



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

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8069

2023/2024

First Quarterly Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Yuen Chun Ning (*Chairman and Chief Executive Officer*)
Ms. Shawlain Ahmin

Independent Non-executive Directors:

Mr. Lee Hing Cheung Eric
Mr. Lee Kwong Ming
Ms. Gao Lili
Mr. Leung Ka Cheong
Mr. Wong Ping Kuen

AUDIT COMMITTEE

Mr. Lee Kwong Ming (*Chairman*)
Mr. Lee Hing Cheung Eric
Ms. Gao Lili

REMUNERATION COMMITTEE

Mr. Lee Hing Cheung Eric (*Chairman*)
Mr. Lee Kwong Ming
Ms. Gao Lili

NOMINATION COMMITTEE

Ms. Gao Lili (*Chairman*)
Mr. Lee Hing Cheung Eric
Mr. Lee Kwong Ming

COMPLIANCE OFFICER

Mr. Yuen Chun Ning

AUTHORISED REPRESENTATIVES

Mr. Yuen Chun Ning
Ms. Shawlain Ahmin

COMPANY SECRETARY

Mr. Tse Chun Lai

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO 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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited
Suites 3301-04, 33th Floor
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

PRINCIPAL BANKERS

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

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Fairbairn Catley Low & Kong

AUDITOR

BDO Limited

STOCK CODE

8069

COMPANY'S WEBSITE

www.wwwpkg.com.hk

MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors of the Company (the “Board”) hereby presents the unaudited first quarterly financial results of the Group for the three months ended 30 June 2023, together with the comparative figures for the corresponding period in 2022, as set out below.

BUSINESS REVIEW

Founded in 1979, the Group is one of the long-established and well-known travel agents in Hong Kong. The Group’s businesses include:

- the design, development and sales of package tours, the sales of air tickets and/or hotel accommodations (the “FIT products”) and the sales of ancillary travel related products and services (collectively, the “Travel Related Products and Services”);
- investments in tourism and travel technology related businesses (the “Tourism and Travel Technology Investments”);
- the sales of lifestyle and healthcare products and services, including toy figures, unused and second-hand luxury handbags and watches and health supplements, via retail stores and/or e-commerce (the “Retail Operations”); and
- the catering business of selling food and drinks in Hong Kong and any other business ancillary thereto (the “Catering Business”).

Tourism recovery has been gaining momentum as the coronavirus 2019 disease (“COVID-19”) pandemic controls across the world, including restrictions on cross-boundary/border travel and rules that govern quarantine, mask-wearing and socialising, were lifted. On 9 May 2023, the World Health Organization (“WHO”), whilst highlighting the decreasing trend in COVID-19 deaths, the decline in COVID-19 related hospitalizations and intensive care unit admissions and the high levels of population immunity to severe acute respiratory syndrome coronavirus 2 (also known as SARS-CoV-2), officially declared COVID-19 as an established and ongoing health issue that no longer constituted a public health emergency of international concern. In response to the WHO’s declaration, the Hong Kong SAR government lowered the response level in relation to COVID-19 under the Preparedness & Response Plan for Novel Infectious Disease of Public Health Significance from Emergency to Alert level on 30 May 2023 with immediate effect, signifying COVID-19 as an upper respiratory tract illness. For Hong Kong, ever since the lifting of the quarantine regime for inbound persons on 14 December 2022 with all local anti-epidemic measures, except for mask-wearing, ended on 29 December 2022, leisure travel sentiment has been improving. On the supply side, the Group’s airline suppliers have since resumed their international flights. As a result, the Group’s revenue generated from the Travel Related Products and Services segment revealed a staggering one-hundred-fold increase from approximately HK\$0.9 million for the three months ended 30 June 2022 to approximately HK\$87.3 million for the three months ended 30 June 2023, and the segment turned its loss of approximately HK\$3.2 million for the three months ended 30 June 2022 around to a profit of approximately HK\$5.8 million for the three months ended 30 June 2023.

