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WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8069)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

The board of Directors of the Company (the “Board”) hereby announces the audited consolidated results of the Group for the year ended 31 March 2021, together with the comparative figures for the corresponding period in 2020, as set out below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

	<i>Note</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Revenue	3	2,564	254,915
Cost of sales	5	(2,648)	(216,290)
Gross (loss)/profit		(84)	38,625
Other income and other losses, net	4	2,496	106
Selling expenses	5	(1,338)	(16,753)
Administrative expenses	5	(16,110)	(47,306)
Operating loss		(15,036)	(25,328)
Finance costs, net	6	(353)	(410)
Share of results of a joint venture	11	(1,220)	(360)
Loss before income tax		(16,609)	(26,098)
Income tax expense	7	–	–
Loss and total comprehensive loss for the year		(16,609)	(26,098)
Loss and total comprehensive loss attributable to:			
Owners of the Company		(16,474)	(25,915)
Non-controlling interests		(135)	(183)
		(16,609)	(26,098)
Basis and diluted loss per share <i>(expressed in HK cents)</i>	8	(4.12)	(6.48)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	<i>Note</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		1,208	2,490
Right-of-use assets		813	2,186
Prepayments, deposits and other receivables		–	535
Interests in a joint venture	<i>11</i>	10,650	11,870
		12,671	17,081
Current assets			
Inventories		356	48
Financial assets at fair value through profit or loss	<i>12</i>	7,228	9,409
Trade receivables	<i>10</i>	–	49
Prepayments, deposits and other receivables		7,449	13,107
Derivative financial assets		5	23
Amount due from a related company		79	28
Short-term fixed deposits		600	3,000
Cash and cash equivalents		12,203	16,327
		27,920	41,991
Total assets		40,591	59,072
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>13</i>	4,000	4,000
Reserves		20,516	36,990
		24,516	40,990
Non-controlling interests		2	137
Total equity		24,518	41,127

	<i>Note</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		–	2,747
Other non-current liabilities		361	601
		<u>361</u>	<u>601</u>
		<u>361</u>	<u>3,348</u>
Current liabilities			
Trade payables	<i>14</i>	–	972
Accruals and other payables		5,741	8,918
Lease liabilities		2,747	4,707
Bank borrowings	<i>15</i>	7,224	–
		<u>15,712</u>	<u>14,597</u>
		<u>15,712</u>	<u>14,597</u>
Total liabilities		16,073	17,945
		<u>16,073</u>	<u>17,945</u>
Total equity and liabilities		40,591	59,072
		<u>40,591</u>	<u>59,072</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 March 2021

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 (the “BVI”).

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

2. BASIS OF PREPARATION

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

(a) Going concern basis

For the year ended 31 March 2021, the Group recorded a net loss of approximately HK\$16,609,000 and operating cash outflow of approximately HK\$10,663,000. As at 31 March 2021, including short-term fixed deposits, the Group’s cash and bank balances were approximately HK\$12,803,000. As at the same date, the Group had current bank borrowings of approximately HK\$7,224,000, which is secured by undertakings provided by the executive Directors.

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 include entry restrictions and quarantine measures over international travel. Given the Group derives the 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 pandemic and the travel restrictions imposed by nations of its own and across the world. The Group’s outbound package tours have been cancelled since 9 March 2020 and the suspension of outbound package tours continues up to the date of these consolidated financial information. Despite vaccines are being launched to combat against the COVID-19 pandemic, there remains a significant degree of uncertainty over the severity and duration of the global outbreak, as well as the trajectory of the economic recovery once the outbreak has been contained.

