

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



WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8069)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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 presents the unaudited interim financial results of the Group for the six months ended 30 September 2022, together with the comparative figures for the corresponding period in 2021, as set out below.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2022

		Six months ended 30 September		Three months ended 30 September	
	Note	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	6	21,286	966	14,922	430
Cost of sales	8	(17,656)	(275)	(13,709)	(239)
Gross profit		3,630	691	1,213	191
Other income and other (losses)/gains, net	7	391	4,071	221	1,064
Selling expenses	8	(2,474)	(1,611)	(2,048)	(1,236)
Administrative expenses	8	(11,027)	(8,483)	(5,472)	(4,602)
Operating loss		(9,480)	(5,332)	(6,086)	(4,583)
Finance costs, net	9	(341)	(143)	(154)	(70)
Share of results of a joint venture		(54)	2	(28)	31
Loss before income tax		(9,875)	(5,473)	(6,268)	(4,622)
Income tax expense	10	(17)	–	(17)	–
Loss and total comprehensive loss for the period		(9,892)	(5,473)	(6,285)	(4,622)
Loss and total comprehensive loss for the period attributable to:					
Owners of the Company		(9,414)	(5,341)	(5,479)	(4,517)
Non-controlling interests		(478)	(132)	(806)	(105)
		(9,892)	(5,473)	(6,285)	(4,622)
Basic and diluted loss per Share (expressed in HK cents)	11	(2.06)	(1.34)	(1.14)	(1.13)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		30 September 2022	31 March 2022
	<i>Note</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		2,193	1,690
Right-of-use assets		8,388	8,658
Goodwill		304	–
Other non-current assets		596	804
Interest in a joint venture	13	9,031	9,085
		20,512	20,237
Current assets			
Inventories		6,674	218
Trade receivables	14	3,155	–
Prepayments, deposits and other receivables		11,179	6,428
Due from a related company		474	–
Cryptocurrencies		566	1,058
Cash and cash equivalents		21,256	11,037
		43,304	18,741
Current liabilities			
Trade payables	15	693	26
Accruals and other payables		18,316	4,488
Derivative financial instruments		177	58
Due to non-controlling shareholders		6,452	–
Lease liabilities		4,228	3,294
Bank borrowings	16	2,458	4,068
Income tax liabilities		17	–
		32,341	11,934
Net current assets		10,963	6,807
Total assets less current liabilities		31,475	27,044

		30 September	31 March
		2022	2022
	<i>Note</i>	HK\$'000	HK\$'000
		(unaudited)	(audited)
Non-current liabilities			
Lease liabilities		4,374	5,598
Other non-current liabilities		484	290
Loans from a shareholder	<i>17</i>	–	11,503
		4,858	17,391
Net assets		26,617	9,653
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>18</i>	4,800	4,000
Reserves		22,452	5,649
		27,252	9,649
Non-controlling interests		(635)	4
Total equity		26,617	9,653

NOTES TO THE INTERIM 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 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”);
- 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”); and
- the sales of lifestyle and healthcare products and services via retail stores and/or e-commerce (the “Retail Operations”), which commenced in June 2022.

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 Company Limited (“WWPKG Investment”), a company incorporated in the British Virgin Islands (the “BVI”).

The interim 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

The interim condensed consolidated financial information for the six months ended 30 September 2022 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the GEM Listing Rules. The interim 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 2022.

The accounting policies used in the preparation of this interim 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 2022, except for the amended Hong Kong Financial Reporting Standards (“HKFRSs”) effective for the first time for periods beginning on or after 1 April 2022. Details of the amended standards adopted and their effect on the Group’s accounting policies are set out in note 3.

Going concern basis

The outbreak of the coronavirus disease 2019 (“COVID-19”) since January 2020 continued to have significant adverse impact on the Group’s financial performance for the six months ended 30 September 2022. Given the Group derives a majority of its revenue from the provision of outbound package tours to customers located in Hong Kong and Macau with its particular focus on Japan-bound tours, the Group’s business operations have been disrupted by the entry restrictions, visa suspensions, quarantine arrangements and/or other anti-epidemic measures implemented by nations of its own and across the world.