The Group had been striving to explore opportunities and seek to diversify its business portfolio in other industries in order to broaden its source of income and future earning capability and potential. The Group has commenced the sales of lifestyle and healthcare products and services, including toy figures, unused and second-hand luxury handbags and watches and health supplements, at outlets located at prime locations in Hong Kong and online in June 2022. For the three months ended 30 June 2023, the Retail Operations segment recorded revenue of approximately HK\$7.0 million and loss of approximately HK\$2.3 million that was mainly attributable to the low gross profit margins applied and considerable staff costs and promotion and marketing expenses incurred in the early stage of its operations. Furthermore, the Group’s 51%-owned subsidiary, Well Fed International Limited (“Well Fed”), as part of its catering business in Hong Kong, has set up a restaurant at a leased property located in Tsim Sha Tsui, Hong Kong, which ran a soft opening between 14 February 2023 and 15 March 2023 and officially commenced in April 2023. For the three months ended 30 June 2023, the new Catering Business segment recorded revenue of approximately HK\$1.7 million and loss of approximately HK\$2.6 million that was mainly attributable to depreciation of right-of-use assets arisen from the lease, depreciation of leasehold improvements and furniture and fixtures and staff costs recorded during the restaurant’s start-up phase.

To support the Group's general working capital for its businesses, the Company completed its placing of 112,500,000 new ordinary shares (the "Placing Share(s)") to not less than six placees at the placing price of HK\$0.160 per Placing Share on 2 June 2023. The placing price of HK\$0.160 per Placing Share represented a premium of approximately 14.3% over the closing price of HK\$0.140 per Share as quoted on the Stock Exchange on 10 May 2023, being the date on which the terms of the placing were fixed. The net proceeds (after deduction of commission and other expenses of the placing) from the placing of the Placing Shares amounted to approximately HK\$17.6 million, representing a net issue price of HK\$0.157 per Placing Share, which have been used for the Group's settlement of accrued leasehold improvements, procurement expenses, staff costs, rental expenses and general and administration expenses.

FINANCIAL REVIEW

Revenue and Gross Profit/(Loss)

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

	Three months ended 30 June			
	2023		2022	
	Revenue HK\$'million	Gross profit/ (loss) HK\$'million	Revenue HK\$'million	Gross profit HK\$'million
<i>Continuing operations</i>				
Package tours	85.7	15.1	0.9	0.2
FIT products ^{Note}	0.2	0.2	–	–
Ancillary travel related products and services ^{Note}	1.4	1.4	–	–
Travel Related Products and Services	87.3	16.7	0.9	0.2
Retail Operations	7.0	(0.7)	5.3	2.0
Catering Business	1.7	0.9	–	–
	96.0	16.9	6.2	2.2
<i>Discontinued operation</i>				
Cryptocurrency Mining	–	–	0.2	0.2
	96.0	16.9	6.4	2.4

Note: The Group's revenue from sales of FIT products and ancillary travel related products and services are recognised on net basis as the Group renders its services as an agent.

Package tours

For the three months ended 30 June 2023, revenue from package tours increased by 9,916.5% to approximately HK\$85.7 million and gross profit from package tours increased by 7,116.6% to approximately HK\$15.1 million as compared with the corresponding period in 2022, due to the re-launch of the Group's outbound package tours beginning 24 June 2022 alongside the exceptional sales performance recorded in April 2023 as a result of tours operated during the peak Easter holidays.

FIT products

The Group resumed its sales of FIT products as national governments started to lift their border controls, quarantine rules and vaccination requirements. For the three months ended 30 June 2023, sales of FIT products covered global destinations including Japan, United States, Canada, United Kingdom, Greece and countries in Asia, while limited sales were conducted during the corresponding period in 2022 amid the COVID-19 pandemic.

Ancillary travel related products and services

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

The Group resumed its sales of ancillary travel related products and services as national governments started to lift their border controls, quarantine rules and vaccination requirements. For the three months ended 30 June 2023, revenue mainly represented margin income from insurance companies for the sales of travel insurance to tour participants and sales of admission tickets to theme parks and shows and day tours in Japan, while limited sales were conducted during the corresponding period in 2022 amid the COVID-19 pandemic.

Retail Operations

For the three months ended 30 June 2023, revenue represented the Group's sales of lifestyle products at retail stores and online. Products that were in high demand included (i) the Bearbrick (stylised as Be@rbrick) figures, which have been prominent in the designer and art toy collector community; and (ii) unused and second-hand luxury handbags and watches.

Catering Business

As part of its Catering Business, Well Fed set up its first restaurant, Awesome Bar and Cafe, located in Tsim Sha Tsui, Hong Kong, which ran a soft opening between 14 February 2023 and 15 March 2023 and officially commenced in April 2023. For the three months ended 30 June 2023, revenue represented the Group's sales of food and beverages at the restaurant.

