

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8069)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

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

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

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

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

The board of Directors of the Company (the “Board”) hereby announces the unaudited third quarterly financial results of the Group for the nine months ended 31 December 2020, together with the comparative figures for the corresponding period in 2019, as set out below.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended 31 December 2020

	Note	Nine months ended 31 December		Three months ended 31 December	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue	4	2,527	204,826	754	76,613
Cost of sales	6	(2,281)	(174,541)	(1,055)	(64,407)
Gross profit/(loss)		246	30,285	(301)	12,206
Other income and other (losses)/gains, net	5	72	863	1,580	2,040
Selling expenses	6	(955)	(10,585)	(192)	(3,319)
Administrative expenses	6	(11,833)	(30,616)	(3,115)	(10,429)
Operating (loss)/profit		(12,470)	(10,053)	(2,028)	498
Finance income and finance costs, net	7	(267)	(326)	(89)	(102)
Share of results of a joint venture		(107)	(290)	(47)	(45)
(Loss)/profit before income tax		(12,844)	(10,669)	(2,164)	351
Income tax expense	8	–	–	–	–
(Loss)/profit and total comprehensive (loss)/profit for the period		(12,844)	(10,669)	(2,164)	351
(Loss)/profit and total comprehensive (loss)/profit attributable to:					
Owners of the Company		(12,739)	(10,589)	(2,138)	366
Non-controlling interests		(105)	(80)	(26)	(15)
		(12,844)	(10,669)	(2,164)	351
Basic and diluted (loss)/earnings per share (<i>expressed in HK cents</i>)	9	(3.18)	(2.65)	(0.53)	0.09

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 31 December 2020

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Other reserve	Accumulated losses			
	HK\$'000	HK\$'000	(Note) HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2020 (unaudited)	4,000	56,667	11,371	2,500	(33,548)	40,990	137	41,127
Total comprehensive loss (unaudited)								
Loss for the nine months ended 31 December 2020	-	-	-	-	(12,739)	(12,739)	(105)	(12,844)
Balance at 31 December 2020 (unaudited)	<u>4,000</u>	<u>56,667</u>	<u>11,371</u>	<u>2,500</u>	<u>(46,287)</u>	<u>28,251</u>	<u>32</u>	<u>28,283</u>
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 (unaudited)								
Loss for the nine months ended 31 December 2019	-	-	-	-	(10,589)	(10,589)	(80)	(10,669)
Balance at 31 December 2019 (unaudited)	<u>4,000</u>	<u>56,667</u>	<u>11,371</u>	<u>2,500</u>	<u>(18,222)</u>	<u>56,316</u>	<u>240</u>	<u>56,556</u>

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

The Company is an investment holding company. The principal activities of the Group are 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 (“WWPKG Investment”), a company incorporated in the British Virgin Islands (“BVI”).

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

2 BASIS OF PREPARATION AND AMENDED STANDARDS ADOPTED BY THE GROUP

(a) Basis of preparation

The unaudited condensed consolidated financial information for the nine months ended 31 December 2020 has been prepared in accordance with the applicable disclosure provisions of the GEM Listing Rules. This unaudited condensed consolidated financial information has been prepared in accordance with the same accounting policies adopted in the Company’s annual consolidated financial statements for the year ended 31 March 2020, except for the changes in accounting policies disclosed in note 3 below. The unaudited condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 March 2020 and interim condensed consolidated financial information for the six months ended 30 September 2020.

(b) Amended standards adopted by the Group

The following amendments to standards that are effective for the accounting period of the Group beginning on 1 April 2020 have been published:

HKAS 1 and HKAS 8 (Amendments)	<i>Definition of Material (amendments)</i>
HKAS 39, HKFRS 7 and HKFRS 9	<i>Hedge Accounting (amendments)</i>
HKFRS 3	<i>Definition of a Business (amendments)</i>
Conceptual Framework for Financial Reporting 2018	<i>Revised Conceptual Framework for Financial Reporting</i>

The Group has applied, for the first time, the above amendments to standards issued by the HKICPA. The adoption of the above amendments to standards has had no material effect on the amounts reported and/or disclosures set in this unaudited condensed consolidated financial information.

