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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 10 May 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to an aggregate of 113,619,000 Placing Shares, to not less than six Placees who and whose beneficial owners are Independent Third Parties at the Placing Price of HK\$0.16 per Placing Share. Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of 113,619,000 Placing Shares represent (i) 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares will be HK\$1,136,190. The Placing Price of HK\$0.16 per Placing Share represents (i) a premium of approximately 14.3% over the closing price of HK\$0.140 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 23.1% over the average closing price of approximately HK\$0.130 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 9 May 2023, being the last trading day immediately preceding the date of the Placing Agreement.

Assuming all the Placing Shares are fully placed, the gross proceeds and net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be approximately HK\$18.2 million and HK\$17.7 million, respectively, representing a net issue price of approximately HK\$0.156 per Placing Share. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the EGM. The allotment and issue of the Placing Shares is not subject to Shareholders' approval. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Since completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 10 May 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to an aggregate of 113,619,000 Placing Shares at the Placing Price of HK\$0.16 per Placing Share to not less than six Placees who are Independent Third Parties.

THE PLACING AGREEMENT

Date : 10 May 2023 (after trading hours)

Issuer : The Company

Placing Agent : Forwin Securities Group Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placing

The Placing Agent has conditionally agreed to place, or procure the placing of, up to an aggregate of 113,619,000 Placing Shares at the Placing Price of HK\$0.16 per Placing Share on a best effort basis and will receive a placing commission of 2% of the aggregate amount equal to the Placing Price multiplied by the actual number of Placing Shares successfully placed by the Placing Agent (i.e. the gross proceeds from the Placing). Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market condition and taking into account the financial condition of the Group.

Placees

The Placing Shares will be placed to not less than six Placees, who, to the best of the knowledge and belief of the Placing Agent, are investors who are independent of and not acting in concert with the directors, chief executives, senior management or substantial

shareholders of the Company, any of its subsidiaries or their respective associates, and will not be offered or sold to any person, firm or company which is a connected person of the Company. The Placing Agent undertook that none of the Placees or their associates would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the GEM Listing Rules) of the Company.

Number of Placing Shares

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of 113,619,000 Placing Shares represent (i) 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares will be HK\$1,136,190.

Placing Price

The Placing Price of HK\$0.16 per Placing Share represents:

- (i) a premium of approximately 14.3% over the closing price of HK\$0.140 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a premium of approximately 23.1% over the average closing price of approximately HK\$0.130 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 9 May 2023, being the last trading day immediately preceding the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market price of the Shares and the financial condition of the Group. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and the financial condition of the Group and in the interests of the Company and the Shareholders as a whole.

Ranking

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction of the following:

- (i) the passing by the Board of resolutions to approve the Placing Agreement and the transactions contemplated thereunder; and

- (ii) the GEM Listing Committee having granted the approval for the listing of, and permission to deal in, the Placing Shares, and such approval not having been revoked or cancelled before the allotment and issue of Placing Shares on or before the Long Stop Date.

On the day on which the condition(s) set out above is fulfilled, the Company shall so notify the Placing Agent by way of notification in writing (the “**Notification**”) and the Placing Agent shall make all requisite arrangements with the Placees for delivery of relevant documents as required and effect payments in accordance to the Placing Agreement.

In the event the conditions above are not fulfilled by the Long Stop Date (which is not waivable by either parties to the Placing Agreement) not having been fulfilled by the Long Stop Date, the Placing Agreement shall automatically lapse with immediate effect and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing, save for any antecedent breaches.

Completion

Completion shall take place not later than 4:00 p.m. on the Completion Date, being not later than the 2nd business day following the date of the Notification or such later date as may be agreed by the Company and the Placing Agent in writing.

Application for listing of Placing Shares

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Termination

Notwithstanding anything contained in the Placing Agreement, if at any time on or prior to 10:00 a.m. on the Completion Date:

- (i) there shall develop, occur or come into force, since the date of the Placing Agreement, any change (whether or not permanent) in national, regional, international, financial, military, industrial or economic conditions or prospect, stock market, fiscal or political conditions, laws or regulations, regulatory or market conditions and matters and/or disasters in Hong Kong, China, the Cayman Islands or any other jurisdictions relevant to the Company or any of its subsidiaries which, in the sole and reasonable opinion of the Placing Agent, has or may be expected to have or is likely to have a material adverse effect on the business or financial conditions or prospect of the Company or its subsidiaries or the consummation of the Placing; or
- (ii) there shall develop, occur or come into force, any event, or series of events, beyond the control of the Placing Agent, including but not limited to the imposition of economic sanctions (in whatever form, directly or indirectly) in Hong Kong, China, the Cayman Islands or any other jurisdictions relevant to the Company or its subsidiaries, acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreaks, escalation or adverse mutation of diseases, economic sanctions, strikes, lock-outs, natural disasters, civil commotion, riots, public

disorders, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism which, in the sole and reasonable opinion of the Placing Agent, has or is likely to have a material adverse effect on the business or financial conditions or prospect of the Company and its subsidiaries or the consummation of the Placing; or

- (iii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date thereof and prior to the Completion Date which if it had occurred or arisen before the date thereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
- (iv) there shall develop, occur or come into force any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (v) trading of the Shares on the Stock Exchange has been suspended for more than 10 consecutive trading days except for trading halts pending for announcement to be made by the Company in relation to the Placing;

then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company prior to 10:00 a.m. on the Completion Date.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Since completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the EGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the EGM. Under the General Mandate, the Company is authorised to issue up to 113,619,000 new Shares under the General Mandate. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. Assuming that all the Placing Shares are fully placed upon completion of the Placing, all Shares of the General Mandate will be utilised by the Company.