Cryptocurrency Mining

The Group engaged in the process of gaining cryptocurrencies by solving cryptographic equations through verifying data blocks and adding transaction records to a public ledger known as a blockchain (the "Cryptocurrency Mining"). During the corresponding period in 2022, revenue represented the quantity of Ethereum ("ETH") earned and received based on its fair value. Due to the market and price volatility on the cryptocurrencies and the increasing cost of electricity, together with the increasing level of difficulty on ETH-mining, Cryptocurrency Mining was suspended on 15 June 2022. In fact, ETH's long-promised plan to phase out traditional GPU mining was completed, when the cryptocurrency switched from 'proof of power' to 'proof of stake' algorithm, on 15 September 2022.

Selling expenses

Selling expenses mainly consist of (i) advertising and promotion expenses, such as sponsoring television travel programs and films, online and offline media advertisements, participating in tourism fairs and organizing travel seminars; (ii) offline, online and mobile payment service charges in respect of payments from customers with credit cards, debit cards (e.g. EPS) and digital wallets; (iii) staff costs, representing the salaries and benefits for the Group's tour escorts, the sales associates of its Retail Operations and the restaurant staff of its Catering Business; (iv) depreciation of right-of-use assets for the Group's travel agency branches, retail stores and restaurant; and (v) depreciation of property, plant and equipment.

For the three months ended 30 June 2023, selling expenses increased by 1,845.3% to approximately HK\$8.3 million as compared with the corresponding period in 2022, mainly due to:

- the increase in offline, online and mobile payment service charges arising from the sales of Travel Related Products and Services;
- the increase in salaries and benefits for the Group's tour escorts;
- the increase in advertising spending on package tour products; and
- promotion and marketing expenses, staff costs of the sales associates and restaurant staff, depreciation of right-of-use assets and depreciation of leasehold improvements and furniture and fixtures incurred for the new segments, Retail Operations and Catering Business.

Administrative expenses

Administrative expenses mainly consist of (i) staff costs, representing the Directors' remuneration and the salaries and benefits for the Group's administrative and operational staff; (ii) depreciation of right-of-use assets for the Group's office premises; (iii) depreciation of property, plant and equipment; (iv) office, telecommunication and utility expenses incurred in the Group's daily operations; (v) legal and professional fees; and (vi) other miscellaneous administrative expenses.

For the three months ended 30 June 2023, administrative expenses increased by 102.8% to approximately HK\$8.8 million as compared with the corresponding period in 2022, mainly due to:

- the increase in salaries as a result of increase in headcount of administrative and operational staff, salary increment awarded and reduction in no-pay leave taken upon resumption of the sales of Travel Related Products and Services; and
- staff costs of the administrative personnel and other administrative expenses incurred for the new segments, Retail Operations and Catering Business.

Loss for the period

The Group's loss for the three months ended 30 June 2023 decreased by 88.0% to approximately HK\$0.4 million as compared with the corresponding period in 2022, which was mainly attributable to the following:

- the increase in the Group's gross profit by approximately HK\$14.6 million, mainly due to the re-launch of the Group's outbound package tours upon re-opening of international borders and lifting of travel restrictions; and
- the decrease in loss of the Cryptocurrency Mining operations by approximately HK\$1.0 million, which has been discontinued since June 2022, which was partially offset by:
- the increase in selling expenses by approximately HK\$7.9 million for reasons as discussed in the sub-section headed "Financial Review — Selling expenses" above; and
- the increase in administrative expenses by approximately HK\$4.5 million for reasons as discussed in the sub-section headed "Financial Review — Administrative expenses" above.

FUTURE PROSPECTS

The global travel and tourism sector's post-pandemic recovery has been picking up its speed as the world's pent-up desire for travel rekindles. As the year ending 31 March 2024 commenced, the Group has been diversifying its package tour products by offering new destinations and itineraries, including Africa and Antarctica as well as expanding its landscape to over twenty countries in Europe. Focus on digital marketing has been revived to enhance the Group's brand awareness and to promote product popularity and variety. Last but not least, the Group's new concept store with a net floor area of over 4,000 square feet was open in June 2023. The concept store goes beyond a traditional travel agent, which encompasses a private VIP suite, a boutique housing curated ancillary travel related products, a coffee shop and co-working and events space to bring travel enthusiasts together and to offer exclusive in-store experiences to customers. The Group remains confident in its strategy and has faith that its outbound travel, tourism and hospitality activities will bounce back to surpass the pre-pandemic levels in the medium term.

