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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **WWPKG Holdings Company Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8069)

**(1) REFRESHMENT OF GENERAL MANDATE;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

 **金融有限公司**
OCTAL Capital Limited

A notice convening the EGM to be held at Unit 706-8, 7th Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 27 April 2023 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wwpkg.com.hk).

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. no later than 11:00 a.m. on Tuesday, 25 April 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM (or any adjournment thereof) if they so wish and in such event, the form of proxy shall be deemed to be revoked.

This circular will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for a minimum period of 7 days from the date of publication and on the website of the Company at www.wwpkg.com.hk.

11 April 2023

CHARACTERISTICS OF GEM

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 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	15
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	16
NOTICE OF EGM	EGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 2 August 2022;
“Board”	the board of Directors;
“Company”	WWPKG Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (stock code: 8069);
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve, among other things, the proposed Refreshment of General Mandate;
“Existing General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed at the AGM to allot and issue up to 96,000,000 Shares, representing 20% of the total number of issued Shares on the date of passing such resolution;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors to advise the Independent Shareholders on the proposed Refreshment of General Mandate;
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed to carry out business in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed Refreshment of General Mandate;

DEFINITIONS

“Independent Shareholder(s)”	Shareholder(s) other than any controlling shareholders and their associates or, where there are no controlling shareholders, any Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates who shall hold Shares as at the date of the EGM;
“Latest Practicable Date”	3 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular;
“New General Mandate”	the new general mandate granted to the Directors pursuant to an ordinary resolution to be proposed at the EGM to allot and issue up to 20% of the total number of issued Shares on the date of passing such resolution;
“Refreshment of General Mandate”	the proposed granting of the New General Mandate to the Directors at the EGM;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	the ordinary shares of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	the holders of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.



WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8069)

Executive Directors:

Mr. Yuen Chun Ning
(Chairman and Chief Executive Officer)
Ms. Shawlain Ahmin
Mr. Choi Kam Yan Simon

Independent Non-executive Directors:

Mr. Lee Hing Cheung Eric
Mr. Lee Kwong Ming
Ms. Gao Lili

Registered Office:

Winward 3
Regatta Office Park
P.O. Box 1350
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

11 April 2023

To the Shareholders

Dear Sir/Madam,

**(1) REFRESHMENT OF GENERAL MANDATE;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information relating to (i) the Refreshment of General Mandate; (ii) recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Refreshment of General Mandate; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate; and (iv) the notice of EGM, at which the necessary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Refreshment of General Mandate by way of poll.

LETTER FROM THE BOARD

REFRESHMENT OF GENERAL MANDATE

Existing General Mandate

At the AGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot and issue not more than 96,000,000 Shares, being 20% of the total number of issued Shares as at the date of passing of the resolution at the AGM.

During the period from the grant of the Existing General Mandate to the Latest Practicable Date, most of the Existing General Mandate (i.e. 88,095,000 out of 96,000,000 Shares) has been utilised as a result of the placing of new Shares (the “**November Placing**”), which was completed on 16 November 2022, details of which were set out in the announcements of the Company dated 25 October 2022 and 16 November 2022.

New General Mandate

Taking into consideration that almost all of the Existing General Mandate has been utilised as at the Latest Practicable Date, the Company will convene the EGM at which ordinary resolution will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the relevant ordinary resolution at the EGM; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

The Company has not refreshed the Existing General Mandate since the AGM. The New General Mandate proposed will last until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any other applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

As at the Latest Practicable Date, the Company had 568,095,000 Shares in issue. On the basis that there are no changes in the issued share capital of the Company from the Latest Practicable Date and up to the date of the EGM, the Directors will be authorised to allot and issue up to 113,619,000 new Shares under the New General Mandate, representing 20% of the issued share capital of the Company as at the date of the EGM.

LETTER FROM THE BOARD

Reasons for the grant of the New General Mandate

The Group is one of the long-established and well-known travel agents in Hong Kong, who markets its travel related products and services under the brand “縱橫遊 WWPKG”, and engages in (i) the design, development and sales of package tours; (ii) the sales of air tickets and/or hotel accommodations; (iii) the sales of ancillary travel related products and services; (iv) investments in tourism and travel technology related businesses; (v) 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; (vi) the provision of leisure, lifestyle and healthcare products and services via stores and/or e-commerce (the “**Retail Business**”); and (vii) catering business of selling food and drinks in Hong Kong (the “**Catering Business**”).

In assessing the needs for the grant of the New General Mandate, the Board has considered the followings:

(i) The Existing General Mandate has been mostly utilised

During the period from the grant of the Existing General Mandate to the Latest Practicable Date, most of the Existing General Mandate (i.e. 88,095,000 out of 96,000,000 Shares) has been utilised as a result of the November Placing.

As the next annual general meeting of the Company will not be held until around August 2023 (the “**2023 AGM**”), the Company will no longer have the flexibility to promptly meet fund raising opportunities for about four months should any fund-raising opportunities with attractive terms arises prior to the 2023 AGM. Given the current economic condition, the Company believes that it is important for the Company to have the option to raise funding at short notice if the opportunity presents itself.

As at the Latest Practicable Date, the Company is in discussions with a placing agent regarding a potential placing exercise by way of issuance of new Shares (the “**Potential Placing**”), but the major terms have not been concluded and no legally binding agreement has been entered into by the Company with any party for the Potential Placing. It is expected the proceeds raised from Potential Placing will be used for general working capital. Further announcement(s) in respect of the above will be made by the Company in compliance with the GEM Listing Rules as and when appropriate.

(ii) Funding needs for business development

As at 28 February 2023, the Group had unaudited cash and cash equivalents of approximately HK\$40.3 million. The Directors consider such amount is not excessive having considered that, for the nine months ended 31 December 2022, the Group recorded unaudited net loss attributable to owners of the Company of approximately HK\$6.1 million and net cash used in operating activities of approximately HK\$6.6 million for the nine months ended 31 December 2022 despite recognition of unaudited revenue of approximately HK\$86.6 million and a cash and cash equivalents’ position of approximately HK\$38.4 million as at 31 December 2022.

LETTER FROM THE BOARD

Travel restrictions imposed across the world due to the ongoing coronavirus disease 2019 (“**COVID-19**”) has disrupted the Group’s travel and tourism business operation. As a result, minimal revenue and gross profit were generated from the travel related products and services segment of the Group since the financial year ended 31 March 2021. Following the eased pandemic controls across the world, tourism recovery has been gaining momentum. On the supply side, the Group’s airline suppliers have since resumed their international flights, while on the demand side, leisure travel sentiment has been improving. As a result, the Group’s revenue generated from the travel related products and services segment for the nine months ended 31 December 2022 recorded a staggering forty-fold increase as compared to the corresponding period in 2021.