For the six months ended 30 September 2022, the Group recorded a net loss of HK\$9,892,000 and net operating cash outflows of HK\$2,475,000. These events or conditions indicate the existence of a material uncertainty, which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. In the opinion of the Board, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the Group’s cash flow projections covering a period of not less than twelve months from 30 September 2022 after taking the following into consideration:

- (i) The pace and scope of tourism recovery is growing, especially for Japan, when (as discussed in the sub-section headed “Management Discussion and Analysis — Future Prospects”) the Japan government has lifted travel restrictions on foreign tourists and reinstated visa-free travel on 11 October 2022.
- (ii) Until the Group’s outbound tours are fully resumed, it will continue to adopt a series of measures to control costs and to enhance cash flows, including implementing salary reduction for certain executive Directors; streamlining workflows; and obtaining rent concessions from the landlord on the leases of branch and office premises.
- (iii) The Group completed its placing of 80,000,000 new ordinary shares (the “Placing Shares”) on 24 May 2022 and received net proceeds (after deduction of commission and other expenses of the placing) from the placing of the Placing Shares (the “Share Placing Proceeds”) of HK\$21,900,000, which are intended to be used for the general working capital of the Group.
- (iv) The Group will continue to operate the Cryptocurrency Mining and Retail Operations as a means to broaden the Group’s source of income and future earning capability and potential.
- (v) As at the date of this announcement, the Group had available bank overdraft facilities of HK\$10,000,000.
- (vi) The Group is endeavouring to seek additional sources of financing (refer to note 19).

Notwithstanding the above, whether the Group is able to achieve its measures and plans as described above, which incorporate assumptions about future events and conditions, are subject to inherent uncertainties. The Directors are satisfied that it is appropriate to prepare the interim condensed consolidated financial information on a going concern basis.

Should the Group be unable to continue to operate 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 this interim condensed consolidated financial information.

3 ADOPTION OF HKFRSs

The Group has applied for the first time the following amendments to HKFRSs issued by the HKICPA for the accounting period beginning on 1 April 2022:

- Annual Improvements to HKFRSs 2018–2020
- Amendments to HKFRS 3, Reference to the Conceptual Framework
- Amendments to HKAS 16, Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to HKAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The adoption of these amendments to HKFRSs did not have any significant impact on the Group's accounting policies.

The Group has not early adopted any new or amended HKFRSs that have been issued but are not yet effective.

4 ESTIMATES

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial information, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the audited consolidated financial statements for the year ended 31 March 2022.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose itself to a variety of financial risks, including foreign exchange risk, credit risk and liquidity risk. The interim condensed consolidated financial information does not include all financial risk management 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 2022. There have been no significant changes in the risk management policies since the last year end.

5.2 Fair value Estimation

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

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

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 30 September 2022				
Liabilities				
Derivative financial instruments				
Forward exchange forward contracts	<u>–</u>	<u>(177)</u>	<u>–</u>	<u>(177)</u>
As at 31 March 2022				
Liabilities				
Derivative financial instruments				
Forward exchange forward contracts	<u>–</u>	<u>(58)</u>	<u>–</u>	<u>(58)</u>

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

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

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

There were no transfers between levels during the period.

6 REVENUE AND SEGMENT INFORMATION

(a) Revenue

	Six months ended 30 September 2022		Three months ended 30 September 2022	
	HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Sales of package tours	7,795	929	6,939	396
Margin income/(loss) from sales of FIT products	162	(4)	160	12
Margin income from sales of ancillary travel related products and services	88	41	85	22
Sales of lifestyle and healthcare products	13,046	–	7,737	–
Revenue from Cryptocurrency Mining	195	–	1	–
	<u>21,286</u>	<u>966</u>	<u>14,922</u>	<u>430</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.

During the six months ended 30 September 2022, Retails Operations that commenced operations in June 2022 was added as a new reportable segment.

The Group is organised into four reporting segments:

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

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 interim condensed consolidated financial information.

Segment results and other segment items are as follows:

	Six months ended 30 September 2022				
	Travel Related Products and Services <i>HK\$'000</i>	Tourism and Travel Technology Investments <i>HK\$'000</i>	Retail Operations <i>HK\$'000</i>	Cryptocurrency Mining <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue	<u>8,045</u>	<u>-</u>	<u>13,046</u>	<u>195</u>	<u>21,286</u>
Reportable segment loss	<u>(6,221)</u>	<u>(53)</u>	<u>(478)</u>	<u>(1,200)</u>	<u>(7,952)</u>
Unallocated (expenses)/gains, net					(1,582)
Finance income					-
Finance costs					<u>(341)</u>
Loss before income tax					(9,875)
Income tax expense					<u>(17)</u>
Loss and total comprehensive loss for the period					<u>(9,892)</u>
Share of results of a joint venture	<u>-</u>	<u>(54)</u>	<u>-</u>	<u>-</u>	<u>(54)</u>
Depreciation of property, plant and equipment	172	-	115	209	496
Depreciation of right-of-use assets	1,558	-	326	60	1,944
Impairment loss on cryptocurrencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>687</u>	<u>687</u>