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 been continuously implementing measures and plans to improve its financial position and to alleviate its liquidity pressure. These measures and plans include but are not limited to the following:

- (i) The Group has been closely monitoring the latest developments of the COVID-19 pandemic and continuously assessing the impact to the Group’s operations. The Group has been closely monitoring the development of the vaccine rollouts 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, in particular, on their travel restrictions and quarantine measures. 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. Based on the information currently available, the Group expects that package tours bound for Southeast Asia and China will gradually resume in the last quarter of the calendar year 2021, while those bound for Japan in the first quarter of the calendar year 2022, depending on the development of the COVID-19 pandemic and the negotiations between Hong Kong and the various governments with respect to the timing of easing or uplifting of the travel restrictions and quarantine measures with level of consumer confidence and sentiment towards leisure travel regained. Nevertheless, in view of the continuous suspension of outbound package tours, the Group has diversified its business and developed new business activities during the year such as trading of imported face masks, health related products and food items online.
- (ii) On 1 April 2021, the Group entered into a loan facility agreement for two years with WWPKG Investment Holdings Company Limited (“WWPKG Investment”), the ultimate parent of the Company, for a loan facility with a limit of HK\$15.0 million (the “Loan Facility”). The loans under the Loan Facility will be unsecured, non-interest bearing and repayable twenty-four months from dates of drawdown. WWPKG Investment has obtained a letter of support from its controlling shareholder, who has confirmed her intention to provide sufficient financial support to WWPKG Investment to enable it to meet its obligations and liabilities as and when they fall due, where the Directors are of the opinion that the financial support from WWPKG Investment will continue to be forthcoming. The Group drew down HK\$5.0 million in June 2021 according to the schedule in the loan facility agreement, while HK\$6.0 million, HK\$2.0 million and HK\$2.0 million are scheduled to be drawn in September 2021, December 2021 and September 2022 respectively. Depending on the need for working capital, the Group may need to draw down the loans at different times and amounts.

- (iii) The Group has adopted and will continue to adopt a series of measures to control costs and to enhance cash flow, including implementing salary reduction for the Directors; streamlining workflows; reducing operating costs by agreeing no-pay leave arrangement with employees; obtaining rent concessions from the landlords on the leases of branches and office premises, including a related party of the Group; and tightening advertising and promotion expenditures.
- (iv) The Group has available bank overdraft facilities of HK\$10,000,000 as at 31 March 2021 that is subject to annual review by the bank.
- (v) In respect of the listed equity securities in Hong Kong held by the Company and classified as financial assets at fair value through profit or loss in the consolidated statement of financial position as at 31 March 2021, the Directors are of the opinion that the Group has the intention and would be able to dispose of such investment as and when needed to alleviate the Group's liquidity pressure.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 March 2021 and include key assumptions taking into account the possible outcomes of the evolving situation of the COVID-19 pandemic. The Directors have 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 outbound package tours for an extended period. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from 31 March 2021. Accordingly, the Directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether management is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern would depend on the following:

- (i) whether the Group can resume the outbound package tour operations as planned in the last quarter of the calendar year 2021 for Southeast Asia and China and the first quarter of the calendar year 2022 for Japan to generate operating cash inflows;
- (ii) whether the Group can draw down loans from the Loan Facility provided by WWPKG Investment as and when needed;
- (iii) whether the Group can successfully renew the existing banking facilities with the bank; and
- (iv) whether the Group can dispose of its investment in listed equity securities to support its working capital as and when needed.

Should the Group be unable to achieve the above plans and measures such that it would not be operated as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

(b) Amended standards and revised conceptual framework adopted by the Group

The Group has applied the following amendments to standards and revised conceptual framework for the first time for their annual reporting period commencing 1 April 2020.

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

The Group also elected to adopt the following amendments early.

HKFRS 16 (Amendments) Covid-19-Related Rent Concessions

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 2(d). Other than the amendment to HKFRS 16, the newly adopted amendments to existing standards and revised conceptual framework listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(c) New and amended standards, improvements, interpretation and accounting guideline not yet adopted

The following new standard, amendments to existing standards, improvements, interpretation and accounting guideline are mandatory for accounting periods beginning on or after 1 April 2021, but the Group has not early adopted them:

		Effective for accounting year beginning on or after
HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	<i>Interest Rate Benchmark Reform – Phase 2</i>	1 April 2021
Annual Improvements Project (Amendments)	<i>Annual Improvements to HKFRSs 2018–2020</i>	1 April 2022
HKFRS 3, HKAS 16 and HKAS 37 (Amendments)	<i>Narrow-Scope Amendments</i>	1 April 2022
Hong Kong Accounting Guideline 5 (Revised)	<i>Merger Accounting for Common Control Combinations</i>	1 April 2022
HKAS 1 (Amendments)	<i>Classification of Liabilities as Current or Non-current and HK Interpretation 5, Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>	1 April 2023
HKFRS 17	<i>Insurance Contracts</i>	1 April 2023
HKFRS 10 and HKAS 28 (Amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Group will adopt the above new standard, amendments to existing standards, improvements, interpretation and accounting guideline when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new and amended standards, improvements, interpretation and accounting guideline, none of which is expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(d) Changes in accounting policy

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 occurring 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 year ended 31 March 2021, 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 year ended 31 March 2021. Accordingly, COVID-19-related rent concessions of HK\$2,065,000 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 year ended 31 March 2021.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sales of package tours	916	249,228
Margin (loss)/income from sales of the FIT products	(105)	1,258
Margin income from sales of ancillary travel related products and services	1,753	4,429
	<u>2,564</u>	<u>4,429</u>
	<u>2,564</u>	<u>254,915</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. They review the Group's internal reporting in order to assess performance and allocate resources.

The Group is organised into two reporting segments:

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

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

Segment results and other segment items are as follows:

	2021			2020		
	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>2,564</u>	<u>-</u>	<u>2,564</u>	<u>254,915</u>	<u>-</u>	<u>254,915</u>
Reportable segment loss	<u>(11,312)</u>	<u>(1,220)</u>	<u>(12,532)</u>	<u>(22,468)</u>	<u>(360)</u>	<u>(22,828)</u>
Unallocated expenses			(3,724)			(2,860)
Finance income			55			63
Finance costs			(408)			(473)
Loss before income tax			(16,609)			(26,098)
Income tax expense			-			-
Loss and total comprehensive loss			<u>(16,609)</u>			<u>(26,098)</u>
Share of results of a joint venture	<u>-</u>	<u>(1,220)</u>	<u>(1,220)</u>	<u>-</u>	<u>(360)</u>	<u>(360)</u>
Depreciation of property, plant and equipment	1,372	-	1,372	2,961	-	2,961
Depreciation of right-of-use assets	1,373	-	1,373	5,234	-	5,234
Impairment loss on property, plant and equipment	-	-	-	5,546	-	5,546
Impairment loss on right-of-use assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,869</u>	<u>-</u>	<u>4,869</u>

For the years ended 31 March 2021 and 2020, unallocated expenses represent corporate expenses.

Segment assets and liabilities are as follows:

	2021				2020			
	Travel Related Products and Services <i>HK\$'000</i>	Tourism and Travel Technology Investments <i>HK\$'000</i>	Unallocated <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>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	<u>21,639</u>	<u>10,650</u>	<u>8,302</u>	<u>40,591</u>	<u>33,134</u>	<u>11,870</u>	<u>14,068</u>	<u>59,072</u>
Reportable segment liabilities	<u>(16,043)</u>	<u>-</u>	<u>(30)</u>	<u>(16,073)</u>	<u>(17,913)</u>	<u>-</u>	<u>(32)</u>	<u>(17,945)</u>
Capital expenditure	<u>90</u>	<u>-</u>	<u>-</u>	<u>90</u>	<u>7,100</u>	<u>-</u>	<u>-</u>	<u>7,100</u>

Capital expenditure comprises additions to property, plant and equipment.

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

	2021		2020	
	Assets <i>HK\$'000</i>	Liabilities <i>HK\$'000</i>	Assets <i>HK\$'000</i>	Liabilities <i>HK\$'000</i>
Reportable segment assets/(liabilities)	32,289	(16,043)	45,004	(17,913)
Unallocated:				
Prepayments, deposits and other receivables	173	-	286	-
Financial assets at fair value through profit or loss	7,228	-	9,409	-
Cash and cash equivalents	901	-	4,373	-
Accruals and other payables	<u>-</u>	<u>(30)</u>	<u>-</u>	<u>(32)</u>
	<u>40,591</u>	<u>(16,073)</u>	<u>59,072</u>	<u>(17,945)</u>

(c) Geographic information

The Group's business is domiciled in Hong Kong and all revenue was generated from customers located in Hong Kong and Macau. As at 31 March 2021 and 2020, 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 2021 (2020: same).

