



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

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8069

2021/2022

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, *ACG, HKACG*

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, 7th Floor, 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

PRINCIPAL BANKERS

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

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Fairbairn Catley Low & Kong
23rd Floor, Shui On Centre
6-8 Harbour Road
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

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 2021, together with the comparative figures for the corresponding period in 2020, 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 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”);
- investments in tourism and travel technology related businesses (the “Tourism and Travel Technology Investments”); and
- the engagement in the process of gaining cryptocurrencies by solving cryptographic equations through verifying data blocks and adding transaction records to a public ledger known as a blockchain (the “Cryptocurrency Mining”), which commenced in July 2021.

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 ongoing coronavirus disease 2019 (“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. The Group’s business operations have been disrupted by the travel restrictions imposed 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 suspended for over twenty-one months since 9 March 2020. As a result, minimal revenue and gross profit were generated from the Travel Related Products and Services segment for both nine months ended 31 December 2021 and 2020. Nonetheless, the Group continued to mitigate its loss for the nine months ended 31 December 2021 through adopting the following cost-saving measures amid the pandemic:

- 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 branch and office premise leases from the landlords; and
- reduced advertising and promotion expenses.

In order to alleviate its liquidity pressure, the Group disposed of all of its listed equity securities held in Hong Kong for an aggregate gross proceeds of approximately HK\$9.9 million (exclusive of transaction costs) during the nine months ended 31 December 2021. The Group had also obtained a loan facility totalling HK\$15.0 million from its ultimate parent, of which HK\$10.0 million has been drawn down by the Group during the nine months ended 31 December 2021 in order to further enhance its liquidity.

With the intention to diversify its business so as to expand its income sources and future earning capability and potential, the Group commenced Cryptocurrency Mining in July 2021. For the nine months ended 31 December 2021, a segment loss of approximately HK\$1.1 million was reported on Cryptocurrency Mining, which mainly comprised of depreciation of property, plant and equipment and right-of-use assets of approximately HK\$0.5 million and administrative expenses, including utilities, employee benefit expenses, legal and professional fees and auditor's remuneration, of approximately HK\$0.6 million.

FINANCIAL REVIEW

Revenue and gross profit/(loss)

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

	Nine months ended 31 December				Three months ended 31 December			
	2021		2020		2021		2020	
	Revenue HK\$'million	Gross profit HK\$'million	Revenue HK\$'million	Gross Profit/(loss) HK\$'million	Revenue HK\$'million	Gross profit HK\$'million	Revenue HK\$'million	Gross Profit/(loss) HK\$'million
Package tours	1.5	0.9	0.9	(1.4)	0.5	0.3	0.8	(0.3)
FIT products ^(Note)	-	-	(0.1)	(0.1)	-	-	-	-
Ancillary travel related products and services ^(Note)	-	-	1.7	1.7	-	-	-	-
Total	1.5	0.9	2.5	0.2	0.5	0.3	0.8	(0.3)

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 2021, as all of the Group's outbound package tours continued to be suspended amid the COVID-19 pandemic. Corresponding gross profit of approximately HK\$0.9 million mainly resulted from the launch of green lifestyle local tours that were subsidised by the Hong Kong SAR Government and recognition of unutilised membership award credits as revenue upon expiration.

FIT products

No sale of FIT products was conducted during the nine months ended 31 December 2021 amid the COVID-19 pandemic.

Ancillary travel related products and services

Ancillary travel related products and services generally include (i) travel insurance, (ii) admission tickets to attractions such as theme parks and shows, (iii) guided local tours and experiences, (iv) local transportation such as airport transportation, (v) overseas transportation such as rail passes, (vi) car rental, (vii) prepaid telephone and internet cards; (viii) travel visa applications; and (ix) trading of merchandise.

For the nine months ended 31 December 2021, some revenue was generated from trading of food items and health related products whereas revenue for the corresponding period in 2020 mainly arose from trading of imported face masks amid the first wave of the COVID-19 pandemic.