The Group has early adopted the amendment to HKFRS 16 *Covid-19-Related Rent Concessions*, which is effective for accounting periods beginning on or after 1 June 2020, and had to change its accounting policies following such adoption as disclosed in note 3.

The Group has not early adopted any other new and amended standards that have been issued but are not yet effective.

3 CHANGES IN ACCOUNTING POLICIES

The amendment to HKFRS 16 *Covid-19-Related Rent Concessions* provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for accounting periods beginning on or after 1 June 2020 with earlier application permitted.

During the nine months ended 31 December 2020, certain monthly lease payments for the leases of the Group's branch and office premises have been reduced or waived by the lessors as a result of the Covid-19 pandemic and there were no other changes to the terms of the leases. The Group has early adopted the amendment to HKFRS 16 on 1 April 2020 and elected not to apply lease modification accounting for all Covid-19-related rent concessions granted by the lessors during the nine months ended 31 December 2020. Accordingly, Covid-19-related rent concessions of HK\$1,548,000 have been accounted for as a reduction in the variable lease payments by derecognising part of the lease liabilities and crediting to profit or loss for the nine months ended 31 December 2020.

4 REVENUE AND SEGMENT INFORMATION

(a) Revenue

	Nine months ended		Three months ended	
	31 December		31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of package tours	907	201,008	725	75,332
Margin income from sales of FIT products	(107)	1,053	(3)	297
Margin income from sales of ancillary travel related products and services	1,727	2,765	32	984
	<u>2,527</u>	<u>204,826</u>	<u>754</u>	<u>76,613</u>

(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 reportable 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 information.

Segment results and other segment items are as follows:

	Nine months ended 31 December					
	2020			2019		
	Travel Related Products and Services <i>HK\$'000</i>	Tourism and Travel Technology Investments <i>HK\$'000</i>	Total <i>HK\$'000</i>	Travel Related Products and Services <i>HK\$'000</i>	Tourism and Travel Technology Investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue	<u>2,527</u>	<u>-</u>	<u>2,527</u>	<u>204,826</u>	<u>-</u>	<u>204,826</u>
Reportable segment loss	<u>(8,353)</u>	<u>(107)</u>	<u>(8,460)</u>	<u>(8,938)</u>	<u>(290)</u>	<u>(9,228)</u>
Unallocated expenses			(4,117)			(1,115)
Finance income			50			48
Finance costs			(317)			(374)
Loss before income tax			(12,844)			(10,669)
Income tax expense			-			-
Loss and total comprehensive loss			<u>(12,844)</u>			<u>(10,669)</u>
Share of results of a joint ventures	<u>-</u>	<u>(107)</u>	<u>(107)</u>	<u>-</u>	<u>(290)</u>	<u>(290)</u>
Depreciation of property, plant and equipment	1,141	-	1,141	2,144	-	2,144
Depreciation of right-of-use assets	<u>1,127</u>	<u>-</u>	<u>1,127</u>	<u>3,710</u>	<u>-</u>	<u>3,710</u>

	Three months ended 31 December					
	2020			2019		
	Travel Related Products and Services <i>HK\$'000</i>	Tourism and Travel Technology Investments <i>HK\$'000</i>	Total <i>HK\$'000</i>	Travel Related Products and Services <i>HK\$'000</i>	Tourism and Travel Technology Investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue	<u>754</u>	<u>-</u>	<u>754</u>	<u>76,613</u>	<u>-</u>	<u>76,613</u>
Reportable segment loss	<u>(2,068)</u>	<u>(47)</u>	<u>(2,115)</u>	<u>(1,027)</u>	<u>(45)</u>	<u>(1,072)</u>
Unallocated gains, net			40			1,525
Finance income			19			16
Finance costs			<u>(108)</u>			<u>(118)</u>
(Loss)/profit before income tax			(2,164)			351
Income tax expense			<u>-</u>			<u>-</u>
(Loss)/profit and total comprehensive (loss)/profit			<u>(2,164)</u>			<u>351</u>
Share of results of a joint ventures	<u>-</u>	<u>(47)</u>	<u>(47)</u>	<u>-</u>	<u>(45)</u>	<u>(45)</u>
Depreciation of property, plant and equipment	321	-	321	864	-	864
Depreciation of right-of-use assets	<u>335</u>	<u>-</u>	<u>335</u>	<u>1,393</u>	<u>-</u>	<u>1,393</u>