4. OTHER INCOME AND OTHER LOSSES, NET

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other income		
Referral income	50	154
Management services fee income	144	144
Aviation business cooperation income	–	100
Rent concessions (<i>Note (i)</i>)	2,065	–
Dividend income	173	197
Subsidies (<i>Note (ii)</i>)	2,265	599
	<u>4,697</u>	<u>1,194</u>
Other losses, net		
Exchange losses, net	(3)	(379)
Fair value losses on derivative financial instruments	(17)	(121)
Fair value losses on listed equity securities in Hong Kong	(2,181)	(1,112)
Gain on disposal of listed equity securities in Hong Kong	–	524
	<u>(2,201)</u>	<u>(1,088)</u>
Other income and other losses, net	<u><u>2,496</u></u>	<u><u>106</u></u>

Notes:

- (i) Rent concessions represent the changes in lease payments arising from COVID-19 and the Group has applied the practical expedient to all rent concessions occurring as a direct consequence of the COVID-19 pandemic with adoption pre-conditions met under the amendment to HKFRS 16 *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.

5. EXPENSES BY NATURE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Land costs (<i>Note (i)</i>)	2,677	114,922
Air fare (income)/costs	(157)	101,008
Short-term lease expenses	192	2,127
Low-value assets leases (income)/expenses	(18)	397
Advertising and promotion	292	3,191
Credit card fees	101	2,477
Employee benefits expenses, excluding Directors' benefits and interests		
— Salaries, discretionary bonus and allowances (<i>Note (ii)</i>)	4,945	20,130
— Pension costs – defined contribution plan	451	1,114
— Other employee benefits	207	279
	<u>5,603</u>	<u>21,523</u>
Directors' benefits and interests	2,246	4,599
Depreciation of property, plant and equipment	1,372	2,961
Depreciation of right-of-use assets	1,373	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	604	1,101
Exchange (gains)/losses, net	(20)	39
Legal and professional fees	1,324	2,308
Auditor's remuneration		
— Audit services	800	910
— Non-audit services	205	121
Others	3,502	7,016
	<u>20,096</u>	<u>280,349</u>

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 and admission tickets costs.
- (ii) The amount includes wage subsidies provided by the Hong Kong government under the Employment Support Scheme. There are no unfulfilled conditions or other contingencies relating to these subsidies.

6. FINANCE COSTS, NET

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Finance income		
Bank interest income	55	63
Finance costs		
Interest expense on lease liabilities/finance lease liabilities	(243)	(473)
Interest expense on bank borrowings	(165)	–
	<u>(408)</u>	<u>(473)</u>
Finance costs, net	<u>(353)</u>	<u>(410)</u>

7. INCOME TAX EXPENSE

The applicable rate of Hong Kong profits tax is 16.5% (2020: 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 2021 and 2020.

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.

8. BASIC AND DILUTED LOSS PER SHARE

(a) Basic

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

	2021	2020
Loss attributable to owners of the Company (<i>HK\$'000</i>)	(16,474)	(25,915)
Weighted average number of ordinary shares in issue (<i>'000</i>)	400,000	400,000
Basic loss per Share (<i>HK cents per share</i>)	<u>(4.12)</u>	<u>(6.48)</u>

(b) Diluted

Diluted loss per Share is the same as basic loss per Share due to the absence of potential dilutive ordinary shares during the year ended 31 March 2021 (2020: same).

9. DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 March 2021 (2020: nil).

10. TRADE RECEIVABLES

As at 31 March 2021 and 2020, the ageing analysis of trade receivables based on invoice date are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
1 to 30 days	<u>–</u>	<u>49</u>

The carrying amounts of trade receivables approximate their fair values as at 31 March 2021 and 2020, and the credit terms granted by the Group generally range up to 90 days.

