



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

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 8069

**2020/2021**

Third Quarterly Report



## CONTENTS

|   |    |
|---|----|
| Corporate Information   | 3  |
| Management Discussion and Analysis                                  | 4  |
| Other Information   | 8  |
| Unaudited Condensed Consolidated Statement of Comprehensive Income  | 11 |
| Unaudited Condensed Consolidated Statement of Changes in Equity     | 12 |
| Notes to the Unaudited Condensed Consolidated Financial Information | 13 |

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### **Executive Directors:**

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

#### **Independent Non-executive Directors:**

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### COMPANY SECRETARY

Ms. Ng Ka Man, *ACS, ACIS*

### COMPLIANCE OFFICER

Mr. Yuen Chun Ning

### AUTHORISED REPRESENTATIVES

Mr. Yuen Sze Keung  
Mr. Yuen Chun Ning

### REGISTERED OFFICE

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

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited  
Level 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.wwwpkg.com.hk>

## MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors of the Company (the “Board”) hereby presents 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.

### BUSINESS REVIEW

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.

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 Employment Support Scheme (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         |               |
|  | Gross                         |               | Gross        |               | Gross                          |               | Gross        |               |
|  | Revenue                       | profit/(loss) | Revenue      | profit/(loss) | Revenue                        | profit/(loss) | Revenue      | profit/(loss) |
|  | HK\$'million                  | HK\$'million  | HK\$'million | HK\$'million  | HK\$'million                   | HK\$'million  | HK\$'million | HK\$'million  |
| Package tours  | 0.9                           | (1.4)         | 201.0        | 26.5          | 0.8                            | (0.3)         | 75.3         | 10.9          |
| FIT products <sup>Note</sup>                                   | (0.1)                         | (0.1)         | 1.0          | 1.0           | –                              | –             | 0.3          | 0.3           |
| Ancillary travel related products and services <sup>Note</sup> | 1.7                           | 1.7           | 2.8          | 2.8           | –                              | –             | 1.0          | 1.0           |
| <b>Total</b>   | <b>2.5</b>                    | <b>0.2</b>    | <b>204.8</b> | <b>30.3</b>   | <b>0.8</b>                     | <b>(0.3)</b>  | <b>76.6</b>  | <b>12.2</b>   |

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.

## OTHER INFORMATION

### DISCLOSURE OF INTERESTS

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

As at 31 December 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 Securities and Futures Ordinance (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 Suk Mei<br>("Ms. Chan") <i>(Note)</i>       | Interest in a controlled corporation | 276,740,000                          | 69.19%                     |
| Mr. Yuen Sze Keung<br>("Mr. SK Yuen") <i>(Note)</i> | Interest in a controlled corporation | 276,740,000                          | 69.19%                     |

Note: WWPKG Investment Holdings Limited ("WWPKG Investment") is an investment holding company incorporated in the British Virgin Islands ("BVI") and is owned as to 68.02%, 23.42% and 8.56% by Ms. Chan, Mr. SK Yuen and Mr. Yuen Chun Ning ("Mr. CN Yuen") respectively. Ms. Chan and Mr. SK Yuen are parties acting jointly and are therefore deemed to be interested in all the shares of the Company (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 for disclosed above, as at 31 December 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 December 2020, the interest 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 <sup>(Note)</sup> | Beneficial owner | 276,740,000                         | 69.19%                     |

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

Save as disclosed above, as at 31 December 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 or debentures of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the sub-section headed "Disclosure of Interests" above, at no time during the nine months ended 31 December 2020 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE

The Company's corporate governance practices are based on 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 report.