In light of the revival of the Group’s travel and tourism business, the Group will require significant working capital, mainly trade deposits to airline suppliers and land operators for package tours and replenishment of operational staff, sales associates and tour escorts. In fact, unaudited trade deposits increased significantly from HK\$3.7 million as at 30 September 2022 to approximately HK\$16.2 million as at 31 December 2022. The unaudited revenue generated from sales of package tours amounted to approximately HK\$51.0 million for the three months ended 31 December 2022. The trade deposits as at 31 December 2022 have been fully recognised as cost of package tours by 31 March 2023. For illustrative purpose, assuming an annualised revenue of approximately HK\$204.0 million (based on the revenue from sales of package tours for the three months ended 31 December 2022), the Company estimates that the amount of air fare costs payable annually (based on historical gross profit margins) would be approximately HK\$80.3 million. Generally, the percentage of deposits required for air fare costs ranges between 14% to 100% (for flights operated during peak holiday seasons and chartered flights).

Further, the trade deposits balance for the Group’s travel products and services ranged from approximately HK\$11.5 million to HK\$30.4 million with an average of approximately HK\$20.3 million during the period from April to September 2018 and April to September 2019, which were not affected by the outbreak of COVID-19 and demonstrated the level of operation that the Group could achieve under normal business environment. Taking into consideration of the gradual recovery of the tourism industry and the historical trade deposit amount, the Directors estimate that the Group shall be required to pay trade deposits in the range of approximately HK\$16.0 million to HK\$23.0 million for the six months ending 30 September 2023.

The Group is required to maintain a relatively high level of liquidity to meet the prepayment requests of its suppliers from time to time, particularly during peak seasons. As a result, the Group’s operating cash flow may experience significant fluctuations from time to time. For instance, prior to the COVID-19 outbreak, the Group recorded net cash used in operating activities of approximately HK\$34.1 million and HK\$9.3 million for the years ended 31 March 2018 and 2019, respectively. Besides, airlines would announce allotments of peak seasons’ seats at least two months prior to departure dates and occasionally launch ad hoc promotions or offer special fares to the Group, in which case the Group is required to make full payment to reserve the seats in advance of receiving payments from customers.

LETTER FROM THE BOARD

Since the magnitude of the tourism recovery could not be predicted as there remains a significant degree of uncertainty over the trajectory of economic recovery, the level of consumer confidence and sentiment for leisure travel and the supply and pricing of corresponding flights, the Directors expect that the short-term operating cash flows and financial performance of the travel related products and services segment will likely remain under pressure. Hence, the Directors consider it is important that the Group remains cautious in its treasury planning and to maintain a relatively high level of cash on hand to support the working capital requirements of the Group's daily operation.

In addition, the Group is contemplating to set up a concept store for the travel and tourism business, which is expected to open in May 2023. Funding is required for lease payments, interior designer fees and fitting-out works, purchases of office furniture and computer equipment, and staff hiring. The initial investment cost of such concept store is estimated to be approximately HK\$4.0 million.

To cope with the reactivation of the Group's travel and tourism business operation and the opening of the concept store, the Group plans to recruit operational staff, tour escorts and retail staff for the concept store. The expected salary expenses is approximately HK\$5.0 million per annum.

In June 2022, the Group commenced the Retail Business at an outlet located at prime locations in Hong Kong and through online platform. For the nine months ended 31 December 2022, the Retail Business recorded unaudited segment revenue of approximately HK\$26.1 million and segment loss of approximately HK\$0.6 million. In view that the Retail Business is still in its early stage of development and yet to be profit-making, depending on its actual performance, it may require funding for its operation from time to time. It is expected the working capital requirement for the Retail Business for the six months ending 30 September 2023 would be (i) approximately HK\$6.9 million for procurement expenses, (ii) approximately HK\$1.0 million for staff salaries, (iii) approximately HK\$0.7 million for rental expenses, (iv) approximately HK\$0.2 million for advertising and marketing expenses, and (v) approximately HK\$0.8 million for other general and administrative expenses.

Further, as disclosed in the Company's announcement dated 13 December 2022 in relation to the formation of the joint venture company for the Catering Business, the Group is required to provide funding of HK\$5.1 million for the Catering Business on or before 31 December 2023. The Group has not yet provided such funding as at the Latest Practicable Date. A café in Tsim Sha Tsui was soft-launched in February 2023. In view that the Catering Business is still in its early stage of development and yet to be profit-making, depending on its actual performance, it may require funding for its operation from time to time. It is expected that the working capital requirement for the Catering Business for the six months ending 30 September 2023 would be (i) approximately HK\$3.4 million for procurement expenses, (ii) approximately HK\$4.4 million for staff salaries, (iii) approximately HK\$1.4 million for rental expenses, (iv) approximately HK\$0.2 million for advertising and marketing expenses, and (v) approximately HK\$0.4 million for other general and administrative expenses.

LETTER FROM THE BOARD

In addition, based on the financial performance of the Group for the three months ended 31 December 2022 which demonstrated the reactivation of the travel and tourism business and the commencement of the Retail Business, the Group's monthly working capital requirement (including cost of sales, selling expenses and administrative expenses) was approximately HK\$20.8 million. After deducting HK\$4.0 million investment for the concept store and HK\$5.1 million investment for the Catering Business, the Group's net cash balance as at 23 February 2023 would be approximately HK\$31.2 million, which is equivalent to less than two months of the Group's working capital requirement. Therefore, the Directors do not consider the current cash level of the Group to be excessive and may require external funding for business development from time to time.

The Group has available and unutilised bank overdraft facilities of HK\$5.0 million as at the Latest Practicable Date, which is subject to the bank's overriding right of repayment on demand and its unrestricted discretion to cancel, suspend or forbid drawings in relation to the facilities. Hence, the banking facilities is not suitable for funding the general working capital of the Group.

The Directors considered that if the New General Mandate is granted, it is in the interests of the Company to raise additional capital in a timely manner to support the Group's general working capital for the Group's businesses.

(iii) The net proceeds from previous fund-raising activities have been mostly utilised

The Company has raised net proceeds of approximately HK\$21.9 million from the May Placing (as defined below) and HK\$13.7 million from the November Placing, which have been substantially utilised as general working capital of the Group as at the Latest Practicable Date. The small amount of unutilised proceeds from the May Placing will be used for advertising and marketing expenses and rental expenses for the travel related products and services segment up to 31 May 2023. No proceeds from the May Placing was designated to pay for trade deposits. The unutilised proceeds from the November Placing is expected to be fully utilised as intended by 31 May 2023. For further details, please refer to the section headed "Fund raising activities of the Company in the past twelve months".