As at 31 March 2021 and 2020, 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 trade receivables are denominated in HK\$.

11. INTEREST IN A JOINT VENTURE

(a) Share of net assets of a joint venture

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
As at 1 April	11,870	12,230
Share of post-tax results of a joint venture	<u>(1,220)</u>	<u>(360)</u>
As at 31 March	<u>10,650</u>	<u>11,870</u>

Details of the joint venture as at 31 March 2021 and 2020.

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

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Listed equity securities in Hong Kong (<i>Note</i>)	<u>7,228</u>	<u>9,409</u>

Note:

The listed equity securities were designated as financial assets at fair value through profit or loss at inception. The fair values of the listed equity securities were based on their bid prices in an active market. For the year ended 31 March 2021, fair value loss on the listed equity securities of HK\$2,181,000 (2020: HK\$1,112,000) was recognised in “other income and other (losses)/gains, net”.

13. SHARE CAPITAL

	Number of Shares	Share capital <i>HK\$'000</i>
Authorised: <i>Ordinary shares of HK\$0.01 each</i> As at 1 April 2020 and 31 March 2021	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid: <i>Ordinary Shares of HK\$0.01 each</i> As at 1 April 2020 and 31 March 2021	<u>400,000,000</u>	<u>4,000</u>

14. TRADE PAYABLES

As at 31 March 2021 and 2020, the ageing analysis of trade payables based on invoice date are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
1 to 30 days	–	276
31 to 60 days	–	355
61 to 90 days	–	6
91 to 120 days	–	221
Over 120 days	–	114
	<u>–</u>	<u>972</u>

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

15. BANK BORROWINGS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Bank borrowings, secured and repayable on demand (<i>Note</i>)	<u>7,224</u>	<u>–</u>

Note:

As at 31 March 2021, the bank borrowings were secured by undertakings provided by the executive Directors.

The contractual maturity of the bank borrowings that are repayable on demand is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within one year	3,156	–
In the second year	3,243	–
In the third year	825	–
	<u>7,224</u>	<u>–</u>

The carrying amounts of bank borrowings approximate their fair values as at 31 March 2021.

The bank borrowings are denominated in HK\$ and interest-bearing at 2.75% per annum.

16. EVENTS AFTER THE REPORTING PERIOD

On 1 April 2021, the ultimate parent of the Company agreed to arrange a loan facility totalling HK\$15.0 million for and upon request from the Group covering the period up to 31 March 2023. The Group has drawn down HK\$5.0 million from the facility on 9 June 2021.

CHAIRMAN'S STATEMENT

Dear Shareholders,

The year ended 31 March 2021 ("FY20/21") continued to be a highly challenging one for the Group as its business and financial performances were bombarded by the ongoing pandemic of the coronavirus disease 2019 ("COVID-19"). For FY20/21, the Group recorded a decrease in revenue of 99.0% as compared to the previous financial year, which was mainly due to the decrease in revenue from package tours by 99.6% as the Group's outbound package tours have been suspended entirely since March 2020. Nonetheless, the Group's loss and total comprehensive loss decreased by 36.4% from approximately HK\$26.1 million for the year ended 31 March 2020 ("FY19/20") to approximately HK\$16.6 million for FY20/21. Such improvement in the Group's financial performance was mainly attributable to the decrease in selling and administrative expenses in aggregate by 72.9% from approximately HK\$64.1 million for FY19/20 to approximately HK\$17.4 million for FY20/21.

BUSINESS REVIEW

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 since year 2020. Our business operations have been disrupted by the travel restrictions imposed by nations of our own and across the world. Owing to the pandemic, on the supply side, majority of our airline suppliers have been operating bare skeleton or limited passenger flight schedules, while on the demand side, leisure travel sentiment has remained low. We began to cancel our 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, for FY20/21, revenue decreased by 99.0% to approximately HK\$2.6 million as compared to FY19/20 with a gross loss reported at approximately HK\$0.1 million. Nonetheless, the Group's loss and total comprehensive loss for FY20/21 decreased by 36.4% to approximately HK\$16.6 million as compared to FY19/20 amid the pandemic. We managed to mitigate such loss 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;
- closed down two of the Group's branches;
- obtained rent concessions on existing 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.