Furthermore, by incorporating the new retailing and catering business activities, the Group seeks to diversify its business in other industries in order to expand its revenue and income sources. The Group will continue to put forth its best endeavor to drive business performance on its road to recovery and profitability.

OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2023.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted pursuant to a resolution passed by the Company's then shareholders on 16 December 2016 (the "Adoption Date"). No share option had been granted, exercised, lapsed or cancelled under the Share Option Scheme from the Adoption Date to 30 June 2023, and there was no outstanding share option as at the date of this report.

DISCLOSURE OF INTERESTS

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

As at 30 June 2023, none of the Directors and chief executive of the Company had any interests or short positions in any shares of the Company (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

B. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of the persons (other than the Directors or chief executive of the Company) in the Shares, underlying Shares and debentures of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long Position in the Company's Shares

Name of Shareholder	Capacity/Nature	Number of Shares held/ interested in	Percentage of shareholding
WWPKG Investment Holdings Limited ("WWPKG Investment") ^{(Note (ii))}	Beneficial owner	100,000,000	14.7%

Notes:

- (i) According to Section 336 of the SFO, the shareholders of the Company (the "Shareholders") are required to file disclosure of interest forms when certain criteria are fulfilled. When the shareholdings of the Shareholders in the Company change, it is not necessary for the Shareholders to notify the Company and the Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the Shareholders in the Company may be different from the shareholdings filed with the Stock Exchange.
- (ii) WWPKG Investment is an investment holding company incorporated in the British Virgin Islands ("BVI") and is owned as to 68.02%, 23.42% and 8.56% by Ms. Chan Suk Mei ("Ms. Chan"), Mr. Yuen Sze Keung ("Mr. Yuen") and Mr. Yuen Chun Ning ("Mr. CN Yuen"), respectively. Ms. Chan and Mr. Yuen have each resigned as an executive Director on 16 January 2023.

Save as disclosed above, as at 30 June 2023, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying Shares or debentures of the Company, which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the sub-section headed "Disclosure of Interests" above, at no time during the three months ended 30 June 2023 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' COMPETING INTERESTS

During the three months ended 30 June 2023, each of the Directors and their respective close associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interests in any company that competes or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group.

CORPORATE GOVERNANCE PRACTICES

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

During the three months ended 30 June 2023, the Company has complied with all the code provisions as set out in the CG Code, except for the deviation from code provision C.2.1, which is explained below.

According to code provision C.2.1 of the CG Code, the roles of the chairman and chief executive of a listed issuer should be separate and should not be performed by the same individual. Mr. CN Yuen has been appointed as the Chairman on 30 September 2022, who assumes the dual roles of the Chairman and the Chief Executive Officer. Notwithstanding the above, the Board is of the view that vesting the roles of both the Chairman and the Chief Executive Officer in Mr. CN Yuen has the benefit of ensuring consistent leadership, continuous planning and effective execution of the Group's strategies. The Board considers that the balance of power and authority under the present structure will not be compromised. The Board will continue to regularly review the effectiveness of this structure to ensure that it is appropriate to the Group's circumstances.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having been enquired by the Company, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct concerning securities transactions by the Directors during the three months ended 30 June 2023.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the requirements as set out in Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee reviews, amongst others, the financial information of the Group; the relationship with and terms of appointment of the external auditors; and the Group's financial reporting system, risk management and internal control systems, and provides advice and comments to the Board. The Audit Committee currently comprises three independent non-executive Directors. The unaudited first quarterly financial results of the Group for the three months ended 30 June 2023 have been reviewed by the Audit Committee together with the Group's management.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2023