The Directors considered that if the New General Mandate is granted, it is in the interests of the Company to raise additional capital in a timely manner to strengthen the cash flow position of the Group in the long run for its business development.

(iv) Alternative financing methods

The Directors have also considered other financing alternatives such as debt financing, rights issue, open offer, issuing shares under specific mandate or internal cash resources to meet the financial requirements of the Group, if appropriate, taking into account the then financial position, capital structure and flexibility of the Group as well

LETTER FROM THE BOARD

as the prevailing market condition. However, the Board believes that the proposed grant of the New General Mandate serves the best interests of the Company and the Shareholders considering that:

- (1) debt financing is less suitable as compared to equity financing by way of issue of new Shares under general mandate given that (a) the latter does not incur any interest expenses on the Group as compared with bank financing or the issue of bonds, and (b) in light of the financial condition of the Group (i.e. loss-making for the nine months ended 31 December 2022), it may be difficult, uncertain and time-consuming for the Company to obtain additional bank borrowings. Further, bank financing generally involves pledge of assets, and the Group being a light asset enterprise does not have material assets suitable and available for assets pledge arrangement in obtaining further debt financing;
- (2) pre-emptive fundraising methods such as rights issue or open offer may involve substantial time to complete as compared to equity financing by issuance of new Shares under general mandate. In particular, a rights issue or an open offer normally takes at least five to six weeks, and lengthy discussions with potential commercial underwriters may also be involved. If shareholders' approval is required, it may take over two months, which is primarily due to the time for the issuer to prepare a shareholder's circular and the notice period for the shareholders' meeting. Therefore, it would not allow the Company to satisfy its funding requirements in a timely manner if required; and
- (3) as compared to equity financing by issuance of new Shares under general mandate, issuing Shares under specific mandate would involve extra time from the finalisation of the relevant terms of the fundraising plan, the preparation, printing and despatch of the relevant circular and other documentations, as well as the holding and convening of extraordinary general meeting on each occasion of issue, and equity financing by issuance of new Shares under general mandate would allow the Company to avoid the uncertainties in such circumstances where the approval for specific mandate may not be obtained in a timely manner.

Accordingly, the Directors consider that the Refreshment of General Mandate offers the Company with greater financing flexibility to cope with the funding needs of the Company by providing a more efficient process of fund raising and avoiding the uncertainties of not obtaining a specific mandate in a timely fashion. As at the Latest Practicable Date, the Company has no intention to further refresh the New General Mandate before the 2023 AGM.

In light of the above, the Directors are of the view that the Refreshment of General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The following table summarises the fund-raising activities by the Company in the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement(s)	Fund raising activity	Net proceeds to be raised (Approx.)	Proposed use of net proceeds (Approx.)	Actual use of net proceeds (Approx.)
5 May 2022, 6 May 2022 and 24 May 2022	Placing of new Shares under general mandate (“ May Placing ”)	HK\$21.9 million	(i) HK\$13.0 million for salary payments, including staff costs for the expected recruitment of additional staff when travel restrictions are relaxed; (ii) HK\$2.4 million for advertising and marketing expenses in relation to the Group’s travel and tourism business; (iii) HK\$3.5 million for rental expenses; (iv) HK\$3.0 million for other general corporate purposes, including legal and professional fees.	(i) HK\$11.6 million has been used as intended. (ii) HK\$0.8 million has been used as intended. (iii) HK\$2.8 million has been used as intended. (iv) HK\$3.0 million has been used as intended.
25 October 2022 and 16 November 2022	Placing of new Shares under general mandate	HK\$13.7 million	(i) approximately HK\$7.4 million shall be used for procurement expenses; (ii) approximately HK\$2.4 million shall be used for staff cost; (iii) approximately HK\$1.8 million shall be used for general and administration expenses; (iv) approximately HK\$1.2 million shall be used for rental expenses; and (v) approximately HK\$0.9 million shall be used for advertising and marketing expenses.	(i) HK\$7.4 million has been used as intended. (ii) HK\$1.8 million has been used as intended. (iii) HK\$1.0 million has been used as intended. (iv) HK\$0.5 million has been used as intended. (v) HK\$0.8 million has been used as intended.

LETTER FROM THE BOARD

Potential dilution to shareholdings of the Shareholders

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the date of the full utilisation of the New General Mandate):

Name of Shareholder	As at the Latest Practicable Date		Immediately following the full utilisation of the New General Mandate	
	<i>Number of Shares</i>	<i>Approx. % (Note 2)</i>	<i>Number of Shares</i>	<i>Approx. % (Note 2)</i>
WWPKG Investment Holdings Limited ^(Note 1)	100,000,000	17.60	100,000,000	14.67
Existing public Shareholders	468,095,000	82.40	468,095,000	68.66
Maximum number of Shares to be issued under the New General Mandate	—	—	113,619,000	16.67
Total	568,095,000	100.00	681,714,000	100.00

Notes:

1. WWPKG Investment Holdings Limited (“**WWPKG Investment**”) is an investment holding company incorporated in the British Virgin Islands and is owned as to 68.02%, 23.42% and 8.56% by Ms. Chan Suk Mei (“**Ms. Chan**”), Mr. Yuen Sze Keung (“**Mr. SK Yuen**”) and Mr. Yuen Chun Ning, 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.
2. The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

Assuming that (i) the grant of New General Mandate is approved at the EGM; and (ii) no Shares are repurchased and no new Shares are issued from the Latest Practicable Date up to the date of the EGM (both days inclusive), 113,619,000 Shares, which represent approximately 16.67% of the issued share capital of the Company as enlarged by the issue of such Shares. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 82.40% to 68.66% upon full utilisation of the New General Mandate.

Notwithstanding that the Potential Placing is not yet materialised as at the Latest Practicable Date, the Directors believe that it is important for the Company to have the flexibility and option to raise funding by issue of new Shares at short notice if opportunity arises.

LETTER FROM THE BOARD

Having considered the above and that utilisation of the New General Mandate will support the Group's operation/business development by way of fund-raising, the Directors are of the view that the aforesaid dilution impact on the shareholding of the existing public Shareholders to be acceptable and the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the approval of the proposed Refreshment of General Mandate will be subject to Independent Shareholder's approval at a general meeting of the Company. Any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour of the resolution to approve the proposed Refreshment of General Mandate.