OUTLOOK

The unprecedented pandemic has taken a heavy toll on the global economy and made the Group's operating environment extremely difficult. Given the Group derives a majority of its revenue from the provision of outbound package tours, the entry restrictions, visa suspensions and quarantine measures imposed by various governments, 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 first three quarters ending 31 December 2021, if not longer.

Despite vaccination rollouts are currently underway around the world to combat against the COVID-19 pandemic, there remains a significant degree of uncertainty over the severity and duration of the global outbreak, as well as the trajectory of the economic recovery once the outbreak has been contained. In particular, tourism continues to be one of the sectors encountering the hardest hit by the pandemic with its outlook remains uncertain. Our hopes of recovery in terms of the length of time and magnitude are largely dependent on:

- COVID-19 case trends and speed of the global vaccination rollouts;
- timing of re-opening of borders and easing of travel restrictions (e.g. quarantine requirement, travel bubbles) for both Hong Kong and the key destinations in which the Group's outbound tours operate;
- supply and pricing of corresponding flights; and
- level of consumer confidence and sentiment towards leisure travel.

On the basis of the above, the Group is closely monitoring the development of the pandemic and will continue to adopt necessary measures as discussed in the sub-section headed "Business Review" above to control costs and to enhance cash flow and operational efficiency. The Group will also look for opportunities and seek to diversify its businesses in other industries in order to expand its revenue and income sources. In addition, to ensure that the Group will have sufficient working capital to support its operations, the ultimate parent of the Company has agreed to arrange facilities totalling HK\$15.0 million for and upon request from the Group covering the period up to 31 March 2023.

The Group takes an optimistic view over tourism recovery and 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. With our over 41 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 2021

MANAGEMENT DISCUSSION AND ANALYSIS

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

FINANCIAL REVIEW

Revenue and gross (loss)/profit

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

	FY20/21		FY19/20	
	Revenue <i>HK\$'million</i>	Gross (loss)/profit <i>HK\$'million</i>	Revenue <i>HK\$'million</i>	Gross profit <i>HK\$'million</i>
Package tours	0.9	(1.8)	249.2	32.9
FIT products <i>(Note)</i>	(0.1)	(0.1)	1.3	1.3
Ancillary travel related products and services <i>(Note)</i>	1.8	1.8	4.4	4.4
Total	<u>2.6</u>	<u>(0.1)</u>	<u>254.9</u>	<u>38.6</u>

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 FY20/21, as all of the Group's outbound package tours were cancelled or suspended amid the COVID-19 pandemic. Corresponding gross loss of approximately HK\$1.8 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 FY20/21 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 FY20/21, 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 organizing 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 expenses and depreciation of right-of-use assets for the Group's branches. Selling expenses decreased by 92.3% to approximately HK\$1.3 million for FY20/21, mainly due to (i) the decrease in credit card charges; (ii) the decrease in depreciation of right-of-use assets; (iii) recognition of impairment losses on property, plant and equipment and right-of-use assets in respect of the Group's branches in FY19/20; (iv) the decrease in short-term lease expenses as a result of termination of tenancy for two of the Group's branches; and (v) adoption of cost-saving measures as discussed in the sub-section headed "Chairman's Statement – 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 66.0% to approximately HK\$16.1 million for FY20/21, mainly due to (i) the decrease in depreciation of right-of-use assets; (ii) recognition of impairment losses on property, plant and equipment and right-of-use assets in respect of the Group's office premises in FY19/20; and (iii) adoption of cost-saving measures as discussed in the sub-section headed "Chairman's Statement – 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.

SHARE OF RESULTS OF A JOINT VENTURE

As at 31 March 2021, 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.