	Note	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (re-presented)
Revenue	3	95,979	6,170
Cost of sales	5	(79,128)	(3,947)
Gross profit		16,851	2,223
Other income and other gains/(losses), net	4	53	170
Selling expenses	5	(8,287)	(426)
Administrative expenses	5	(8,783)	(4,331)
Operating loss		(166)	(2,364)
Finance costs, net	6	(162)	(184)
Share of results of a joint venture		(24)	(26)
Loss before income tax		(352)	(2,574)
Income tax expense	7	–	–
Loss and total comprehensive loss for the period from continuing operations		(352)	(2,574)
Discontinued operation			
Loss and total comprehensive loss for the period from a discontinued operation, after tax		(80)	(1,033)
Loss and total comprehensive loss for the period		(432)	(3,607)
Profit/(loss) and total comprehensive income/(loss) for the period attributable to:			
Owners of the Company			
— From continuing operations		1,862	(2,695)
— From a discontinued operation		(64)	(1,240)
		1,798	(3,935)
Non-controlling interests			
— From continuing operations		(2,214)	121
— From a discontinued operation		(16)	207
		(2,230)	328
		(432)	(3,607)
Earnings/(loss) per Share from continuing and discontinued operations			
Basic and diluted earnings/(loss) per Share (expressed in HK cents)	8	0.30	(0.89)
Earnings/(loss) per Share from continuing operations			
Basic and diluted earnings/(loss) per Share (expressed in HK cents)	8	0.31	(0.61)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Attributable to owners of the Company					Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 <i>(Note)</i>	Other reserve HK\$'000	Accumulated losses HK\$'000			
As at 1 April 2023	5,681	90,696	16,628	2,500	(69,647)	45,858	(3,849)	42,009
Profit/(loss) for the period	-	-	-	-	1,798	1,798	(2,230)	(432)
Total comprehensive income/(loss) for the period (unaudited)	-	-	-	-	1,798	1,798	(2,230)	(432)
Issue of Shares upon placing	1,125	16,875	-	-	-	18,000	-	18,000
Transaction costs on placing of Shares	-	(362)	-	-	-	(362)	-	(362)
As at 30 June 2023 (unaudited)	6,806	107,209	16,628	2,500	(67,849)	65,294	(6,079)	59,215
As at 1 April 2022	4,000	56,667	12,004	2,500	(65,522)	9,649	4	9,653
Profit/(loss) for the period	-	-	-	-	(3,935)	(3,935)	328	(3,607)
Total comprehensive income/(loss) for the period (unaudited)	-	-	-	-	(3,935)	(3,935)	328	(3,607)
Issue of Shares upon placing	800	21,680	-	-	-	22,480	-	22,480
Transaction costs on placing of Shares	-	(89)	-	-	-	(89)	-	(89)
Non-controlling interests arising on acquisition of subsidiaries	-	-	-	-	-	-	(144)	(144)
As at 30 June 2022 (unaudited)	4,800	78,258	12,004	2,500	(69,457)	28,105	188	28,293

Note: As at 30 June 2023, capital reserve represents the difference between the value of net assets of the subsidiaries acquired by the Company and the share capitals in acquired subsidiaries under common control and deemed capital contribution arising from waiver of non-current interest free loans from a Shareholder.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 8 June 2016 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address of the Company is at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at Unit 706-8, 7th Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are the sales of Travel Related Products and Services, Tourism and Travel Technology Investments, Retail Operations and Catering Business.

The Shares were listed on GEM on 12 January 2017.

The ultimate holding company of the Group is WWPKG Investment, a company incorporated in the BVI.

2 BASIS OF PREPARATION AND ADOPTION OF HKFRSs

(a) Basis of preparation

The unaudited condensed consolidated financial information for the three months ended 30 June 2023 has been prepared in accordance with the applicable disclosure provisions of the GEM Listing Rules. This unaudited condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 March 2023. The accounting policies used in the preparation of this unaudited condensed consolidated financial information are consistent with those used in the preparation of the Group's audited consolidated financial statements for the year ended 31 March 2023, except for the amended Hong Kong Financial Reporting Standards ("HKFRSs") effective for the first time for periods beginning on or after 1 April 2023. Details of the amended standards adopted and their effect on the Group's accounting policies are set out below.

(b) Adoption of HKFRSs

The Group has applied for the first time the following amended HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the accounting period beginning on 1 April 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2 — Disclosure of Accounting Policies
Amendments to HKAS 8 — Definition of Accounting Estimates
Amendments to HKAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction

None of these amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period and/or on the disclosures set out in this unaudited condensed consolidated financial information.