	Six months ended 30 September 2021				
	Travel Related Products and Services <i>HK\$'000</i>	Tourism and Travel Technology Investments <i>HK\$'000</i>	Retail Operations <i>HK\$'000</i>	Cryptocurrency Mining <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue	<u>966</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>966</u>
Reportable segment (loss)/profit	<u>(6,738)</u>	<u>2</u>	<u>–</u>	<u>(420)</u>	<u>(7,156)</u>
Unallocated gains/(expenses), net					1,826
Finance income					5
Finance costs					<u>(148)</u>
Loss before income tax					(5,473)
Income tax expense					<u>–</u>
Loss and total comprehensive loss for the period					<u>(5,473)</u>
Share of results of a joint venture	<u>–</u>	<u>2</u>	<u>–</u>	<u>–</u>	<u>2</u>
Depreciation of property, plant and equipment	365	–	–	132	497
Depreciation of right-of-use assets	<u>406</u>	<u>–</u>	<u>–</u>	<u>42</u>	<u>448</u>

	Three months ended 30 September 2022				
	Travel Related Products and Services <i>HK\$'000</i>	Tourism and Travel Technology Investments <i>HK\$'000</i>	Retail Operations <i>HK\$'000</i>	Cryptocurrency Mining <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue	<u>7,184</u>	<u>-</u>	<u>7,737</u>	<u>1</u>	<u>14,922</u>
Reportable segment loss	<u>(3,066)</u>	<u>(27)</u>	<u>(2,091)</u>	<u>(170)</u>	<u>(5,354)</u>
Unallocated (expenses)/gains, net					(760)
Finance income					-
Finance costs					<u>(154)</u>
Loss before income tax					(6,268)
Income tax expense					<u>(17)</u>
Loss and total comprehensive loss for the period					<u>(6,285)</u>
Share of results of a joint venture	<u>-</u>	<u>(28)</u>	<u>-</u>	<u>-</u>	<u>(28)</u>
Depreciation of property, plant and equipment	79	-	88	105	272
Depreciation of right-of-use assets	779	-	326	29	1,134
Fair value gain on cryptocurrencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122)</u>	<u>(122)</u>

	Three months ended 30 September 2021					Total HK\$'000
	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Retail Operations HK\$'000	Cryptocurrency Mining HK\$'000		
Reportable segment revenue	<u>430</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>430</u>
Reportable segment (loss)/profit	<u>(3,688)</u>	<u>31</u>	<u>-</u>	<u>(420)</u>		<u>(4,077)</u>
Unallocated (expenses)/gains, net						(475)
Finance income						-
Finance costs						<u>(70)</u>
Loss before income tax						(4,622)
Income tax expense						<u>-</u>
Loss and total comprehensive loss for the period						<u>(4,622)</u>
Share of results of a joint venture	<u>-</u>	<u>31</u>	<u>-</u>	<u>-</u>		<u>31</u>
Depreciation of property, plant and equipment	170	-	-	132		302
Depreciation of right-of-use assets	<u>203</u>	<u>-</u>	<u>-</u>	<u>42</u>		<u>245</u>

For the six months ended 30 September 2022, unallocated (expenses)/gains, net represent corporate (expenses)/gains (six months ended 30 September 2021: same).

Segment assets and liabilities are as follows:

	30 September 2022					Total HK\$'000
	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Retail Operations HK\$'000	Cryptocurrency Mining HK\$'000	Unallocated HK\$'000	
Reportable segment assets	<u>27,688</u>	<u>9,031</u>	<u>22,020</u>	<u>2,019</u>	<u>3,058</u>	<u>63,816</u>
Reportable segment liabilities	<u>(24,092)</u>	<u>-</u>	<u>(12,692)</u>	<u>(364)</u>	<u>(51)</u>	<u>(37,199)</u>
Capital expenditure	<u>73</u>	<u>-</u>	<u>2,600</u>	<u>-</u>	<u>-</u>	<u>2,673</u>

31 March 2022

	Travel Related Products and Services <i>HK\$'000</i>	Tourism and Travel Technology Investments <i>HK\$'000</i>	Retail Operations <i>HK\$'000</i>	Cryptocurrency Mining <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	22,282	9,085	-	3,178	4,433	38,978
Reportable segment liabilities	(24,786)	-	-	(4,528)	(11)	(29,325)
Capital expenditure	<u>8,594</u>	<u>-</u>	<u>-</u>	<u>3,680</u>	<u>-</u>	<u>12,274</u>

Capital expenditure comprises additions to property, plant and equipment and right-of-use assets.

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

	30 September 2022		31 March 2022	
	Assets <i>HK\$'000</i>	Liabilities <i>HK\$'000</i>	Assets <i>HK\$'000</i>	Liabilities <i>HK\$'000</i>
Reportable segment assets/(liabilities)	60,758	(37,148)	34,545	(29,314)
Unallocated:				
Prepayments, deposits and other receivables	76	-	184	-
Cash and cash equivalents	2,982	-	4,249	-
Accruals and other payables	<u>-</u>	<u>(51)</u>	<u>-</u>	<u>(11)</u>
	<u>63,816</u>	<u>(37,199)</u>	<u>38,978</u>	<u>(29,325)</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 30 September 2022, all non-current assets were located in Hong Kong (31 March 2022: same).