Selling expenses

Selling expenses mainly consist of (i) advertising and promotion expenses, such as sponsoring television travel programs 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); (iii) staff costs, representing the salaries and benefits for the Group's tour escorts; and (iv) short-term lease expenses and depreciation of right-of-use assets for the Group's branches.

For the nine months ended 31 December 2021, selling expenses increased by 108.5% to approximately HK\$2.0 million, mainly due to the increase in staff costs arising from the compensatory arrangement in relation to the Group's termination of employment contracts with its tour escorts during the nine months ended 31 December 2021 and the Group's receipt of wage subsidies provided by the Hong Kong SAR Government under the Employment Support Scheme ("ESS") during the corresponding period in 2020, which was partially offset by the 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.

For the nine months ended 31 December 2021, administrative expenses increased by 9.0% to approximately HK\$12.9 million, mainly due to (i) depreciation and administrative expenses incurred on the Cryptocurrency Mining business; and (ii) the increase in staff costs arising from the Group's receipt of wage subsidies under the ESS during the corresponding period in 2020, which was partially offset by (i) the decrease in legal and professional fees and auditor's remuneration; (ii) the decrease in other administrative expenses including repair and maintenance costs and entertainment expenses; and (iii) the adoption of cost-saving measures as discussed in the sub-section headed "Business Review" above, including salary reduction for the Directors and reduction in staff costs as a result of no-pay leave and/or annual leave taken by the Group's staff and elimination of non-value added positions.

Loss and total comprehensive loss for the period

The Group's loss and total comprehensive loss for the nine months ended 31 December 2021 decreased by 24.1% to approximately HK\$9.7 million, which was mainly attributable to the following:

- the increase in gross profit by approximately HK\$0.7 million for reasons as discussed in the sub-section headed "Financial Review — Revenue and gross profit/(loss)" above; and
- in respect of the Company's investment in the shares of CTEH INC. ("CTEH"), a gain on disposal of the CTEH shares of approximately HK\$2.7 million was recognised for the nine months ended 31 December 2021, as opposed to the recognition of fair value losses of approximately HK\$3.0 million on the CTEH shares held by the Company as of 31 December 2020; offset by
- the increase in selling expenses and administration expenses by approximately HK\$2.1 million for reasons as discussed in the sub-sections headed "Financial Review — Selling expenses" and "Financial Review — Administrative expenses" above;
- the decrease in rent concessions recognised as negative variable lease payments in profit or loss by approximately HK\$0.5 million; and
- the decrease in subsidies 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 by approximately HK\$0.5 million.

FUTURE PROSPECTS

The unprecedented COVID-19 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 rest of the financial year ending 31 March 2022, if not longer. The Group is closely monitoring the development of the pandemic and will continue to adopt necessary measures to control costs and to enhance cash flow and operational efficiency. Furthermore, by incorporating Cryptocurrency Mining operated by Firepower Technology Limited, the Group expects to expand its scope of business so as to enhance its future earning capability and potential.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 31 December 2021, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company (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 ("Ms. Chan") <i>(Note)</i>	Interest in a controlled corporation	256,015,000	64%
Mr. Yuen Sze Keung ("Mr. SK Yuen") <i>(Note)</i>	Interest in a controlled corporation	256,015,000	64%

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 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 2021, 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 2021, 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 ^(Note)	Beneficial owner	256,015,000	64%

Note:

- (i) According to Section 336 of the SFO, the shareholders of the Company (the "Shareholders") are required to file disclosure of interest forms when certain criteria are fulfilled. When the shareholdings of the Shareholders in the Company change, it is not necessary for the Shareholders to notify the Company and the Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the Shareholders in the Company may be different from the shareholdings filed with the Stock Exchange.
- (ii) 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 2021, 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 2021 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 and enhance the business growth of the Group.

During the nine months ended 31 December 2021, 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 2021.

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 2021.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

For the nine months ended 31 December 2021, 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.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors since the date of annual report of the Company for the year ended 31 March 2021 are set out below:

On 18 June 2021, Mr. Yen Yuen Ho Tony has resigned as an independent non-executive director of Beijing Energy International Holding Co., Ltd. (previously known as Panda Green Energy Group Limited) (stock code: 686), which is listed on the Main Board of the Stock Exchange.