As at the Latest Practicable Date, there is no controlling Shareholder. As at the Latest Practicable Date, WWPKG Investment Holdings Limited is owned as to 68.02%, 23.42% and 8.56% by Ms. Chan, Mr. SK Yuen and Mr. Yuen Chun Ning, respectively. Mr. SK Yuen and Ms. Chan are deemed to be interested in all the Shares held by WWPKG Investment Holdings Limited, being 100,000,000 Shares, representing approximately 17.60% of the total issued share capital of the Company. Mr. SK Yuen and Ms. Chan, being the parents of Mr. Yuen Chun Ning are associates of Mr. Yuen Chun Ning, an executive Director and chairman of the Board. Accordingly, pursuant to Rule 17.42A(1), WWPKG Investment Holdings Limited is required to abstain from voting in favour of the resolution(s) to approve the proposed Refreshment of General Mandate as at the Latest Practicable Date.

As at the Latest Practicable Date, no parties required to abstain from voting in favour of the resolutions to be proposed at the EGM have indicated that they intend to vote against on any resolutions at the EGM.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, save as disclosed and as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the proposed resolution on the Refreshment of General Mandate at the EGM.

EGM

The Company will convene the EGM at Unit 706–8, 7th Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 27 April 2023 at 11:00 a.m. (or any adjournment or postponement thereof) to consider and, if thought fit, approve, among other things, the Refreshment of General Mandate.

The Independent Board Committee, comprising of all the independent non-executive Directors, namely Mr. Lee Kwong Ming, Mr. Lee Hing Cheung Eric, and Ms. Gao Lili, has been established to consider and, if appropriate, make a recommendation to the Independent Shareholders (i) as to whether the terms of the Refreshment of General Mandate are fair and

LETTER FROM THE BOARD

reasonable and whether the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole; and (ii) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed Refreshment of General Mandate.

A proxy form for use at the EGM is enclosed with this circular. All registered Shareholders will be able to join the EGM in person to consider and, if thought fit, approve, among other things, the Refreshment of General Mandate.

A notice convening the EGM is set out on pages EGM-1 to EGM-4 of this circular. Whether or not you intend to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM ((i.e. no later than 11:00 a.m. on Tuesday, 25 April 2023) or any adjournment thereof (as the case may be). The completion and return of the form of proxy will not preclude you from attending and voting at the EGM in person (or any adjournment thereof) should you so wish.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 24 April 2023 to Thursday, 27 April 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM to be held on Thursday, 27 April 2023, all share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Friday, 21 April 2023.

RECOMMENDATION

The Directors consider that the terms of the Refreshment of General Mandate are fair and reasonable and the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and therefore recommend the Independent Shareholders to vote in favour of the Refreshment of General Mandate to be proposed at the EGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 15 of this circular which contains its recommendation to the Independent Shareholders in relation to the Refreshment of General Mandate; and (ii) the letter of advice from the Independent Financial Adviser set out in pages 16 to 29 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate.

LETTER FROM THE BOARD

GENERAL

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

Yours faithfully
By order of the Board
WWPKG Holdings Company Limited
Yuen Chun Ning
Chairman and Executive Director



WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8069)

11 April 2023

To the Independent Shareholders,

Dear Sir/Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the Refreshment of General Mandate, details of which are set out in the circular of the Company to the Independent Shareholders dated 11 April 2023 (“**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the principal reasons and factors considered by, and the advice of the Independent Financial Adviser in relation thereto as set out in the Circular, we are of the view that the terms of the Refreshment of General Mandate are fair and reasonable and that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Refreshment of General Mandate.

Yours faithfully,
Independent Board Committee

Mr. Lee Hing Cheung Eric
*Independent non-executive
Director*

Mr. Lee Kwong Ming
*Independent non-executive
Director*

Ms. Gao Lili
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Octal Capital Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.



801–805, 8/F, Nan Fung Tower,
88 Connaught Road Central,
Hong Kong

11 April 2023

To the Independent Board Committee and the Independent Shareholders

Dear Sir/Madam,

REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate, particulars of which are set out in the letter from the Board (the “**Letter from the Board**”) of the circular of the Company dated 11 April 2023 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined under the definition section of the Circular.

At the AGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot and issue not more than 96,000,000 Shares, being 20% of the total number of issued Shares as at the date of passing of the resolution at the AGM. During the period from the grant of the Existing General Mandate to the Latest Practicable Date, around 91.8% of the Existing General Mandate (i.e. 88,095,000 out of 96,000,000 Shares) has been utilised as a result of the placing of new Shares (the “**November Placing**”), details of which were set out in the announcements of the Company dated 25 October 2022 and 16 November 2022.

As such, the Company proposed to the Independent Shareholders that (i) the Directors will be granted the New General Mandate to allot and issue Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the relevant ordinary resolution at the EGM; and (ii) the New General Mandate will be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

As at the Latest Practicable Date, the Company has no controlling Shareholder, whilst Mr. Yuen Sze Keung and Ms. Chan Suk Mei are deemed to be interested in all the Shares held by WWPKG Investment Holdings Limited, being 100,000,000 Shares, representing approximately 17.60% of the total issued share capital of the Company. Mr. Yuen Sze Keung and Ms. Chan Sui Mei, being the parents of Mr. Yuen Chun Ning, are associates of Mr. Yuen Chun Ning, an

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

executive Director and chairman of the Board. Accordingly, pursuant to Rule 17.42A(1) of the GEM Listing Rules, WWPKG Investment Holdings Limited is required to abstain from voting at the EGM regarding the proposed Refreshment of General Mandate.

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Lee Hing Cheung Eric, Mr. Lee Kwong Ming, and Ms. Gao Lili, has been established to advise the Independent Shareholders in respect of the Refreshment of General Mandate. We, Octal Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

As at the Latest Practicable Date, we were not connected with the directors, chief executive and substantial shareholders of the Group or their respective associates and do not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and is therefore considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate. During the last two years, we have not been engaged by the Company as an independent financial adviser to the Company. Accordingly, we consider that we are independent to act as the Independent Financial Adviser pursuant to Rule 17.96 of the GEM Listing Rules.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular as provided by the management of the Company were true at the time they were made and continue to be true as at the date of the Circular. We have also relied on our discussion with the management of the Company regarding the Refreshment of General Mandate, and the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the management of the Company in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information, among other things, (i) the announcements of the Company dated 5 May 2022, 6 May 2022 and 24 May 2022 in respect of the placing of new Shares under general mandate (the “**May Placing**”); (ii) the announcements of the Company dated 25 October 2022 and 16 November 2022 in respect of the November Placing; (iii) the annual report of the Company for the year ended 31 March 2022 (the “**2021/22 Annual Report**”), the interim report of the Company for the six months ended 30 September 2022 (the “**2022 Interim Report**”) and the third quarterly report of the Company for the nine months ended 31 December 2022 (the “**2022 3Q Report**”); and (iv) other information as set out in the Circular, to reach an informed view and justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group and their respective associates, nor have we carried out any independent verification of the information supplied to us.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations in respect of the Refreshment of General Mandate, we have taken into consideration of the following principal factors and reasons:

1. Background information of the Group

The Group is one of the long-established and well-known travel agents in Hong Kong, who markets its travel related products and services under the brand “縱橫遊 WWPKG”, and engages in (i) the design, development and sales of package tours; (ii) the sales of air tickets and/or hotel accommodations (the “**FIT Products**”); (iii) the sales of ancillary travel related products and services ((i), (ii) and (iii) collectively, the “**Travel Related Products and Services Business**”); (iv) investments in tourism and travel technology related businesses (the “**Tourism and Travel Technology Investments Business**”); (v) 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 Business**”); (vi) the provision of leisure, lifestyle and healthcare products and services in physical stores and/or e-commerce (the “**Retail Business**”); and (vii) catering business of selling food and drinks in Hong Kong (the “**Catering Business**”), which has commenced its operation in the first quarter of 2023.

The table below summarises the major financial information of the Group for the years ended 31 March 2021 and 2022 (“**FY2020/21**” and “**FY2021/22**”, respectively) extracted from the 2021/22 Annual Report and for the nine months ended 31 December 2021 and 2022 (“**3Q2021**” and “**3Q2022**”, respectively) extracted from the 2022 3Q Report.

<i>HK\$'000</i>	FY2020/21 (audited)	FY2021/22 (audited)	3Q2021 (unaudited)	3Q2022 (unaudited)
Travel Related Products and Services Business	2,564	1,659	1,536	60,303
Cryptocurrency Mining Business	—	1,182	—	195
Retail Business	—	—	—	26,095
Total revenue	<u>2,564</u>	<u>2,841</u>	<u>1,536</u>	<u>86,593</u>
Loss for the year/period	(16,609)	(16,098)	(9,749)	(6,716)

Source: 2021/22 Annual Report and 2022 3Q Report

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2021/22 compared to FY2020/21

During FY2020/21 and FY2021/22, the Group experienced a highly challenging operation environment as the tourism industry was bombarded by the ongoing impact of the COVID-19 pandemic. The Group's core operating segment (i.e. Travel Related Products and Services Business) only recorded revenue of approximately HK\$2.6 million in FY2020/21 and HK\$1.7 million in FY2021/22 as a result of various travel restrictions and anti-epidemic measures imposed across the world. In view of the uncertainty among the recovery of tourism industry, the Group's business was diversified to Cryptocurrency Mining Business in July 2021 which contributed approximately HK\$1.2 million of revenue to the Group for FY2021/22.

The Group recorded a loss of approximately HK\$16.1 million in FY2021/22, representing a slight improvement of approximately 3.1% as compared to that in FY2020/21. The decrease in net loss was mainly attributable to (i) the launch of green lifestyle local tours which subsidised by the Hong Kong Government; and (ii) a one-off gain on disposal of CTEH INC. during FY2021/22, which was partially offset by (i) the reduction in subsidies provided by the Hong Kong Government under the Employment Support Scheme and the Anti-epidemic Fund during FY2020/21; and (ii) the increase in administrative expenses for the new Cryptocurrency Mining Business.

3Q2022 compared to 3Q2021

Following the eased pandemic controls across the world in the second half of 2022, the revenue of the Group significantly increased from approximately HK\$1.5 million in 3Q2021 to approximately HK\$86.6 million in 3Q2022, representing an increase of almost 55 times. The increase was mainly due to (i) the relaunch of the Group's tour bound for Japan in June 2022 and the increasing number of tour participants after the Japan government resumed its visa-free tourist travel in October 2022; and (ii) the commencement of Retail Business in June 2022 which accounted for approximately 30.1% of the total revenue of the Group for 3Q2022.

Although the Group's revenue surged in 3Q2022, the Group still recorded a loss of approximately HK\$6.7 million, representing a material decrease of approximately 31.1% as compared to that in 3Q2021. The decrease in net loss was mainly attributable to the significant increment in revenue and gross profit of the Group for 3Q2022, which was partially offset by (i) the increase in credit card charges arising from the sales of travel related products and services; (ii) the increase in salaries and benefits for the Group's tour escorts and the administrative and operational staff; (iii) the increase in advertising, promotion and staff cost of the sales associates for the Retail Business; and (iv) recognition of impairment loss on cryptocurrencies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
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The major items of the unaudited consolidated financial position of the Company as at 30 September 2022 are summarised as below:

	As at 30 September 2022 <i>HK\$'000</i> (unaudited)
Non-current assets	
Property, plant and equipment	2,193
Right-of-use assets	8,388
Investment in a joint venture	9,031
Other non-current assets	900
	20,512
Current assets	
Prepayments, deposits and other receivables	11,179
Cash and cash equivalents	21,256
Other current assets	10,869
	43,304
Total assets	63,816
Non-current liabilities	
Lease liabilities	4,374
Other non-current liabilities	484
	4,858
Current liabilities	
Accruals and other payables	18,316
Lease liabilities	4,228
Bank borrowings	2,458
Other current liabilities	7,339
	32,341
Total liabilities	37,199
Net current assets	10,963
Net assets	26,617
Gearing ratio (total bank borrowings/total assets)	3.9%

Source: 2022 Interim Report

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 30 September 2022, the Group's non-current assets amounted to approximately HK\$20.5 million in which property, plant and equipment and the right-of-use assets were in aggregate amounted to approximately HK\$10.6 million, representing approximately 16.6% of the total assets of the Group. As at 30 September 2022, deposits and other receivables amounted to approximately HK\$11.2 million, of which trade deposits paid to airlines, land operators, hotels and other suppliers in relation to package tours amounted to approximately HK\$3.7 million; while prepayment to suppliers in relations to the Retail Business amounted to approximately HK\$5.5 million. As at 30 September 2022, the Group recorded approximately HK\$21.3 million of cash and cash equivalents, among which approximately HK\$13.7 million was the unused proceeds derived from the May Placing. As at the Latest Practicable Date, the remaining proceeds of HK\$3.7 million will be utilised on or before 31 May 2023.

The Group's liabilities mainly comprised of accruals and other payables amounted to approximately HK\$18.3 million as at 30 September 2022, representing approximately 49.2% of total liabilities. The Group's gearing ratio (as defined above) as at 30 September 2022 was approximately 3.9%.

Prospect of the Group

The Group finally restarted its tour bound for Japan in June 2022 since its suspension for more than two years after the outbreak of the COVID-19 pandemic in March 2020.