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

	Six months ended		Three months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other income				
Management services fee income	72	72	36	36
Rent concessions	740	705	387	352
Subsidies <i>Note (i)</i>	–	600	–	600
Others	29	–	18	–
	<u>841</u>	<u>1,377</u>	<u>441</u>	<u>988</u>
Other (losses)/gains, net				
Exchange losses, net	(331)	(9)	(170)	(1)
Fair value losses on derivative financial instruments	(119)	(5)	(50)	(1)
Fair value losses on listed equity securities in Hong Kong	–	–	–	(1,979)
Gain on disposal of listed equity securities in Hong Kong <i>Note (ii)</i>	–	2,658	–	2,007
Gain on disposal of cryptocurrencies	–	50	–	50
	<u>(450)</u>	<u>2,694</u>	<u>(220)</u>	<u>76</u>
Other income and other (losses)/gains, net	<u>391</u>	<u>4,071</u>	<u>221</u>	<u>1,064</u>

Notes:

- (i) Subsidies mainly represent grants received from the Hong Kong SAR government. There are no unfulfilled conditions or contingencies relating to these grants.
- (ii) Gain on disposal of listed equity securities represents the fair value gains up to the date of disposal.

8 EXPENSES BY NATURE

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

	Six months ended 30 September		Three months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Land costs ^{Note}	4,481	389	3,886	235
Air fare costs/(income)	1,527	(119)	1,477	1
Cost of inventories	11,629	–	8,332	–
Short-term lease expenses	–	440	–	240
Low-value assets leases expenses/(income)	114	(76)	57	(151)
Advertising and promotion	456	30	316	15
Credit card fees	192	17	168	11
Employee benefits expenses, excluding				
Director's benefits and interests				
— Salaries, discretionary bonuses and allowances	4,360	3,331	3,075	1,560
— Pensions costs – defined contribution plan	120	654	25	593
— Termination benefits	–	946	–	946
— Other employee benefits	225	81	222	81
	4,705	5,012	3,322	3,180
Directors' benefits and interests	1,000	940	561	465
Depreciation of property, plant and equipment	496	497	272	302
Depreciation of right-of-use assets	1,944	448	1,134	245
Impairment loss/(fair value gain) on cryptocurrencies	687	–	(122)	–
Office, telecommunication and utility expenses	494	326	161	210
Legal and professional fees	1,407	737	634	483
Auditor's remuneration				
— Audit services	410	350	205	170
Others	1,615	1,378	826	671
	<u>31,157</u>	<u>10,369</u>	<u>21,229</u>	<u>6,077</u>

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.

9 FINANCE COSTS, NET

	Six months ended 30 September		Three months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Finance income				
Bank interest income	–	5	–	–
Finance costs				
Imputed interest on loans from a shareholder	(121)	–	(43)	–
Interest expense on lease liabilities	(174)	(58)	(91)	(27)
Interest expense on bank borrowings	(46)	(90)	(20)	(43)
	<u>(341)</u>	<u>(148)</u>	<u>(154)</u>	<u>(70)</u>
Finance costs, net	<u>(341)</u>	<u>(143)</u>	<u>(154)</u>	<u>(70)</u>

10 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the six months ended 30 September 2022 (six months ended 30 September 2021: 16.5%).

No overseas profits tax has been calculated as the Group companies are incorporated in the BVI or the Cayman Islands and are exempted from tax.

Income tax expense charged to the interim condensed consolidated statement of comprehensive income represents:

	Six months ended 30 September		Three months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Current income tax expense	<u>17</u>	<u>–</u>	<u>17</u>	<u>–</u>

11 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.

	Six months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss attributable to owners of the Company (<i>HK\$'000</i>)	(9,414)	(5,341)	(5,479)	(4,517)
Weighted average number of ordinary shares in issue	456,830,601	400,000,000	480,000,000	400,000,000
Basic loss per Share (<i>HK cents per share</i>)	<u>(2.06)</u>	<u>(1.34)</u>	<u>(1.14)</u>	<u>(1.13)</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 six months ended 30 September 2022 (six months ended 30 September 2021: same).

For the six months ended 30 September 2022, the weighted average number of ordinary shares for the purpose of basic loss per Share and diluted loss per Share have been adjusted for the share placement undertaken by the Group on 24 May 2022.

12 DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

13 INTEREST IN A JOINT VENTURE

	30 September 2022	31 March 2022
	HK\$'000	HK\$'000
	(unaudited)	(audited)
At the beginning of the period	9,085	10,650
Share of post-tax results of a joint venture	(54)	(1,565)
At the end of the period	9,031	9,085

Details of the joint venture as at 30 September 2022 and 31 March 2022 are set out below:

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

14 TRADE RECEIVABLES

As at 30 September 2022 and 31 March 2022, the ageing analysis of trade receivables based on invoice date are as follows:

	30 September 2022	31 March 2022
	HK\$'000	HK\$'000
	(unaudited)	(audited)
1 to 30 days	305	–
31 to 60 days	2,850	–
	3,155	–

The carrying amounts of trade receivables approximate their fair values as at 30 September 2022 and the credit terms granted by the Group generally ranged up to 90 days.