On 31 December 2021, Mr. Lam Yiu Kin has resigned as an independent non-executive director of Bestway Global Holding Inc. (stock code: 3358), which was delisted on the Main Board of the Stock Exchange on 12 October 2021.

Save as disclosed above, there is no other change in information of the Directors to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

SHARE OPTION SCHEME

The share option scheme of the Company (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 2021, 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 quarter financial results of the Group for the nine months ended 31 December 2021 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 2021

	Note	Nine months ended 31 December		Three months ended 31 December	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	3	1,536	2,527	570	754
Cost of sales	5	(558)	(2,281)	(283)	(1,055)
Gross profit/(loss)		978	246	287	(301)
Other income and other gains/(losses), net	4	4,395	72	324	1,580
Selling expenses	5	(1,991)	(955)	(380)	(192)
Administrative expenses	5	(12,893)	(11,833)	(4,410)	(3,115)
Operating loss		(9,511)	(12,470)	(4,179)	(2,028)
Finance costs, net	6	(197)	(267)	(54)	(89)
Share of results of a joint venture		(41)	(107)	(43)	(47)
Loss before income tax		(9,749)	(12,844)	(4,276)	(2,164)
Income tax expense	7	–	–	–	–
Loss and total comprehensive loss for the period		(9,749)	(12,844)	(4,276)	(2,164)
Loss and total comprehensive loss for the period attributable to:					
Owners of the Company		(9,458)	(12,739)	(4,117)	(2,138)
Non-controlling interests		(291)	(105)	(159)	(26)
		(9,749)	(12,844)	(4,276)	(2,164)
Basic and diluted loss per Share (expressed in HK cents)	8	(2.36)	(3.18)	(1.03)	(0.53)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Attributable to owners of the Company					Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve (Note) HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000			
At 1 April 2021	4,000	56,667	11,371	2,500	(50,022)	24,516	2	24,518
Loss for the period	-	-	-	-	(9,458)	(9,458)	(291)	(9,749)
Total comprehensive loss for the period (unaudited)	-	-	-	-	(9,458)	(9,458)	(291)	(9,749)
Capital injection from non-controlling interests of a subsidiary	-	-	-	-	-	-	600	600
At 31 December 2021 (unaudited)	4,000	56,667	11,371	2,500	(59,480)	15,058	311	15,369
At 1 April 2020	4,000	56,667	11,371	2,500	(33,548)	40,990	137	41,127
Loss for the period	-	-	-	-	(12,739)	(12,739)	(105)	(12,844)
Total comprehensive loss for the period (unaudited)	-	-	-	-	(12,739)	(12,739)	(105)	(12,844)
At 31 December 2020 (unaudited)	4,000	56,667	11,371	2,500	(46,287)	28,251	32	28,283

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, 7th Floor, 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, Tourism and Travel Technology Investments and Cryptocurrency Mining.

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 ADOPTION OF HKFRSs

(a) Basis of preparation

The unaudited condensed consolidated financial information for the nine months ended 31 December 2021 has been prepared in accordance with the applicable disclosure provisions of the GEM Listing Rules. This 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 Group’s audited consolidated financial statements for the year ended 31 March 2021 and interim condensed consolidated financial information for the six months ended 30 September 2021. The accounting policies used in the preparation of this unaudited condensed consolidated financial information are consistent with those used in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2021, except for the amended Hong Kong Financial Reporting Standards (“HKFRSs”) effective for the first time for periods beginning on or after 1 April 2021. Details of the amended standards adopted and their effect on the Group’s accounting policies are set out below.