Coupled with the subsequent relaxation of the quarantine requirements imposed by the Hong Kong Government and the gradual reopening to inbound tourists by the Government of Japan, the number of outbound travelling to Japan is increasing. According to the Air Traffic Statistics published by Airport Authority Hong Kong in January 2023 (<https://www.hongkongairport.com/en/the-airport/hkia-at-a-glance/fact-figures.page>), passengers handled by Hong Kong International Airport reached around 2.1 million, representing a year-on-year surge of around 28 times. Due to the further relaxation of travel restrictions in Hong Kong, number of passengers experienced significant growth, particularly Hong Kong residents, compared to the same month in last year. Traffic to and from Southeast Asia and Japan recorded the most significant increment.

In light of the resumption of overseas travel by Hong Kong residents, the Company is expecting that there is a growing demand for the Group's packaging tours and FIT Products. Looking forwards, the Directors are of the view that the Group's Travel Related Products and Services Business will achieve an optimistic recovery in 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On the other hand, the Group has diversified its business portfolio in other industries in order to broaden its source of income including the Retail Business and the Catering Business. Since there is growing number of visitors to Hong Kong since the early 2023, the Directors believe that such businesses could also benefit from the recovery of tourism industry in Hong Kong.

2. Reasons for the grant of New General Mandate

Utilisation of the Existing General Mandate

The Existing General Mandate was granted to the Directors to allot and issue up to 96,000,000 Shares, representing 20% of the number of issued Shares when the relevant resolution was passed at the AGM. As at the Latest Practicable Date, the Existing General Mandate has been utilised as to 88,095,000 Shares, representing approximately 91.8% of the Shares under the Existing General Mandate, as a result of the November Placing.

As the next annual general meeting of the Company will not be held until around August 2023 (the “**2023 AGM**”), which is approximately five months from the Latest Practicable Date. Without the New General Mandate, the Company will no longer have the flexibility to promptly conduct fund raising opportunities prior to the 2023 AGM.

According to the Letter from the Board, the Company has been in discussion with a placing agent regarding a potential placing exercise by way of issuance of new Shares (the “**Potential Placing**”), but the major terms have not been concluded and no legally binding agreement has been entered into by the Company with any party for the Potential Placing. It is expected the proceeds to be raised from Potential Placing will be used for general working capital of the Group, in particular the funding needs for the Travel Related Products and Services Business. In view of the anticipated increase in working capital requirement and the recovery of the tourism industry, the Board believes that it is important for the Company to have a flexible option to conduct and complete fund-raising at short notice.

Funding needs for business development

Travel restrictions imposed across the world due to the outbreak of COVID-19 pandemic have disrupted the Group’s travel and tourism business operation for the past few years. As a result, minimal revenue was generated from the Travel Related Products and Services Business of the Group since FY2020/21. Following the relaxation of pandemic controls across the world and the demand for outboard travelling from Hong Kong, tourism recovery has been gaining momentum. According to the information from Hong Kong Government (<https://data.gov.hk/tc-data/dataset/hk-immd-set5-statistics-daily-passenger-traffic>), the number of passenger departure from Hong Kong for the two months ended 28 February 2023 reached approximately 7.2 million, while the same for the year of 2022 was only 2.7 million. According to the Air Traffic Statistics published by Airport Authority Hong Kong (<https://www.hongkongairport.com/en/the-airport/hkia-at-a-glance/fact-figures.page>),

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

there was approximately 11,000 passenger flights takeoff and landing in January 2023, representing approximately 18.3% of the total passenger flights movements for the year of 2022. The airline operators have also gradually resumed international flights while the leisure travel sentiment has been improving after the lift of quarantine restrictions in Hong Kong. As a result, the Group's revenue generated from the Travel Related Products and Services Business for 3Q2022 recorded a staggering increment as compared to 3Q2021. In light of the revival of the Group's travel and tourism business, the Group requires additional working capital for the trade deposits to airline and land operators for package tours and replenishment of operational staff, sales associates and tour escorts. In fact, trade deposits increased significantly from HK\$3.7 million as at 30 September 2022 to approximately HK\$16.2 million as at 31 December 2022, which representing approximately around 26.9% of the revenue for 3Q2022. The management of the Company further advised that the airline operators, as normal practice, allots peak season's seats at least two months prior to departure date and launch of ad-hoc promotion offers and the Group is required to make full payment to reserve the seats prior to the Group receives payments from the customers. Facing the competitive market of travel agencies, the Group must secure a pool of air tickets for customers in advance. In view of the upcoming travel demand, the Group must reserve a portion of free cash for trade deposits with airlines, land operators, hotels and other suppliers with an objective to meet the customers' growing demand for the upcoming package tours and travel products in particular for the upcoming summer holiday in 2023. According to the Letter from the Board, the trade deposits for the Group's travel products and services were amounted from approximately HK\$11.5 million to HK\$30.4 million with an average of approximately HK\$20.3 million during the period from April 2018 to September 2018 and April 2019 to September 2019. To support its normal scale of operation before the COVID-19 pandemic, the Group normally maintained around HK\$20.0 million of trade deposits. In view of the gradual recovery of the tourism industry, the Directors consider that the Group is required to maintain a relatively high level of liquidity for suppliers' prepayment request from time to time.

During FY2020/21 and FY2021/22, under such difficult operation environment, the Group only maintained two branches in Hong Kong. Having witnessed the recovery of the tourism industry, the Group is contemplating to set up a concept store in Lai Chi Kok. for the travel and tourism business, which is expected to open in May 2023 with an estimated initial investment cost of approximately HK\$4.0 million. Funding is required for lease payments, interior design and fitting-out works, purchases of office furniture and computer equipment, etc. To cope with the reactivation of the Group's travel and tourism business operation and the opening of the concept store, the Group plans to recruit operational staff, tour escorts and retail staff for the concept store. The expected salary expenses is approximately HK\$5.0 million per annum.

As disclosed in the Company's announcement dated 13 December 2022 in relation to the formation of the joint venture company for the Catering Business, the Group has committed to invest HK\$5.1 million for the Catering Business on or before 31 December 2023. As advised by the management of the Company, such

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

funding has not yet provided to the joint venture company. A café owned by joint venture company in Tsim Sha Tsui has commenced its soft-opening in February 2023. As advised by the Company, the Catering Business is still in its early stage of development and may not be able to generate stable cash flow for its operation. It is expected that approximately HK\$9.8 million of funding would be required for the operation of Catering Business before 30 September 2023, of which (i) approximately HK\$3.4 million for procurement expenses; (ii) approximately HK\$4.4 million for staff salaries; (iii) approximately HK\$1.4 million for rental expenses; (iv) approximately HK\$0.2 million for advertising and marketing expenses, and (v) approximately HK\$0.4 million for other general and administrative expenses. We have discussed with the management of the Company and understood that the above estimation of working capital requirement was based on the management experience and the future operation plan of the Catering Business.