As at 30 September 2022, 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.

15 TRADE PAYABLES

As at 30 September 2022 and 31 March 2022, the ageing analysis of trade payables based on invoice date are as follows:

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
1 to 30 days	693	25
31 to 60 days	–	–
61 to 90 days	–	–
91 to 120 days	–	–
Over 120 days	–	1
	<u>693</u>	<u>26</u>

The carrying amounts of trade payables approximate their fair values as at 30 September 2022 and 31 March 2022.

16 BANK BORROWINGS

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Bank borrowings, secured and repayable on demand ^{Note}	<u>2,458</u>	<u>4,068</u>

Note:

As at 30 September 2022 and 31 March 2022, the bank borrowings were secured by undertakings provided by certain executive Directors.

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

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Within one year	2,458	3,243
In the second year	–	825
	<u>2,458</u>	<u>4,068</u>

The carrying amounts of bank borrowings approximate their fair values as at 30 September 2022 and 31 March 2022.

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

17 LOANS FROM A SHAREHOLDER

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
WWPKG Investment	–	11,503

The Company obtained a loan facility totalling HK\$15.0 million from its ultimate parent of which HK\$12.0 million had been drawn down by the Group. As at 31 March 2022, these loans from a shareholder were unsecured, interest-free, repayable twenty-four months from the dates of drawdown, denominated in HK\$ and carried at amortised cost using the effective interest rate of 2.75% per annum. On 16 August 2022, the Company accepted the option offered by its ultimate parent to settle the outstanding loans with principal amounts of HK\$12.0 million and terminate the facility through a one-off payment of HK\$7.0 million (the “Repayment Option”). The Directors considered that the Repayment Option is fair and reasonable, on better terms and in the interests of the Company and the Shareholders as a whole. As a result of exercising the Repayment Option, the unpaid portion of the loans was recognised as deemed capital contribution arising from waiver of loans from a shareholder in equity.

18 SHARE CAPITAL

	Number of Shares	Share capital HK\$'000
Authorised:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 30 September 2022 and 31 March 2022	10,000,000,000	100,000
Issued and fully paid:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 1 April 2022	400,000,000	4,000
Issue of Shares upon placing ^{Note}	80,000,000	800
As at 30 September 2022	480,000,000	4,800

Note:

On 24 May 2022, 80,000,000 Placing Shares were issued at a subscription price of HK\$0.281 each to not less than six placees at an aggregate consideration of HK\$22,480,000 of which HK\$800,000 was credited to share capital and the remaining balance of HK\$21,680,000 was credited to share premium account.

19 EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 25 October 2022 in relation to the placing agreement entered into between the Company and its placing agent, pursuant to which the Company has conditionally agreed to place up to an aggregate of 96,000,000 new ordinary shares to not less than six placees at the placing price of HK\$0.170 per placing share. Assuming all the 96,000,000 placing shares are fully placed, the gross proceeds and net proceeds (after deduction of commission and other expenses of the placing) from this placing will be approximately HK\$16.3 million and HK\$14.9 million, respectively. The net proceeds from this placing are intended to be used for the general working capital of the Group’s new Retail Operations.

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, Tourism and Travel Technology Investments, Cryptocurrency Mining and Retail Operations.

BUSINESS REVIEW

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 package tours to various global destinations with particular focus on Japan-bound tours. The 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 profoundly disrupted by restrictions on cross-boundary/border travel and anti-epidemic measures implemented by nations of its own and across the world. Owing to the pandemic, on the supply side, majority of the Group's airline suppliers have been operating bare skeleton or limited passenger flight schedules, while on the demand side, leisure travel sentiment has remained low. As a result, minimal revenue and gross profit were generated from the Travel Related Products and Services segment for both six months ended 30 September 2022 and 2021.

Nonetheless, owing to the Omicron variants' perceived milder infections and high national vaccination rates, an increasing number of countries have started/are pushing to lift restrictions and measures, in whole or in part, including rules that govern travel, quarantine, mask wearing and socialising. On 10 June 2022, the Japan government eased its borders for foreign tourists from selected countries and regions, including Hong Kong, and began accepting visa applications, but only for those on guided package tours who were willing to follow the anti-virus measures as stipulated by the country. After the long-awaited suspension since 9 March 2020, the Group re-launched its tours bound for Japan on 24 June 2022. On 26 September 2022, the Hong Kong SAR government relaxed the boarding requirements and quarantine arrangements for inbound persons, including (i) declaration of a negative rapid antigen test result in replacement of presentation of a negative nucleic acid testing report prior to boarding; (ii) entry granted to unvaccinated Hong Kong residents; (iii) change of “3+4” quarantine arrangement to “0+3”, i.e. no compulsory quarantine would be required when arrivals would be allowed to return home or stay in a hotel of their choice to undergo three days of medical surveillance; and (iv) implementation of “Test-and-go” arrangement at the Hong Kong International Airport. The Group's revenue generated from the Travel Related Products and Services segment for the six months ended 30 September 2022 recorded a sevenfold increase as a result of these COVID-19 relaxations.