## 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.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 31 December 2020

|   | Note | Nine months ended<br>31 December |                         | Three months ended<br>31 December |                         |
|---|------|----------------------------------|-------------------------|-----------------------------------|-------------------------|
|   |      | 2020                             | 2019                    | 2020                              | 2019                    |
|   |      | HK\$'000<br>(unaudited)          | HK\$'000<br>(unaudited) | HK\$'000<br>(unaudited)           | HK\$'000<br>(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)                |
| <b>Operating (loss)/profit</b>  |      | <b>(12,470)</b>                  | <b>(10,053)</b>         | <b>(2,028)</b>                    | <b>498</b>              |
| Finance income and finance costs, net                                       | 7    | (267)                            | (326)                   | (89)                              | (102)                   |
| Share of results of a joint venture   |      | (107)                            | (290)                   | (47)                              | (45)                    |
| <b>(Loss)/profit before income tax</b>                                      |      | <b>(12,844)</b>                  | <b>(10,669)</b>         | <b>(2,164)</b>                    | <b>351</b>              |
| Income tax expense  | 8    | –                                | –                       | –                                 | –                       |
| <b>(Loss)/profit and total comprehensive (loss)/profit for the period</b>   |      | <b>(12,844)</b>                  | <b>(10,669)</b>         | <b>(2,164)</b>                    | <b>351</b>              |
| <b>(Loss)/profit and total comprehensive (loss)/profit attributable to:</b> |      |                                  |                         |                                   |                         |
| 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<br>(expressed in HK cents)      | 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)<br>HK\$'000 | HK\$'000      | HK\$'000           | HK\$'000      | HK\$'000                  | HK\$'000      |
| <b>Balance at 1 April 2020</b><br><b>(Unaudited)</b>              | 4,000                                 | 56,667        | 11,371             | 2,500         | (33,548)           | 40,990        | 137                       | 41,127        |
| <b>Total comprehensive loss</b><br><b>(unaudited)</b>             |                                       |               |                    |               |                    |               |                           |               |
| Loss for the nine months ended<br>31 December 2020                | -                                     | -             | -                  | -             | (12,739)           | (12,739)      | (105)                     | (12,844)      |
| <b>Balance at 31 December 2020</b><br><b>(unaudited)</b>          | <b>4,000</b>                          | <b>56,667</b> | <b>11,371</b>      | <b>2,500</b>  | <b>(46,287)</b>    | <b>28,251</b> | <b>32</b>                 | <b>28,283</b> |
| <b>Balance at 1 April 2019,</b><br><b>as originally presented</b> | <b>4,000</b>                          | <b>56,667</b> | <b>11,371</b>      | <b>2,500</b>  | <b>(7,498)</b>     | <b>67,040</b> | <b>320</b>                | <b>67,360</b> |
| Impact on initial application<br>of HKFRS 16                      | -                                     | -             | -                  | -             | (135)              | (135)         | -                         | (135)         |
| <b>Balance at 1 April 2019,</b><br><b>as restated</b>             | <b>4,000</b>                          | <b>56,667</b> | <b>11,371</b>      | <b>2,500</b>  | <b>(7,633)</b>     | <b>66,905</b> | <b>320</b>                | <b>67,225</b> |
| <b>Total comprehensive loss</b><br><b>(unaudited)</b>             |                                       |               |                    |               |                    |               |                           |               |
| Loss for the nine months ended<br>31 December 2019                | -                                     | -             | -                  | -             | (10,589)           | (10,589)      | (80)                      | (10,669)      |
| <b>Balance at 31 December 2019</b><br><b>(unaudited)</b>          | <b>4,000</b>                          | <b>56,667</b> | <b>11,371</b>      | <b>2,500</b>  | <b>(18,222)</b>    | <b>56,316</b> | <b>240</b>                | <b>56,556</b> |

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 sales of Travel Related Products and Services and Tourism and Travel Technology Investments.

The Shares were listed on GEM on 12 January 2017.

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

The unaudited condensed consolidated financial information is presented in 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.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 2 BASIS OF PREPARATION AND AMENDED STANDARDS ADOPTED BY THE GROUP (CONTINUED)

#### (b) Amended standards adopted by the Group (Continued)

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<br>31 December |                                 | Three months ended<br>31 December |                                 |
|---|----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
|   | 2020<br>HK\$'000<br>(unaudited)  | 2019<br>HK\$'000<br>(unaudited) | 2020<br>HK\$'000<br>(unaudited)   | 2019<br>HK\$'000<br>(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<br>travel related products and services | 1,727                            | 2,765                           | 32                                | 984                             |
|   | 2,527                            | 204,826                         | 754                               | 76,613                          |

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### (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 consolidation financial information.