In June 2022, the Group commenced the Retail Business at an outlet located in Tsim Sha Tsui and through an online platform. The products include (i) the Bearbrick figures; (ii) unused and second-hand luxury handbags and watches; and (iii) health supplements supporting fertility and reproductive wellness in women and men. The Retail Business is still in its early stage of development and its monthly retail revenue is uncertain. It is expected that approximately HK\$9.6 million of funding would be required for the operation of Retail Business before 30 September 2023, of which (i) approximately HK\$6.9 million for procurement expenses; (ii) approximately HK\$1.0 million for staff salaries; (iii) approximately HK\$0.7 million for rental expenses; (iv) approximately HK\$0.2 million for advertising and marketing expenses; and (v) approximately HK\$0.8 million for other general and administrative expenses. We have discussed with the management of the Company and noted that the above estimation of working capital requirement was based on the historical information of the Retail Business. We have obtained and reviewed the financial information of the Retail Business for the period from 1 June 2022 to 31 December 2022 and noted that the estimation of the overall working capital is in line with historical financial information.

According to the Letter from the Board, the Group had cash and cash equivalents of approximately HK\$40.3 million as at 28 February 2023, among of which approximately HK\$6.0 million was contributed by the May Placing and the November Placing and such proceeds will be fully utilised on or before 31 May 2023. The Group recorded revenue of approximately HK\$86.6 million but the Group recorded net cash used in operating activities of approximately HK\$6.6 million for 3Q2022, demonstrating that the Group is facing cash flow pressure to deal with its operating activities, in particular the prepayment of the trade deposits with airlines, land operators, hotels and other suppliers.

Furthermore, the Group has unutilised bank overdraft facilities of HK\$5.0 million as at the Latest Practicable Date, which is subject to the bank's overriding right of repayment on demand and its unrestricted discretion to cancel, suspend or forbid drawings in relation to the facilities. Having considered that the bank

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

overdraft facilities have no fixed terms of repayment and the interests incurred will further diminish the profitability of the Group, such bank overdraft facilities are not suitable for funding the general working capital of the Group.

In view of (i) the recovery of the Travel Related Products and Services Business requires a remarkable sum of working capital for trade deposits to various suppliers given the increasing demand of package tours and FIT Products; (ii) the pending establishment of a concept store in May 2023; (iii) the capital commitment regarding the Catering Business; (iv) the working capital requirement for the operation of Catering Business and Retail Business; and (v) the amount of cash on hand, the Directors consider that the Group is under pressure to meet these operating cash outflows. Thus, the New General Mandate will allow the Group to conduct and complete fund-raising under a flexible way to fulfil any possible imminent need of cash for the operating activities of the Group.

The net proceeds from previous fund raising activities have been mostly utilised

The Company has raised net proceeds of approximately HK\$21.9 million from the May Placing and approximately HK\$13.7 million from the November Placing, which have been substantially utilised as general working capital of the Group as at the Latest Practicable Date. As advised by the management of the Company, there was only small amount of unutilised proceeds from the May Placing and the November Placing to be used for advertising and marketing expenses and rental expenses for the Travel Related Products and Services Business and none was designated to pay for trade deposits. The Company expects that the remaining proceeds from the May Placing and the November Placing of approximately HK\$6.0 million in aggregate will be fully utilised as intended by 31 May 2023.

Having considered the above, we consider that the Refreshment of General Mandate would allow the Company with flexibility to raise additional funds in a timely manner and enable the Company to respond quickly to market conditions if there is imminent funding needs before the 2023 AGM.

3. Alternative financing methods

As set out in the Letter from the Board and based on our discussion with the management of the Company, the Directors have considered various financing alternatives such as debt financing, rights issue, open offer, issuance of new Shares under specific mandate, if appropriate, taking into account the recent financial position, capital structure and flexibility of the Group as well as the prevailing market condition.

The Directors consider that debt financing is less suitable as compared to equity financing by way of issuance of new Shares under general mandate since it will create additional interest burden on the Group. Besides, the Group's unutilised bank overdraft facilities which are subject to the bank's overriding right of repayment on demand and its unrestricted discretion to cancel, is not suitable for funding the general working capital of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Moreover, the Group recorded loss for FY2020/21, FY2021/22 and 3Q2022, it will be difficult for the Group to obtain additional bank borrowings with favourable terms. Furthermore, bank financing generally involves pledge of assets, and the Group being a light asset enterprise do not have material assets suitable and available for assets pledge arrangement in obtaining further debt financing.

In respect of rights issue and open offer, the Directors consider that lengthy discussion with potential underwriters may be involved in order to assure the ultimate fund-raising size. It will also take additional time and work to prepare the circular and listing documents. Moreover, it may incur additional transaction costs such as underwriting commission, as compared to issuance of new Shares under the general mandate.

As compared to issuing new Shares under general mandate, issuing new Shares under specific mandate when the relevant terms regarding the fund-raising plan is finalised will involve extra time, arising from the preparation, printing and despatch of the relevant circular until convening of extraordinary general meeting for each occasion of issue. The Directors consider that if the Company is able to identify any suitable fund-raising opportunities with favorable terms prior to 2023 AGM, the Board will be able to respond to the market promptly with the New General Mandate. As compared to issuance of Shares under specific mandate, the process of issuing Shares under general mandate is simpler and less lengthy and most importantly the Company can avoid the uncertainties where approval for specific mandate may not be obtained in a timely manner.

On the above basis that (i) debt financing may be subject to lengthy negotiations with the lenders; (ii) the Group will bear additional interest burden, in particular the Group is not able to offer suitable pledged assets; (iii) the Company can avoid the uncertainties that issuance of Shares under specific mandate may not be approved by the Shareholders in a timely manner; and (iv) the Refreshment of General Mandate is not a commitment on any fund raising activities and the Directors will utilise the New General Mandate based on the business development to choose the optimal financial method for the Group, we concur with the Directors that the Refreshment of General Mandate offers the Company with greater financing flexibility to cope with the funding needs of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Equity fund-raising activities of the Company in the past twelve months