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3 REVENUE AND SEGMENT INFORMATION

(a) Revenue

	Three months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (re-presented)
Continuing operations		
Sales of package tours	85,741	856
Margin income from sales of FIT products	194	2
Margin income from sales of ancillary travel related products and services	1,337	3
Sales of lifestyle and healthcare products	6,972	5,309
Catering services	1,735	–
	95,979	6,170
Discontinuing operation		
Revenue from Cryptocurrency Mining	–	194
	95,979	6,364

(b) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker that are used for making strategic decisions. The chief operating decision-maker has been identified as the executive Directors of the Company. They review the Group's internal reporting in order to assess performance and allocate resources.

The Group is organised into five reporting segments:

Continuing reportable segments:

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

Discontinued reportable segment:

- (i) Cryptocurrency Mining.

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

Three months ended 30 June 2023

	Continuing operations				Discontinued operation	Total HK\$'000
	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Retail Operations HK\$'000	Catering Business HK\$'000	Cryptocurrency Mining HK\$'000	
Reportable segment revenue	87,272	–	6,972	1,735	–	95,979
Reportable segment profit/(loss)	5,782	(24)	(2,302)	(2,586)	(81)	789
Unallocated (expenses)/gains, net						(1,060)
Finance income						23
Finance costs						(184)
Loss before income tax						(432)
Income tax expense						–
Loss and total comprehensive loss for the period						(432)
Share of results of a joint venture	–	(24)	–	–	–	(24)
Depreciation of property, plant and equipment	156	–	120	895	–	1,171
Depreciation of right-of-use assets	1,105	–	257	525	–	1,887

Three months ended 30 June 2022

	Continuing operations				Discontinued operation	Total HK\$'000
	Travel Related Products and Services HK\$'000	Tourism and Travel Technology Investments HK\$'000	Retail Operations HK\$'000	Catering Business HK\$'000	Cryptocurrency Mining HK\$'000	
Reportable segment revenue	861	–	5,309	–	194	6,364
Reportable segment (loss)/profit	(3,155)	(26)	1,613	–	(1,030)	(2,598)
Unallocated expenses						(822)
Finance income						–
Finance costs						(187)
Loss before income tax						(3,607)
Income tax expense						–
Loss and total comprehensive loss for the period						(3,607)
Share of results of a joint venture	–	(26)	–	–	–	(26)
Depreciation of property, plant and equipment	93	–	27	–	104	224
Depreciation of right-of-use assets	779	–	–	–	31	810

For the three months ended 30 June 2023, unallocated expenses or gains represent corporate expenses or gains (three months ended 30 June 2022: same).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Geographic information

The Group's business is domiciled in Hong Kong and all revenue was generated from customers located in Hong Kong and Macau.

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

	Three months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (re-presented)
Continuing operations		
Other income		
Management services fee income	36	36
Rent concessions	–	353
Others	–	11
	36	400
Other gains/(losses), net		
Exchange losses	(447)	(161)
Fair value losses on derivative financial instruments	(375)	(69)
Gain on lease modification	839	–
	17	(230)
Other income and other gains/(losses), net	53	170
Discontinuing operation		
Other gains		
Gain on lease modification	5	–

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

5 EXPENSES BY NATURE

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

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
		(re-presented)
Continuing operations		
Land costs ^{(Note (i))}	39,947	595
Air fare costs	30,567	50
Cost of inventories	7,741	3,297
Catering service costs	800	–
Low-value assets leases expenses	68	57
Advertising and promotion	1,065	140
Credit card fees	1,147	24
Employee benefits expenses, excluding Directors' benefits and interests		
— Salaries, discretionary bonuses and allowances ^{(Note (ii))}	7,944	1,211
— Pension costs — defined contribution plan	260	90
— Other employee benefits	153	3
	8,357	1,304
Directors' benefits and interests	275	439
Depreciation of property, plant and equipment	1,171	120
Depreciation of right-of-use assets	1,887	779
Office, telecommunication and utility expenses	495	333
Legal and professional fees	698	771
Auditor's remuneration		
— Audit services	265	145
Others	1,715	650
	96,198	8,704

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)

5 EXPENSES BY NATURE (CONTINUED)

	Three months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (re-presented)
Discontinued operation		
Employee benefits expenses, excluding Directors' benefits and interests		
— Salaries, discretionary bonuses and allowances ^{(Note (iii))}	90	74
— Pension costs — defined contribution plan	5	5
	95	79
Depreciation of property, plant and equipment	–	104
Depreciation of right-of-use assets	–	31
(Fair value gain)/impairment loss on cryptocurrencies	(31)	809
Office, telecommunication and utility expenses	1	–
Legal and professional fees	2	2
Auditor's remuneration		
— Audit services	13	60
Others	6	139
	86	1,224