REASONS FOR THE PLACING AND USE OF PROCEEDS

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**”).

Assuming all the Placing Shares are fully placed, the gross proceeds and net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be approximately HK\$18.2 million and HK\$17.7 million, respectively, representing a net issue price of approximately HK\$0.156 per Placing Share. The net proceeds from the Placing are intended to be applied in the following manner by 30 November 2023:

- (i) approximately HK\$7.5 million shall be used for settlement of accrued leasehold improvement;
- (ii) approximately HK\$5.7 million shall be used for procurement expenses;
- (iii) approximately HK\$2.9 million shall be used for staff cost;
- (iv) approximately HK\$1.4 million shall be used for rental expenses; and
- (v) approximately HK\$0.2 million shall be used for general and administration expenses.

Reference is made to the circular of the Company in relation to the refreshment of general mandate of the Company dated 11 April 2023. 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.

Travel and tourism business

Travel restrictions imposed across the world due to the ongoing coronavirus disease 2019 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, 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.

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. The Company will apply the net proceeds from the Placing of approximately HK\$2.2 million for staff salaries in relation to the travel and tourism business.

Retail Business

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 profitmaking, depending on its actual performance, it may require funding for its operation from time to time. The net proceeds from the Placing for the Retail Business will be used as to (i) approximately HK\$5.2 million for procurement expenses, (ii) approximately HK\$0.7 million for staff salaries, (iii) approximately HK\$0.4 million for rental expenses; and (iv) approximately HK\$0.2 million for general and administrative expenses.

Catering Business

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 date of this announcement. 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. The net proceeds from the Placing for the Catering Business will be used as to (i) approximately HK\$7.5 million for settlement of accrued leasehold improvement including the interior designer fees and fitting-out works, purchases of furniture and equipment; (ii) approximately HK\$1.0 million for rental expenses; and (iii) approximately HK\$0.5 million for procurement expenses.

In view of the above, the Directors (including the independent non-executive Directors) consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund-raising activities involving issue of its securities in the past twelve (12) months immediately preceding the date of this announcement.

Date of announcement(s)	Fund raising activity	Net proceeds raised (Approx.)	Proposed use of proceeds (Approx.)	Actual use of proceeds (Approx.)
5 May 2022, 6 May 2022 and 24 May 2022	Placing of new Shares under general mandate	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; and (iv) HK\$3.0 million for other general corporate purposes, including legal and professional fees.	(i) HK\$13.0 million has been used as intended. (ii) HK\$1.0 million has been used as intended. (iii) HK\$3.5 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) HK\$7.4 million shall be used for procurement expenses; (ii) HK\$2.4 million shall be used for staff cost; (iii) HK\$1.8 million shall be used for general and administration expenses; (iv) HK\$1.2 million shall be used for rental expenses; and (v) HK\$0.9 million shall be used for advertising and marketing expenses.	(i) HK\$7.4 million has been used as intended. (ii) HK\$2.0 million has been used as intended. (iii) HK\$1.1 million has been used as intended. (iv) HK\$0.7 million has been used as intended. (v) HK\$0.8 million has been used as intended.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing (assuming all the Placing Shares are fully placed and there is no other change in the issued share capital of the Company before completion of the Placing) are set out below:

Name of Shareholder	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	Number of Shares	Approx. % (Note 2)	Number of Shares	Approx. % (Note 2)
WWPKG Investment Holdings Limited ^(Note 1)	100,000,000	17.60	100,000,000	14.67
Public Shareholders				
Places	—	—	113,619,000	16.67
Other public Shareholders	<u>468,095,000</u>	<u>82.40</u>	<u>468,095,000</u>	<u>68.66</u>
Total	<u>568,095,000</u>	<u>100.00</u>	<u>681,714,000</u>	<u>100.00</u>

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.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto in the Code on Takeovers and Mergers;
“associates”	has the meaning ascribed thereto under the GEM Listing Rules;
“Board”	the board of Directors;

“Business Day(s)”	a day (other than Saturdays, Sundays, public holidays in Hong Kong or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general banking business;
“Company”	WWPKG Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (stock code: 8069);
“Completion Date”	the date on which completion of the Placing shall take place, being not later than the 2nd business day following the date of the Notification or such later date as may be agreed by the Company and the Placing Agent in writing;
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company held on 27 April 2023;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Committee”	the GEM Listing Committee of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
“General Mandate”	the general mandate granted to the Directors at the EGM to allot, issue or grant additional 113,619,000 new Shares, representing 20% of the number of issued Shares as at the date of the EGM;
“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 Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates;
“Placee(s)”	any person or entity who is procured by the Placing Agent or its agent(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement;

“Placing”	the placing of up to an aggregate of 113,619,000 Placing Shares by the Placing Agent, on a best effort basis, subject to the terms and conditions set out in the Placing Agreement;
“Placing Agent”	Forwin Securities Group Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO;
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 10 May 2023 in relation to the Placing;
“Placing Price”	HK\$0.16 per Placing Share;
“Placing Share(s)”	a maximum of 113,619,000 new Shares to be placed pursuant to the Placing Agreement;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of the Company of HK\$0.01 each;
“Shareholder(s)”	holder(s) of issued Share(s);
“Stock Exchange”	the Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Hong Kong, 10 May 2023

As at the date of this announcement, 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, Ms. Gao Lili, Mr. Leung Ka Cheong and Mr. Wong Ping Kuen.

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.