(b) Adoption of HKFRSs

The following amendments to HKFRSs that are effective for the accounting period of the Group beginning on 1 April 2021 have been published:

HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	<i>Interest Rate Benchmark Reform — Phase 2</i>
HKFRS 16 (Amendment)	<i>COVID-19- Related Rent Concessions beyond 30 June 2021</i>

The Group has applied, for the first time, the above amendments to standards issued by the Hong Kong Institute of Certified Public Accountants. The impact of the adoption of Amendment to HKFRS 16 *COVID-19- Related Rent Concessions beyond 30 June 2021* has been summarised below. The other amendments to standards did not have any significant impact on the Group’s accounting policies.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2 BASIS OF PREPARATION AND ADOPTION OF HKFRSs (CONTINUED)

(b) Adoption of HKFRSs (Continued)

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

The Amendment to HKFRS 16 *COVID-19-Related Rent Concessions beyond 30 June 2021* extends the availability of the practical expedient in paragraph 46A of HKFRS 16 so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

During the nine months ended 31 December 2021, the Group has entered into additional rent concessions that satisfied the criteria for the application of the extended practical expedient. The Group has applied the practical expedient to these rent concessions. Accordingly, COVID-19-related rent concessions of HK\$1,058,000 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 2021.

3 REVENUE AND SEGMENT INFORMATION

(a) Revenue

	Nine months ended		Three months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of package tours	1,481	907	552	725
Margin (loss)/income from sales of FIT products	–	(107)	4	(3)
Margin income from sales of ancillary travel related products and services	55	1,727	14	32
	1,536	2,527	570	754

(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.

During the nine months ended 31 December 2021, Cryptocurrency Mining that commenced operations in July 2021 was added as a new reportable segment.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

The Group is organised into three reportable segments:

- (i) Travel Related Products and Services;
- (ii) Tourism and Travel Technology Investments; and
- (iii) Cryptocurrency Mining

The chief operating decision-maker assesses the performance of the operating segments based on a measure of profit/(loss) 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							
	2021			Total	2020			Total
	Travel Related Products and Services	Tourism and Travel Technology Investments	Cryptocurrency Mining		Travel Related Products and Services	Tourism and Travel Technology Investments	Cryptocurrency Mining	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Reportable segment revenue	1,536	-	-	1,536	2,527	-	-	2,527
Reportable segment loss	(9,910)	(41)	(1,073)	(11,024)	(8,353)	(107)	-	(8,460)
Unallocated gains/(expenses),net				1,472				(4,117)
Finance income				6				50
Finance costs				(203)				(317)
Loss before income tax				(9,749)				(12,844)
Income tax expense				-				-
Loss and total comprehensive loss for the period				(9,749)				(12,844)
Share of results of a joint venture	-	(41)	-	(41)	-	(107)	-	(107)
Depreciation of property, plant and equipment	513	-	367	880	1,141	-	-	1,141
Depreciation of right-of-use assets	610	-	119	729	1,127	-	-	1,127

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	Three months ended 31 December							
	2021				2020			
	Travel Related Products and Services	Tourism and Travel Technology Investments	Cryptocurrency Mining	Total	Travel Related Products and Services	Tourism and Travel Technology Investments	Cryptocurrency Mining	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue	570	-	-	570	754	-	-	754
Reportable segment loss	(3,172)	(43)	(653)	(3,868)	(2,068)	(47)	-	(2,115)
Unallocated (expenses)/gains, net				(354)				40
Finance income				1				19
Finance costs				(55)				(108)
Loss before income tax				(4,276)				(2,164)
Income tax expense				-				-
Loss and total comprehensive loss for the period				(4,276)				(2,164)
Share of results of a joint venture	-	(43)	-	(43)	-	(47)	-	(47)
Depreciation of property, plant and equipment	148	-	235	383	321	-	-	321
Depreciation of right-of-use assets	204	-	77	281	335	-	-	335

Unallocated gains/(expenses), net represent corporate expenses, fair value changes and gain on disposal of listed equity securities held by the Company.