For the nine months and three months ended 31 December 2020 and 2019, unallocated expenses or gains, net represent corporate expenses and gains.

(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.

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

	Nine months ended 31 December		Three months ended 31 December	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Other income				
Referral income	–	313	–	130
Management services fee income	108	108	36	36
Aviation business cooperation income	–	100	–	–
Rent concessions ^{(Note (i))}	1,548	–	483	–
Dividend income	173	197	–	–
Subsidies ^{(Note (ii))}	1,067	23	615	5
	<u>2,896</u>	<u>741</u>	<u>1,134</u>	<u>171</u>
Other (losses)/gains, net				
Exchange gains/(losses), net	98	(361)	44	(228)
Fair value gains/(losses) on derivative financial instruments	29	(121)	17	(56)
Fair value (losses)/gains on listed equity securities in Hong Kong	(2,951)	604	385	2,153
	<u>(2,824)</u>	<u>122</u>	<u>446</u>	<u>1,869</u>
Other income and other (losses)/gains, net	<u>72</u>	<u>863</u>	<u>1,580</u>	<u>2,040</u>

Notes:

- (i) Rent concessions represent benefits derived from changes in lease payments arising from Covid-19-related rent concessions.
- (ii) Subsidies mainly represent grants received from local governments in Hong Kong and Japan. There are no unfulfilled conditions or contingencies relating to these grants.

6 EXPENSES BY NATURE

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

	Nine months ended 31 December		Three months ended 31 December	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Land costs <i>(Note (i))</i>	2,315	96,158	994	35,134
Air fare costs	–	78,076	–	29,203
Short-term lease expenses	112	1,937	–	458
Low-value assets leases expenses	272	298	91	100
Advertising and promotion	276	2,947	82	951
Credit card fees	97	2,231	7	888
Employee benefits expenses, excluding Director's benefits and interests				
— Salaries, discretionary bonuses and allowances <i>(Note (ii))</i>	2,999	15,506	929	5,004
— Pensions costs – defined contribution plan	381	869	123	286
— Other employee benefits	157	196	23	41
	3,537	16,571	1,075	5,331
Directors' benefits and interests	1,644	3,598	548	1,190
Depreciation of property, plant and equipment	1,141	2,144	321	864
Depreciation of right-of-use assets	1,127	3,710	335	1,393
Office, telecommunication and utility expenses	470	879	156	292
Exchange (gains)/losses, net	(20)	37	–	(8)
Legal and professional fees	1,039	1,531	285	519
Auditor's remuneration				
— Audit services	620	775	115	275
Others	2,439	4,850	353	1,565
	15,069	215,742	4,362	78,155

Notes:

- (i) 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, admission tickets costs and booking services fees.
- (ii) Subsidies obtained from the Employment Services Support Scheme (the "ESS") were recognised in employee benefits expenses.

7 FINANCE INCOME AND FINANCE COSTS, NET

	Nine months ended 31 December		Three months ended 31 December	
	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
Finance income				
Bank interest income	50	48	19	16
Finance costs				
Interest expense on lease liabilities/ finance lease liabilities	(203)	(374)	(52)	(118)
Interest expense on bank borrowings	(114)	–	(56)	–
Finance income and finance cost, net	(267)	(326)	(89)	(102)

8 INCOME TAX EXPENSE

The applicable rate of Hong Kong profits tax is 16.5% (nine months ended 31 December 2019: 16.5%). No provision for Hong Kong profits tax has been made in the unaudited condensed consolidated financial information as the Group did not have any assessable profit arising in Hong Kong during the nine months ended 31 December 2020 (nine months ended 31 December 2019: same).