As the six-month period ended 30 September 2022 was adversely affected by the COVID-19 pandemic, the Group continued to mitigate its operating loss through adopting the following cost-saving measures:

- implemented salary reduction for certain Directors;
- streamlined workflows and eliminated non-value added positions or activities;
- encouraged employees to take no-pay leave and/or annual leave;
- obtained rent concessions on certain branch and office premise leases from the landlord; and
- obtained subsidies from the Hong Kong SAR government via the 2022 Employment Support Scheme.

The Group had been striving to explore opportunities and seek to diversify its business portfolio in other industries in order to broaden its source of income and future earning capability and potential. Following its setup of the Cryptocurrency Mining in July 2021, the Group has commenced the Retail Operations at outlets located at prime locations in Hong Kong and online in June 2022. For the six months ended 30 September 2022, the Retail Operations recorded segment revenue of approximately HK\$13.0 million and segment loss of approximately HK\$0.5 million.

To ensure the sufficiency of working capital, the Company completed its placing of 80,000,000 Placing Shares to not less than six places at the placing price of HK\$0.281 per Placing Share on 24 May 2022. The placing price of HK\$0.281 per Placing Share represented a discount of 19.7% to the closing price of HK\$0.350 per Share as quoted on the Stock Exchange on 5 May 2022, being the date on which the terms of the placing were fixed. The gross proceeds from the placing of the Placing Shares amounted to approximately HK\$22.5 million. The Share Placing Proceeds amounted to approximately HK\$21.9 million, representing a net issue price of HK\$0.274 per Placing Share, which have been used for the general working capital of the Group and general corporate purposes to support the Group's strategies.

FINANCIAL REVIEW

Revenue and gross profit

The following table sets out the Group's revenue and gross profit/(loss) by business categories:

	Six months ended 30 September				Three months ended 30 September			
	2022		2021		2022		2021	
	Revenue	Gross profit	Revenue	Gross profit	Gross		Revenue	Gross profit
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	Revenue	profit/(loss)	HK\$'million	HK\$'million
					HK\$'million	HK\$'million		
Package tours	7.8	1.7	1.0	0.7	6.9	1.5	0.4	0.2
FIT products ^{Note}	0.2	0.2	-	-	0.2	0.2	-	-
Ancillary travel related products and services ^{Note}	0.1	0.1	-	-	0.1	0.1	-	-
Travel Related Products and Services	8.1	2.0	1.0	0.7	7.2	1.8	0.4	0.2
Retail Operations	13.0	1.4	-	-	7.7	(0.6)	-	-
Cryptocurrency	0.2	0.2	-	-	-	-	-	-
Total	<u>21.3</u>	<u>3.6</u>	<u>1.0</u>	<u>0.7</u>	<u>14.9</u>	<u>1.2</u>	<u>0.4</u>	<u>0.2</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 the six months ended 30 September 2022, as the Group's outbound package tours continued to be severely impacted by the COVID-19 pandemic. Nonetheless, for the six months ended 30 September 2022, revenue from package tours increased by 680.0% to approximately HK\$7.8 million, mainly due to re-launch of the Group's tours bound for Japan on 24 June 2022 since its suspension in March 2020.

FIT products

Limited sales of FIT products were conducted during the six months ended 30 September 2022 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.

Limited sales of ancillary travel related products and services were conducted during the six months ended 30 September 2022 amid the COVID-19 pandemic.

Retail Operations

For the six months ended 30 September 2022, revenue represented the Group's sales of lifestyle and healthcare products at retail stores and online. Products that were in high demand included the Bearbrick (stylised as Be@rbrick) figures, which have been prominent in the designer and art toy collector community, and health supplements supporting fertility and reproductive wellness in women and men.

Cryptocurrency Mining

For the six months ended 30 September 2022, revenue represented the quantity of Ethereum earned and received based on its fair value.

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 the sales associates of its Retail Operations; (iv) short-term lease expenses and depreciation of right-of-use assets for the Group's travel agency branches and retail stores; and (v) depreciation of property, plant and equipment.

For the six months ended 30 September 2022, selling expenses increased by 53.6% to approximately HK\$2.5 million, mainly due to advertising and promotion, staff costs of the sales associates and depreciation of right-of-use assets incurred for the new Retail Operations.