(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)

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

	Nine months ended 31 December		Three months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Other income				
Management services fee income	108	108	36	36
Rent concessions	1,058	1,548	353	483
Dividend income	–	173	–	–
Subsidies <i>(Note)</i>	600	1,067	–	615
	1,766	2,896	389	1,134
Other gains/(losses), net				
Exchange (losses)/gains, net	(52)	98	(43)	44
Fair value (losses)/gains on derivative financial instruments	(27)	29	(22)	17
Fair value losses on listed equity securities in Hong Kong	–	(2,951)	–	385
Gain on disposal of listed equity securities in Hong Kong	2,658	–	–	–
Gain on disposal of cryptocurrencies	50	–	–	–
	2,629	(2,824)	(65)	446
Other income and other gains/(losses), net	4,395	72	324	1,580

Note:

Subsidies mainly represent grants received from the Hong Kong SAR Government. There are no unfulfilled conditions or contingencies relating to these grants.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)

5 EXPENSES BY NATURE

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

	Nine months ended		Three months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Land costs ^(Note)	671	2,315	282	994
Air fare income	(119)	–	–	–
Short-term lease expenses	680	112	240	–
Low-value assets leases (income)/expenses	(10)	272	66	91
Advertising and promotion	46	276	16	82
Credit card fees	24	97	7	7
Employee benefits expenses, excluding Directors' benefits and interests				
— Salaries, discretionary bonuses and allowances	4,992	2,999	1,662	929
— Pension costs – defined contribution plan	722	381	68	123
— Termination benefits	1,246	–	299	–
— Other employee benefits	82	157	1	23
	7,042	3,537	2,030	1,075
Directors' benefits and interests	1,410	1,644	470	548
Depreciation of property, plant and equipment	880	1,141	383	321
Depreciation of right-of-use assets	729	1,127	281	335
Office, telecommunication and utility expenses	596	470	270	156
Exchange gains, net	–	(20)	–	–
Legal and professional fees	995	1,039	258	285
Auditor's remuneration				
— Audit services	585	620	235	115
Others	1,913	2,439	535	353
	15,442	15,069	5,073	4,362

Note:

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)

6 FINANCE COSTS, NET

	Nine months ended 31 December		Three months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Finance income				
Bank interest income	6	50	1	19
Finance costs				
Interest expense on lease liabilities	(76)	(203)	(18)	(52)
Interest expense on bank borrowings	(127)	(114)	(37)	(56)
	(203)	(317)	(55)	(108)
Finance costs, net	(197)	(267)	(54)	(89)

7 INCOME TAX EXPENSE

The applicable rate of Hong Kong profits tax is 16.5% (nine months ended 31 December 2020: 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 2021 (nine months ended 31 December 2020: 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)

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.

	Nine months ended 31 December		Three months ended 31 December	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Loss attributable to owners of the Company (HK\$'000)	(9,458)	(12,739)	(4,117)	(2,138)
Weighted average number of ordinary shares in issue ('000)	400,000	400,000	400,000	400,000
Basic loss per Share (HK cents per share)	(2.36)	(3.18)	(1.03)	(0.53)

(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 nine months ended 31 December 2021 (nine months ended 31 December 2020: same).

9 DIVIDENDS

The Board does not recommend the payment of dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: nil).

10 CONTINGENCIES

As at 31 December 2021, the Group did not have any significant contingent liabilities (31 December 2020: same).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

11 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 2021 and 2020:

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

(a) Transactions with related parties

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 2021 and 2020:

	Nine months ended 31 December		Three months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Rental expenses <i>(Note)</i>				
Sky Right Investment Limited	1,058	1,406	353	470
Booking services fee				
Y's Japan Limited	–	2,178	–	740
Management services fee income				
Triplabs Limited	108	108	36	36

Note:

During the nine months ended 31 December 2021, certain monthly lease payments for the leases of the Group's branch and office premises have been reduced or waived by the lessor as a result of the COVID-19 pandemic and rent concessions of HK\$1,058,000 (nine months ended 31 December 2020: HK\$709,000) was recognised in "other income and other gains/(losses), net".

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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)

11 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management compensation

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

	Nine months ended		Three months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Salaries and allowances	2,566	2,642	854	881
Pension costs — defined contribution plan	29	44	8	15
	2,595	2,686	862	896

12 EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to the end of the reporting period which would materially affect the Group's operating and financial performance as at the date of this report.