The following table summarises the fund raising activities of the Company in the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of net proceeds	Actual use of net proceeds
5 May 2022, 6 May 2022 and 24 May 2022	The May Placing	HK\$21.9 million	<ul style="list-style-type: none"> (i) HK\$13.0 million for salary payments, including staff costs for the expected recruitment of additional staff when travel restrictions are relaxed; (ii) HK\$2.4 million for advertising and marketing expenses in relation to the Group's travel and tourism business; (iii) HK\$3.5 million for rental expenses; and (iv) HK\$3.0 million for other general corporate purposes, including legal and professional fees. 	<ul style="list-style-type: none"> (i) HK\$11.6 million has been used as intended; (ii) HK\$0.8 million has been used as intended; (iii) HK\$2.8 million has been used as intended; and (iv) HK\$3.0 million has been used as intended.
25 October 2022 and 16 November 2022	The November Placing	HK\$13.7 million	<ul style="list-style-type: none"> (i) approximately HK\$7.4 million shall be used for procurement expenses; (ii) approximately HK\$2.4 million shall be used for staff cost; (iii) approximately HK\$1.8 million shall be used for general and administration expenses; (iv) approximately HK\$1.2 million shall be used for rental expenses; and (v) approximately HK\$0.9 million shall be used for advertising and marketing expenses. 	<ul style="list-style-type: none"> (i) HK\$7.4 million has been used as intended; (ii) HK\$1.8 million has been used as intended; (iii) HK\$1.0 million has been used as intended; (iv) HK\$0.5 million has been used as intended; and (v) HK\$0.8 million has been used as intended.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Potential dilution effect to the existing public Shareholders

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the date of the full utilisation of the New General Mandate):

Name of Shareholders	As at		Immediately following	
	the Latest Practicable Date		the full utilisation of	
	the New General Mandate	the New General Mandate	the New General Mandate	the New General Mandate
	Number of	Approx. %	Number of	Approx. %
	Shares	(Note 2)	Shares	(Note 2)
WWPKG Investment Holdings Limited (“ WWPKG Investment ”) <i>(Note 1)</i>	100,000,000	17.60	100,000,000	14.67
Existing public Shareholders	468,095,000	82.40	468,095,000	68.66
Maximum number of Shares to be issued under the New General Mandate	—	—	113,619,000	16.67
Total	<u>568,095,000</u>	<u>100.00</u>	<u>681,714,000</u>	<u>100.00</u>

Notes:

1. WWPKG Investment is an investment holding company incorporated in the British Virgin Islands and is owned as to 68.02%, 23.42% and 8.56% by Ms. Chan Suk Mei (“**Ms. Chan**”), Mr. Yuen Sze Keung (“**Mr. SK Yuen**”) and Mr. Yuen Chun Ning, 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.
2. The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

As at the Latest Practicable Date, the shareholding of the existing public Shareholders was approximately 82.40%. Immediately after full utilisation of the New General Mandate, the shareholding of the existing public Shareholders will decline to approximately 68.66%, representing a dilution effect of approximately 13.74%.

Having considered that (i) the reasons for the Refreshment of General Mandate as discussed above; (ii) as compared to pre-emptive fund raisings such as rights issue or open offer, the potential dilution impact on the existing public Shareholders may be even greater if the Shareholders choose not to subscribe for the Shares under the rights issue or open offer; (iii) the new Shares generally cannot be allotted and issued at more than 20% discount to the market price under the New General Mandate while the subscription price under a rights issue or open offer may be set at a greater discount to the market price; and (iv) the New General Mandate will provide the Group with more financial flexibility to raise further capital for the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Group's operations and the Company is able to respond to the fund-raising opportunities in a timely manner whereas there is time limitation of alternative financing methods, we concur with the Directors that the aforesaid dilution impact on the shareholding of the existing public Shareholders is acceptable.

Opinion and Recommendation

Having taken into account the above principal factors and reasons, we consider that the Refreshment of General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders and we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Refreshment of General Mandate.

Yours faithfully,
For and on behalf of
Octal Capital Limited

Wong Wai Leung **Celina Yuen**
Executive Director *Associate Director*

Note: Mr. Wong Wai Leung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008 and is also a responsible officer Type 9 (asset management) regulated activities. Mr. Wong has accumulated decades of experience in corporate finance and investment banking and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the GEM Listing Rules and the Takeovers Code. Ms. Celina Yuen is a licensed person and a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Yuen has over 12 years of experience in corporate finance industry and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Listing Rules and the Takeovers Code.



WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8069)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of WWPKG Holdings Company Limited (the “**Company**”) will be held at Unit 706–8, 7th Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 27 April 2023 at 11:00 a.m. to consider and, if thought fit, pass with or without amendments, the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 11 April 2023 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (the “**Share(s)**”) and to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into the Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into the Shares) which would or might require the exercise of such power during or after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above otherwise than
 - (i) a Rights Issue (as hereinafter defined); or

NOTICE OF EGM

- (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into the Shares; or
- (iii) an issue of Shares under any option scheme or similar arrangement for the grant or issue to the eligible participants under such option scheme or similar arrangement of Shares or rights to acquire the Shares; or
- (iv) an issue of Shares as scrip dividends pursuant to the articles of association of the Company,

from time to time shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of the Shares open for a period fixed by the Directors to holders of the Shares (and, where appropriate, to holders of other securities of the Company entitled to the offer) on the register on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any relevant jurisdiction).”

NOTICE OF EGM

2. “**THAT** conditional upon the resolution numbered 1 set out above being passed, the general and unconditional mandate granted to the Directors pursuant to the resolution numbered 1 above be and is hereby extended by the addition thereto of an amount representing the aggregate number of the Shares repurchased under the authority granted pursuant to resolution number 5(B) set out in the notice convening the annual general meeting of the Company dated 11 July 2022, provided that such amount shall not exceed 10% of the aggregate number of the issued shares as at the date of the annual general meeting of the Company held on 2 August 2022.”

By order of the Board
WWPKG Holdings Company Limited
Yuen Chun Ning
Chairman and Executive Director

Hong Kong, 11 April 2023

Registered office:

Winward 3, Regatta Office Park
P.O. Box 1350
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

Notes:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her/its stead. The proxy does not need to be a shareholder of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited with the Company’s Hong Kong branch share registrar, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the EGM (i.e. no later than 11:00 a.m. on Tuesday, 25 April 2023) or any adjournment thereof and in default thereof the form of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution.
3. The register of members of the Company will be closed from Monday, 24 April 2023 to Thursday, 27 April 2023, both days inclusive, in order to determine the eligibility of Shareholders to attend the above meeting, during which period no share transfers will be registered. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong branch share registrar, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 p.m. on Friday, 21 April 2023.
4. Delivery of an instrument appointing a proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof, in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF EGM

5. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 7:00 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on the website of Company at www.wwpkg.com.hk and on the website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.
6. Where there are joint holders of any share, any one of such joint holder may vote either in person or by proxy in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. A form of proxy for use at the EGM is attached herewith.

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