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) depreciation of property, plant and equipment; (iv) office, telecommunication and utility expenses incurred in the Group's daily operations; (v) legal and professional fees; and (vi) other miscellaneous administrative expenses.

For the six months ended 30 September 2022, administrative expenses increased by 30.0% to approximately HK\$11.0 million, mainly due to (i) legal and professional fees incurred in connection with the Company's placing of the Placing Shares; (ii) the increase in operating expenses incurred on the Cryptocurrency Mining and Retail Operations that were set up in July 2021 and June 2022, respectively; (iii) recognition of impairment loss on cryptocurrencies; and (iv) the increase in depreciation of right-of-use assets as a result of renewal of leases in April 2022.

Loss and total comprehensive loss for the period

The Group's loss and total comprehensive loss for the six months ended 30 September 2022 increased by 80.7% to approximately HK\$9.9 million, which was mainly attributable to the following:

- the increase in selling expenses by approximately HK\$0.9 million for reasons as discussed in the sub-section headed "Financial Review — Selling expenses" above;
- the increase in administrative expenses by approximately HK\$2.5 million for reasons as discussed in the sub-section headed "Financial Review — Administrative expenses" above;
- in respect of the Company's investment in the shares of CTEH INC. ("CTEH"), a gain on disposal of the shares of CTEH of approximately HK\$2.7 million was recognised during the corresponding period in 2021; and
- receipt of subsidies from the Hong Kong SAR government under the Anti-epidemic Fund for supporting the tourism industry in the amount of HK\$0.6 million during the corresponding period in 2021, which was partially offset by
- gross profit of approximately HK\$1.4 million contributed by the new Retail Operations; and
- the increase in gross profit of package tours by approximately HK\$1.0 million mainly due to re-launch of the Group's tours bound for Japan.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its liquidity requirements through internally generated resources and available banking facilities, when necessary. As at 30 September 2022, the Group's net asset value was approximately HK\$26.6 million (31 March 2022: approximately HK\$9.7 million). The Group's cash and cash equivalents were approximately HK\$21.3 million as at 30 September 2022 (31 March 2022: approximately HK\$11.0 million). The cash and bank balances of the Group were mainly denominated in HK\$, which accounted for 91.3% (31 March 2022: 89.1%) of the total balances.

To meet the needs of working capital for its Travel Related Products and Services operations, the Group had obtained loans under the SME Financing Guarantee Scheme of the Hong Kong SAR government in June 2020. As at September 2022, the carrying amounts of the bank borrowings amounted to approximately HK\$2.5 million (31 March 2022: approximately HK\$4.1 million).

As discussed in the sub-section headed "Business Review", travel restrictions imposed across the world due to the COVID-19 pandemic have disrupted the Group's travel and tourism business operation. To ensure the sufficiency of working capital, the Company completed its placing of the Placing Shares on 24 May 2022 and received Share Placing Proceeds of approximately HK\$21.9 million. The placing of the Placing Shares was a great opportunity for the Company to raise additional funds for the operating expenses of the Group and to strengthen the Group's financial position, while broadening the capital and shareholders' base of the Company, and to maintain a healthy working capital position for alleviating the Group's liquidity pressure.

Current ratio is calculated as current assets divided by current liabilities. The Group's current ratio as at 30 September 2022 was 1.3 times (31 March 2022: 1.6 times).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this announcement, there were no other significant investments held and material acquisitions or disposals of subsidiaries by the Company during the six months ended 30 September 2022.

FOREIGN EXCHANGE EXPOSURE

Regarding the Group's Travel Related Products and Services, revenue was mainly denominated in HK\$. 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 30 September 2022, the Group had outstanding foreign exchange forward contracts denominated in Japanese Yen of notional principal amounts of approximately HK\$1.2 million (31 March 2022: approximately HK\$0.7 million). Management will continue to evaluate the Group's foreign exchange risk management procedures and take actions as appropriate to minimise the Group's exposure whenever necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group had a workforce of 51 employees (31 March 2022: 30), 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 the Directors' emoluments, incurred by the Group for the six months ended 30 September 2022 amounted to approximately HK\$4.7 million (six months ended 30 September 2021: approximately HK\$5.0 million).

The Company has adopted a share option scheme on 16 December 2016 with a term of 10 years (the "Share Option Scheme"). The Share Option Scheme is designed to motivate eligible participants, including executives and key employees, who may make a contribution to the Group, and enables the Group to attract and retain individuals with experience and ability and to reward them for their contributions. During the six months ended 30 September 2022, no share option 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 the six months ended 30 September 2022.