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.

9 BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

(a) Basic

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

	Nine months ended 31 December		Three months ended 31 December	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
(Loss)/profit attributable to owners of the Company (<i>HK\$'000</i>)	(12,739)	(10,589)	(2,138)	366
Weighted average number of ordinary shares in issue (<i>'000</i>)	400,000	400,000	400,000	400,000
Basic (loss)/earnings per Share (<i>HK cents per share</i>)	(3.18)	(2.65)	(0.53)	0.09

(b) Diluted

Diluted (loss)/earnings per Share is the same as basic (loss)/earnings per Share due to the absence of potential dilutive ordinary shares during the nine months ended 31 December 2020 (nine months ended 31 December 2019: same).

10 DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 31 December 2020 (nine months ended 31 December 2019: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS REVIEW

The Group's loss and total comprehensive loss for the nine months ended 31 December 2020 increased by 19.6% to approximately HK\$12.8 million, as compared to the corresponding period in 2019, amid the coronavirus disease 2019 (“Covid-19”) pandemic. As disclosed in the Company's annual report for the year ended 31 March 2020, first quarterly report for the three months ended 30 June 2020 and interim report for the six months ended 30 September 2020, the unprecedented pandemic has taken a heavy toll on the global 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. The Group began to cancel its outbound package tours, starting with those departing for China on 26 January 2020, while package tours bound for Japan have been cancelled since 9 March 2020. As a result, revenue and gross profit for the nine months ended 31 December 2020 decreased by 98.8% and 99.3% respectively, as compared to the corresponding period in 2019. Nonetheless, the Group managed to mitigate its loss for the nine months ended 31 December 2020 through adopting the following cost-saving measures:

- implemented salary reduction for the Directors;
- streamlined workflows and eliminated non-value added positions 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; and
- applied for the first and second tranches of the ESS, the Travel Agents and Practitioners Support Scheme and the Travel Industry Support Scheme under the Anti-epidemic Fund launched by the Hong Kong SAR Government.

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:

	Nine months ended 31 December				Three months ended 31 December			
	2020		2019		2020		2019	
	Revenue	Gross profit/	Revenue	Gross profit/	Revenue	Gross profit/	Revenue	Gross profit/
	HK\$'	(loss)	HK\$'	(loss)	HK\$'	(loss)	HK\$'	(loss)
	million	million	million	million	million	million	million	million
Package tours	0.9	(1.4)	201.0	26.5	0.8	(0.3)	75.3	10.9
FIT products ^{Note}	(0.1)	(0.1)	1.0	1.0	-	-	0.3	0.3
Ancillary travel related products and services ^{Note}	1.7	1.7	2.8	2.8	-	-	1.0	1.0
Total	2.5	0.2	204.8	30.3	0.8	(0.3)	76.6	12.2

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

Package Tours

Minimal revenue from package tours was recorded during the nine months ended 31 December 2020, as all tours were cancelled or suspended by the Group amid the Covid-19 pandemic. Corresponding gross loss of approximately HK\$1.4 million mainly resulted from booking services fees charged to cost of sales at a fixed amount on monthly basis in accordance with the terms of the contract.

FIT products

No sale of FIT products was conducted during the nine months ended 31 December 2020 amid the Covid-19 pandemic. Corresponding gross loss of approximately HK\$0.1 million mainly resulted from the reversal of net revenue arising from refunds processed for customers due to cancellation of air ticket and hotel accommodation bookings.

Ancillary travel related products and services

Ancillary travel related products and services generally 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. For the nine months ended 31 December 2020, revenue from ancillary travel related products and services mainly arose from new business activities involving trading of imported face masks, health related products and food items online.