Notes:

- (i) Land costs mainly consist of direct costs incurred in the provision of package tours services such as land operator services, hotel accommodations, transportation expenses, meal expenses, admission tickets costs and booking services fees.
- (ii) The amount includes wage subsidies provided by the Hong Kong SAR government under the Employment Support Scheme. There are no unfulfilled conditions or other contingencies relating to these subsidies.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6 FINANCE COSTS, NET

	Three months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (re-presented)
Continuing operations		
Finance income		
Bank interest income	22	–
Finance costs		
Imputed interest on loans from a Shareholder	–	(78)
Interest expense on lease liabilities	(180)	(80)
Interest expense on bank borrowings	(4)	(26)
	(184)	(184)
Finance costs, net	(162)	(184)
Discontinued operation		
Finance income		
Bank interest income	1	–
Finance costs		
Interest expense on lease liabilities	–	(3)
	1	(3)

7 INCOME TAX EXPENSE

The applicable rate of Hong Kong profits tax is 16.5% (three months ended 30 June 2022: 16.5%). For the three months ended 30 June 2023, no provision for Hong Kong profits tax has been made in the consolidated financial information (three months ended 30 June 2022: nil).

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

8 BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

(a) Basic

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

	Three months ended 30 June	
	2023 (unaudited)	2022 (unaudited) (re-presented)
Profit/(loss) attributable to owners of the Company (<i>HK\$'000</i>)		
— Continuing operations	1,862	(2,695)
— Discontinued operation	(64)	(1,240)
	1,798	(3,935)
Weighted average number of ordinary shares in issue ('000)	603,947	441,321
Basic earnings/(loss) per Share from continuing and discontinued operations (<i>HK cents per Share</i>)	0.30	(0.89)
Basic earnings/(loss) per Share from continuing operations (<i>HK cents per Share</i>)	0.31	(0.61)
Basic loss per Share from a discontinued operation (<i>HK cents per Share</i>)	(0.01)	(0.28)

(b) Diluted

Diluted earnings/(loss) per Share is the same as basic earnings/(loss) per Share due to the absence of potential dilutive ordinary shares during the three months ended 30 June 2023 (three months ended 30 June 2022: same).

The basic and diluted earnings/(loss) per Share for the three months ended 30 June 2023 and 2022 have been adjusted to reflect the bonus element in the Shares placed by the Company during the respective periods.

9 DIVIDENDS

The Board does not recommend the payment of dividend for the three months ended 30 June 2023 (three months ended 30 June 2022: nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

10 RELATED PARTY TRANSACTIONS

The ultimate parent of the Company is WWPKG Investment, a company incorporated in the BVI.

The Directors are of the view that the following individuals and companies were related parties that had transactions with the Group for the three months ended 30 June 2023 and 2022:

Name of related party	Relationship with the Group
Mr. CN Yuen	Director
Sky Right Investment Limited	Controlled by a Director
Y's Japan Limited	Controlled by a connected person of the Director
Triplabs Limited	A joint venture of the Group

Other than those transactions and balances disclosed elsewhere in the unaudited condensed consolidated financial information, the following transactions were carried out with related parties during the three months ended 30 June 2023 and 2022:

(a) Transactions with related parties

	Three months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Rental payments <i>(Note)</i>		
Sky Right Investment Limited	352	352
Booking services fee expense		
Y's Japan Limited	597	88
Management services fee income		
Triplabs Limited	36	36

Note: During the three months ended 30 June 2022, certain monthly lease payments for the leases of the Group's branch and office premises have been reduced or waived by the lessor as a result of the COVID-19 pandemic and rent concessions of HK\$353,000 were recognised in "other income and other gains/(losses), net".

All of the above transactions with related parties were conducted in the ordinary course of the business of the Group based on the terms mutually agreed between the relevant parties.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

10 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management compensation

The remuneration of the executive Directors and members of senior management, who have the responsibility for planning, directing and controlling the activities of the Group, are as follows:

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries and allowances	677	813
Pension costs — defined contribution plan	14	12
	691	825

11 EVENTS AFTER THE REPORTING PERIOD

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