USE OF PROCEEDS

The net proceeds from the initial public offering ("IPO") of the Company, after deducting underwriting commission and all related expenses, amounted to approximately HK\$57.0 million (the "IPO Proceeds") and had been fully utilised before 30 September 2022. The following table sets forth the details of use of the IPO Proceeds:

Objective	Amount utilised up to 30 September 2022 HK\$ million
Promoting brand recognition and awareness	14.2
Strengthening and enhancing sales channels	7.3
Improving operational efficiency	11.7
Reserving seats for non-series flights or charter flights	9.5
General corporate and working capital purposes	14.3
	<hr/>
	57.0
	<hr/> <hr/>

As at 30 September 2022, the unutilised Share Placing Proceeds of approximately HK\$13.7 million were deposited into licensed banks in Hong Kong. The following table sets forth the status of the use of the Share Placing Proceeds as at 30 September 2022:

Objective	Allocation of Share Placing Proceeds <i>HK\$ million</i>	Amount utilised up to 30 September 2022 <i>HK\$ million</i>	Balance as at 30 September 2022 <i>HK\$ million</i>	Expected timeframe
Salary payments including staff costs for the expected recruitment of additional staff when travel restrictions are relaxed	13.0	(3.6)	9.4	To be used within one year
Advertising and marketing expenses to promote Travel Related Products and Services when the COVID-19 pandemic subsides and outbound tourism resumes	2.4	(0.3)	2.1	To be used within one year
Rental expenses	3.5	(1.3)	2.2	To be used within one year
Other general corporate purposes including legal and professional fees	3.0	(3.0)	–	
	21.9	(8.2)	13.7	

INTERIM DIVIDEND

In order to retain more cash to finance the working capital requirements and future development of the Group, the Board does not recommend the payment of interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil). The Board will consider future dividend distribution according to the Company's dividend policy.

FUTURE PROSPECTS

As discussed in the sub-section headed “Business Review”, an increasing number of countries have started/are pushing to lift restrictions and measures concerning international travel due to the Omicron variants’ perceived milder infections and high national vaccination rates. In particular for Japan, following its first round of COVID-19 relaxations by easing its borders for foreign tourists on guided package tours with a daily entry cap of 50,000 arrivals in June 2022, the Japan government, on 11 October 2022, resumed individual travel and visa-free short-term travel and welcomed people from sixty-eight countries and regions, including Hong Kong. Travellers no longer needed to book tours through travel agencies and the cap on the number of entry was removed.

The pace and scope of tourism recovery is growing. According to the latest UNWTO World Tourism Barometer published by World Tourism Organisation, tourism saw a strong rebound through July 2022, with international tourist arrivals reaching 57% of pre-pandemic levels in the first seven months of 2022. The Group takes an optimistic view and is confident in tourism recovery.

Nevertheless, neither the exact impact of the ongoing COVID-19 pandemic and its variants for the year ending 31 March 2023 and subsequent financial periods nor magnitude of tourism recovery could be predicted, as there remains a significant degree of uncertainty over:

- COVID-19 case trends;
- duration and severity of new variant(s), if any, that might be more aggressive, highly transmissible, vaccine-resistant and/or able to cause more severe disease as compared to the original strain of the virus;
- trajectory of the economic recovery;
- level of consumer confidence and sentiment for leisure travel; and
- supply and pricing of corresponding flights.

Although short-term cash flows and financial performance will likely remain under pressure in the near term, the Group remains confident in its strategy and has full faith that its outbound travel, tourism and hospitality activities will bounce back to surpass the pre-pandemic levels in the medium term. Furthermore, by incorporating the new business activities of the Retail Operations, the Group seeks to diversify its business in other industries in order to expand its revenue and income sources.

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 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 six months ended 30 September 2022, 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 six months ended 30 September 2022.

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 six months ended 30 September 2022.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

During the six months ended 30 September 2022, each of the Directors, the controlling Shareholders and their respective close associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interests in any company that competes or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group.

SHARE OPTION SCHEME

The Share Option Scheme was adopted pursuant to a resolution passed by the Company's then shareholders on 16 December 2016 (the "Adoption Date"). No share option had been granted, exercised, lapsed or cancelled under the Share Option Scheme from the Adoption Date to 30 September 2022, and there was no outstanding share option as at the date of this announcement.

AUDIT COMMITTEE

The audit committee established by the Company (the "Audit Committee") currently comprises three independent non-executive Directors. The unaudited interim financial results of the Group for the six months ended 30 September 2022 have been reviewed by the Audit Committee together with the Group's management.

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

Hong Kong, 11 November 2022

As at the date of this announcement, the executive Directors are Mr. Yuen Sze Keung, Ms. Chan Suk Mei, Mr. Yuen Chun Ning, Ms. Shawlain Ahmin and Mr. Choi Kam Yan Simon; and the independent non-executive Directors are Mr. Lee Hing Cheung Eric, Mr. Lee Kwong Ming and Ms. Gao Lili.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. 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.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its posting and on the Company's website at www.wwpkg.com.hk.