

Other than those transactions and balances disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties during the years ended 31 March 2020 and 2019:

(A) TRANSACTIONS WITH RELATED PARTIES

	2020 HK$'000	2019 HK$'000
Rental expenses		
Sky Right Investment Limited	2,820	2,820
Venue fee		
HCNY Consultancy Limited	–	216
Tour bus services fee		
JCS Limited	–	5,007
Booking services fee		
Y's Japan Limited	2,826	2,547
Management services fee income		
Triplabs Limited	144	48

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

32 RELATED PARTY TRANSACTIONS (CONTINUED)

(B) KEY MANAGEMENT COMPENSATION

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

(C) AMOUNTS DUE FROM/(TO) RELATED COMPANIES

	2020 HK$'000	2019 HK$'000
— Y's Japan Limited	**28**	(912)
— HCNY Consultancy Limited	**–**	(11)
	28	(923)

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

33 SUBSIDIARIES

As at 31 March 2020, the Company had direct and indirect interests in the following principal subsidiaries:

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

34 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 annual report, 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 statements 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.

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

STATEMENT OF FINANCIAL POSITION OF THE COMPANY AS AT 31 MARCH 2020

	Note	2020 HK$'000	2019 HK$'000
ASSETS			
Non-current assets			
Investment in a subsidiary		–	–
		–	–
Current assets			
Financial assets at fair value through profit or loss		9,409	10,521
Prepayments, deposits and other receivables		286	812
Amounts due from subsidiaries		33,811	36,331
Cash and cash equivalents		4,373	3,074
		47,879	50,738
Total assets		47,879	50,738
EQUITY			
Equity attributable to owners of the Company			
Share capital		4,000	4,000
Reserves	(i)	43,847	46,706
Total equity		47,847	50,706
LIABILITIES			
Current liabilities			
Accruals and other payables		32	32
Total liabilities		32	32
Total equity and liabilities		47,879	50,738

The statement of financial position of the Company was approved by the Board of Directors on 18 June 2020 and was signed on its behalf.

Yuen Sze Keung
Director

Yuen Chun Ning
Director

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

Note (i): Reserve movements of the Company for the years ended 31 March 2020 and 2019.

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance at 1 April 2019	**56,667**	**(9,961)**	**46,706**
Total comprehensive loss			
Loss for the year	**–**	**(2,859)**	**(2,859)**
Balance at 31 March 2020	**56,667**	**(12,820)**	**43,847**
Balance at 1 April 2018	56,667	(2,981)	53,686
Total comprehensive loss			
Loss for the year	–	(6,980)	(6,980)
Balance at 31 March 2019	56,667	(9,961)	46,706

FINANCIAL HIGHLIGHTS

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

Results	Year ended 31 March 2020 HK$'000	2019 HK$'000	2018 HK$'000	2017 HK$'000	2016 HK$'000
Revenue	**254,915**	322,600	421,105	390,820	452,632
(Loss)/profit before income tax	**(26,098)**	(32,673)	(1,563)	(14,439)	28,405
Income tax (expenses)/credit	**–**	(724)	(215)	132	(5,077)
(Loss)/profit for the year	**(26,098)**	(33,397)	(1,778)	(14,307)	23,328

Assets and liabilities	As at 31 March 2020 HK$'000	2019 HK$'000	2018 HK$'000	2017 HK$'000	2016 HK$'000
Current assets	**41,991**	86,021	137,137	175,442	89,778
Non-current assets	**17,081**	21,905	11,308	8,815	5,881
Total assets	**59,072**	107,926	148,445	184,257	95,659
Current liabilities	**(14,597)**	(39,913)	(49,502)	(63,334)	(33,463)
Non-current liabilities	**(3,348)**	(653)	(686)	(888)	(915)
Total liabilities	**(17,945)**	(40,566)	(50,188)	(64,222)	(34,378)
EQUITY					
Equity attributable to owners of the Company	**41,127**	67,360	98,257	120,035	61,281