For FY20/21, a fair value loss of approximately HK\$2.2 million was charged based on the results of the JV Company’s assessment on the fair values of the above-mentioned eight investments. The fair value loss was 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 a joint venture” 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 for FY20/21 decreased by 36.4% to approximately HK\$16.6 million, which was mainly attributable to the following:

- decrease in selling expenses and administrative expenses by approximately HK\$46.7 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\$2.1 million as negative variable lease payments in profit or loss; and
- increase in subsidies of approximately HK\$2.1 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\$38.7 million, for reasons as discussed in the sub-section headed “Financial Review – Revenue and Gross (Loss)/Profit” above;
- increase in the share of loss of a joint venture by approximately HK\$0.8 million for reasons as discussed in the sub-section headed “Financial Review – Share of Results of a Joint Venture” above;
- increase in fair value losses on the Company’s investment in the shares of CTEH INC. by approximately HK\$1.1 million; and
- recognition of a gain on disposal of the shares of Feiyang International Holdings Group Limited held by the Company of approximately HK\$0.5 million in FY19/20.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its liquidity requirements through internally generated resources and available banking facilities, when necessary. As at 31 March 2021, the Group's net asset value was approximately HK\$24.5 million (31 March 2020: approximately HK\$41.1 million). Including short-term fixed deposits, the Group's cash and cash equivalents were approximately HK\$12.8 million as at 31 March 2021 (31 March 2020: approximately HK\$19.3 million). The cash and bank balances of the Group were mainly denominated in Hong Kong dollars, which accounted for 90.6% (31 March 2020: 90.6%) of the total balances.

To meet the needs of working capital for its Travel Related Products and Services operations, the Group had obtained a loan of HK\$8.0 million during FY20/21 under the SME Financing Guarantee Scheme of the Hong Kong SAR Government. As at 31 March 2021, the carrying amount of the bank borrowings amounted to approximately HK\$7.2 million.

Current ratio is calculated as current assets divided by current liabilities. The Group's current ratio as at 31 March 2021 was 1.8 times (31 March 2020: 2.9 times). The decrease resulted from the above-mentioned bank borrowings obtained by the Group during FY20/21.

PLEDGE OF ASSETS

As at 31 March 2021, the Group did not pledge any of its assets as securities for facilities granted to the Group (31 March 2020: same).

CAPITAL EXPENDITURE

During FY20/21, the Group acquired property, plant and equipment at total costs of approximately HK\$0.1 million (FY19/20: property, plant and equipment and financial assets at fair value through profit or loss at total costs of approximately HK\$7.8 million), which was financed by internal resources of the Group or net proceeds from the initial public offering (the "IPO") of the Company.

CAPITAL STRUCTURE

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

FOREIGN EXCHANGE EXPOSURE

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

Although the Group may enter into foreign exchange forward contracts with major and reputable financial institutions and foreign currency services companies of long establishment history to manage its exposure to foreign exchange risk, it does not intend to speculate on the future direction of foreign exchange fluctuation. As at 31 March 2021, the Group had outstanding foreign exchange forward contracts denominated in Japanese Yen of notional principal amounts of approximately HK\$0.7 million (31 March 2020: outstanding foreign exchange forward contracts denominated in Japanese Yen of notional principal amounts of approximately HK\$0.7 million). Management will continue to evaluate the Group's foreign exchange risk management procedures and take actions as appropriate to minimize the Group's exposure whenever necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2021, the Group had a workforce of 91 employees (31 March 2020: 121), 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 FY20/21 amounted to approximately HK\$5.6 million (FY19/20: approximately HK\$21.5 million). The decrease in the Group's employee benefits expenses for FY20/21 was mainly due to the cost-saving measures adopted in response to the COVID-19 pandemic as discussed in the sub-section headed "Chairman's Statement – Business Review" above.

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 FY20/21, no share options had been granted, exercised, lapsed or cancelled under the Share Option Scheme.

The Group did not experience any significant labour disputes that led to any disruption of its normal business operations during FY20/21.