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 decreased by 90.6% to approximately HK\$1.0 million for the nine months ended 31 December 2020, mainly due to (i) the decrease in credit card charges; (ii) the decrease in depreciation of right-of-use assets; (iii) termination of tenancy for two of the Group's branches; and (iv) adoption of cost-saving measures as discussed in the sub-section headed "Business Review" above, including reduction in advertising and promotion expenses.

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 decreased by 61.4% to approximately HK\$11.8 million for the nine months ended 31 December 2020, mainly due to (i) the decrease in depreciation of right-of-use assets; and (ii) adoption of cost-saving measures as discussed in the sub-section headed "Business Review" above, including salary reduction for the Directors, reduction in staff costs as a result of no-pay leave and/or annual leave taken by the Group's staff and subsidies obtained by the Group from the ESS.

Loss and total comprehensive loss for the period

The Group's loss and total comprehensive loss for the nine months ended 31 December 2020 decreased by 19.6% to approximately HK\$12.8 million, which was mainly attributable to the following:

- decrease in selling expenses and administrative expenses by approximately HK\$28.4 million in aggregate, for reasons as discussed in the sub-sections headed “Financial Review — Selling expenses” and “Financial Review — Administrative expenses” above;
- recognition of rent concessions of approximately HK\$1.5 million as negative variable lease payments in profit or loss; and
- receipt of subsidies of approximately HK\$1.1 million mainly from the Travel Agents and Practitioners Support Scheme and the Travel Industry Support Scheme under the Anti-epidemic Fund launched by the Hong Kong SAR Government; offset by
- decrease in gross profit by approximately HK\$30.1 million, for reasons as discussed in the sub-section headed “Financial Review — Revenue and gross profit” above; and
- increase in the fair value losses on the Company's investment in the shares of CTEH INC. by approximately HK\$3.6 million.

PROSPECTS

The ongoing Covid-19 pandemic has been casting severe implications for many business sectors. In particular, it has brought the global tourism industry to a screeching halt in 2020. Attempts to reboot international travel, including travel bubbles and corridors between countries, have been proposed, but seem to have so far failed due to successive waves of Covid-19. A lot of countries have issued entry restrictions, visa suspensions and quarantine measures that are impacting international travel. Moreover, on the supply side, majority of the Group's 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, the above-mentioned restrictions, together with the low sentiment for leisure travel, will continue to have significant adverse impact on the Group's operational and financial performance for the year ending 31 March 2021, if not longer.

The Group is closely monitoring the development of the pandemic and continues to adopt necessary measures to control costs and to enhance cash flow and operational efficiency. Whilst the situation relating to the spread and containment of Covid-19 remains uncertain and fluid, the Group remains confident in its strategy. The Group will put forth its best endeavor to drive business performance on its road to recovery and profitability when the pandemic recedes.

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 of the Company (the "Shareholders") and enhance the business growth of the Group.

During the nine months ended 31 December 2020, the Company has complied with all the code provisions as set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having been enquired by the Company, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct concerning securities transactions by the Directors during the nine months ended 31 December 2020.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2020.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

For the nine months ended 31 December 2020, 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.

SHARE OPTION SCHEME

The Share Option Scheme was adopted pursuant to a resolution passed by the Company's then shareholders on 16 December 2016 (the "Adoption Date"). No share option had been granted, exercised, lapsed, or cancelled under the Share Option Scheme from the Adoption Date to 31 December 2020 and there was no outstanding share option as at the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the requirements as set out in Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee reviews, amongst others, the financial information of the Group; the relationship with and terms of appointment of the external auditors; and the Group’s financial reporting system, risk management and internal control systems, and provides advices and comments to the Board. The Audit Committee currently comprises three independent non-executive Directors. The unaudited third quarterly financial results of the Group for the nine months ended 31 December 2020 have been reviewed by the Audit Committee together with the Group’s management.

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

Hong Kong, 10 February 2021

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

This announcement will remain on the Stock Exchange website at <http://www.hkgem.com> on the “Latest Listed Company Information” 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>.