Segment results and other segment items are as follows:

|  | Nine months ended 31 December                             |  |                   |   |  |                   |
|--|---|--|-------------------|---|--|-------------------|
|  | 2020  |  |                   | 2019  |  |                   |
|  | Travel<br>Related<br>Products<br>and Services<br>HK\$'000 | Tourism<br>and Travel<br>Technology<br>Investments<br>HK\$'000 | Total<br>HK\$'000 | Travel<br>Related<br>Products<br>and Services<br>HK\$'000 | Tourism<br>and Travel<br>Technology<br>Investments<br>HK\$'000 | Total<br>HK\$'000 |
| <b>Reportable segment revenue</b>                | 2,527   | –  | 2,527             | 204,826   | –  | 204,826           |
| <b>Reportable segment loss</b>                   | (8,353)   | (107)  | (8,460)           | (8,938)   | (290)  | (9,228)           |
| 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                |   |  | (12,844)          |   |  | (10,669)          |
| Share of results of a joint ventures             | –   | (107)  | (107)             | –   | (290)  | (290)             |
| Depreciation of property, plant<br>and equipment | 1,141   | –  | 1,141             | 2,144   | –  | 2,144             |
| Depreciation of right-of-use assets              | 1,127   | –  | 1,127             | 3,710   | –  | 3,710             |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

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

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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

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

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

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.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 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<br>31 December |                                 | Three months ended<br>31 December |                                 |
|--|----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
|  | 2020<br>HK\$'000<br>(unaudited)  | 2019<br>HK\$'000<br>(unaudited) | 2020<br>HK\$'000<br>(unaudited)   | 2019<br>HK\$'000<br>(unaudited) |
| Land costs <sup>(Note (i))</sup>   | 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<br>Directors' benefits and interests |                                  |                                 |                                   |                                 |
| — Salaries, discretionary bonuses and<br>allowances <sup>(Note (ii))</sup> | 2,999                            | 15,506                          | 929                               | 5,004                           |
| — Pension 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 ESS were recognised in employee benefits expenses.

### 7 FINANCE INCOME AND FINANCE COSTS, NET

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

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

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

### 11 CONTINGENCIES

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

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 12 RELATED PARTY TRANSACTIONS

The ultimate parent of the Company is WWPKG Investment, 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 periods ended 31 December 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                         |
| 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 unaudited condensed consolidated financial information, the following transactions were carried out with related parties during the periods ended 31 December 2020 and 2019:

#### (a) Transactions with related parties

|                                       | Nine months ended<br>31 December |                                 | Three months ended<br>31 December |                                 |
|---------------------------------------|----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
|                                       | 2020<br>HK\$'000<br>(unaudited)  | 2019<br>HK\$'000<br>(unaudited) | 2020<br>HK\$'000<br>(unaudited)   | 2019<br>HK\$'000<br>(unaudited) |
| <b>Rental expenses</b>                |                                  |                                 |                                   |                                 |
| Sky Right Investment Limited          | 1,406                            | 2,115                           | 470                               | 705                             |
| <b>Booking services fee</b>           |                                  |                                 |                                   |                                 |
| Y's Japan Limited                     | 2,178                            | 2,120                           | 740                               | 713                             |
| <b>Management services fee income</b> |                                  |                                 |                                   |                                 |
| Triplabs Ltd                          | 108                              | 108                             | 36                                | 36                              |

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

#### (b) Key management compensation

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

|   | Nine months ended<br>31 December |                                 | Three months ended<br>31 December |                                 |
|---|----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
|   | 2020<br>HK\$'000<br>(unaudited)  | 2019<br>HK\$'000<br>(unaudited) | 2020<br>HK\$'000<br>(unaudited)   | 2019<br>HK\$'000<br>(unaudited) |
| Salaries and allowances                   | 2,837                            | 5,113                           | 946                               | 1,705                           |
| Discretionary bonuses                     | –                                | –                               | –                                 | –                               |
| Pension costs – defined contribution plan | 44                               | 27                              | 15                                | 9                               |
|   | 2,881                            | 5,140                           | 961                               | 1,714                           |