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 2021, the unutilised Net Proceeds of approximately HK\$8.5 million were deposited into licensed banks in Hong Kong.

Due to the generally volatile operating environment of the Group in face of the COVID-19 pandemic, the Net Proceeds were not fully utilised as at 31 March 2021. As disclosed in the Company’s announcement dated 29 April 2021, having carefully considered the latest business environment and development needs of the Group, the Board had resolved to change the use of the unutilised Net Proceeds by increasing the Group’s cash allocation for the purpose of working capital.

The following table sets forth the status of the use of the Net Proceeds as at 31 March 2021:

Objective	Original allocation of Net Proceeds	Reallocation	Amount utilised up to 31 March 2021	Balance as at 31 March 2021	Expected timeframe
	HK\$ million		HK\$ million	HK\$ million	
Promoting brand recognition and awareness	25.4	(11.2)	(13.9)	0.3	To be used within one year by engaging in various advertising and marketing campaigns
Strengthening and enhancing sales channels	14.2	(6.9)	(7.3)	–	
Improving operational efficiency	11.7	–	(11.7)	–	
Reserving seats for non-series flights or charter flights	–	9.5	(7.5)	2.0	To be used within one year
General corporate and working capital purposes	5.7	8.6	(8.1)	6.2	To be used within one year
	<u>57.0</u>	<u>–</u>	<u>(48.5)</u>	<u>8.5</u>	

DIVIDEND

The Board does not recommend the payment of final dividend for the FY20/21 (FY19/20: nil).

FUTURE PROSPECTS

The Group is closely monitoring the development of the COVID-19 pandemic and will continue to adopt necessary measures to control costs and to enhance cash flow and operational efficiency. Furthermore, the Group has been maintaining continuous dialogues with its suppliers, hence is well-positioned to drive business performance on its road to recovery and profitability when the pandemic recedes and outbound tourism resumes.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE

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

During FY20/21, the Company has complied with all the code provisions as set out in the CG Code.

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 2021, calculated according to the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$13,065,000 (31 March 2020: approximately HK\$43,847,000).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during FY20/21.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

During FY20/21, each of the Directors, the controlling shareholders and their respective close associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interests in any company that competes or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group.

REVIEW OF ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2021 as set out in this annual results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

AUDIT COMMITTEE

The audit committee established by the Company (the "Audit Committee") currently comprises three independent non-executive Directors. The Audit Committee has reviewed the annual results of the Group for the year ended 31 March 2021 at a meeting held on 18 June 2021.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below sections set out an extract of the report by PricewaterhouseCoopers, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 March 2021.

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 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRSs issued by HKICPA and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw your attention to Note 2(a) to the consolidated financial statements, which indicates a net loss of approximately HK\$16,609,000 and operating cash outflow of approximately HK\$10,663,000 for the year ended 31 March 2021. As at 31 March 2021, including short-term fixed deposits, the Group's cash and bank balances were approximately HK\$12,803,000 and the Group had current bank borrowings of approximately HK\$7,224,000. The Group's business operation has been adversely affected by the continuous suspension of package tours due to the travel restrictions and quarantine measures implemented by the respective governments under the COVID-19 pandemic. As stated in Note 2(a), these events or conditions, along with other matters as set forth in Note 2(a) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

ANNUAL GENERAL MEETING

The annual general meeting ("AGM") will be held on Monday, 23 August 2021. For details of the AGM, please refer to the notice of AGM which is expected to be published in late June 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 18 August 2021 to Monday, 23 August 2021 (both dates inclusive), during which period no Share transfers will be effected. In order to qualify for attending and voting at the AGM, all Share transfers must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 17 August 2021.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This announcement is published on the Company's website (<http://www.wwpkg.com.hk>) and the website of the Stock Exchange (<http://www.hkex.com.hk>). The annual report for the year ended 31 March 2021 containing the information required by the GEM Listing Rules will be despatched to Shareholders and published on the websites of the Company and the Stock Exchange in due course.

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

Hong Kong, 18 June 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, Mr. Yen Yuen Ho Tony.

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