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## **Travel Expert (Asia) Enterprises Limited**

### **專業旅運（亞洲）企業有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1235)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021**

### **FINANCIAL HIGHLIGHTS**

- Total customer sales proceeds for the year was HK\$31.4 million, representing a decrease of 97.0% from HK\$1,054.7 million for the last year.
- Revenue for the year was HK\$6.4 million, representing a decrease of 97.8% from HK\$287.2 million for the last year.
- The loss for the year attributable to owners of the Company was HK\$32.9 million (2020: HK\$45.3 million).
- Loss per share attributable to owners of the Company for the year was HK6.5 cents, (2020: HK8.9 cents).
- The Board has resolved not to recommend the payment a final dividend for the year ended 31 March 2021 (2020: Nil).

### **ANNUAL RESULTS**

The board (the “Board”) of directors (the “Directors”) of Travel Expert (Asia) Enterprises Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2021 together with comparative figures.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

		2021	2020
	Notes	HK\$'000	HK\$'000
<b>Revenue</b>	4	6,423	287,164
Cost of sales		<u>(635)</u>	<u>(122,851)</u>
<b>Gross profit</b>		<b>5,788</b>	164,313
Other income and gains	4	34,388	13,917
Changes in fair value of investment properties	10	(2,189)	(3,923)
Selling and distribution costs		(22,908)	(132,661)
Administrative expenses		(47,347)	(83,031)
Share of losses of associates		(828)	(1,521)
Gain/(loss) on disposal of financial assets/ liabilities at fair value through profit or loss		656	(293)
Fair value loss on financial assets/liabilities at fair value through profit or loss		<u>(14)</u>	<u>–</u>
<b>Loss from operations</b>	5	<b>(32,454)</b>	(43,199)
Finance costs	6	<u>(671)</u>	<u>(1,673)</u>
<b>Loss before income tax</b>		<b>(33,125)</b>	(44,872)
Income tax credit/(expense)	7	<u>233</u>	<u>(189)</u>
<b>Loss for the year</b>		<b><u>(32,892)</u></b>	<b><u>(45,061)</u></b>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiary		<u>318</u>	<u>(309)</u>
<b>Other comprehensive income for the year</b>		<b><u>318</u></b>	<b><u>(309)</u></b>
<b>Total comprehensive income for the year</b>		<b><u><u>(32,574)</u></u></b>	<b><u><u>(45,370)</u></u></b>

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		(32,890)	(45,311)
Non-controlling interests		<u>(2)</u>	<u>250</u>
		<b><u>(32,892)</u></b>	<b><u>(45,061)</u></b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		(32,572)	(45,620)
Non-controlling interests		<u>(2)</u>	<u>250</u>
		<b><u>(32,574)</u></b>	<b><u>(45,370)</u></b>
<b>Loss per share attributable to owners of the Company</b>			
	<i>9</i>		
– Basic		<b>HK(6.5) cents</b>	HK(8.9) cents
– Diluted		<b>N/A</b>	N/A

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Notes	2021 HK\$'000	2020 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		226	20,718
Investment properties	10	–	84,900
Interests in associates		–	8,369
Deposits	12	1,983	3,389
		<u>2,209</u>	<u>117,376</u>
<b>Current assets</b>			
Inventories		2,373	3,462
Trade receivables	11	40	2,199
Prepayments, deposits and other receivables	12	12,132	29,022
Lease receivables		–	881
Amount due from an associate		–	135
Financial assets at fair value through profit or loss		4,165	–
Prepaid tax		–	102
Pledged deposits		15,152	1,630
Time deposits over three months		25,000	–
Cash and cash equivalents		51,549	44,124
		<u>110,411</u>	<u>81,555</u>
<b>Current liabilities</b>			
Trade payables	13	5,166	18,587
Accrued charges, deposits received and other payables		12,249	27,910
Contract liabilities		2,113	13,661
Financial liabilities at fair value through profit or loss		18	–
Amount due to an associate		–	219
Bank borrowing	14	–	2,926
Lease liabilities		8,174	18,782
Provision for tax		205	513
		<u>27,925</u>	<u>82,598</u>
<b>Net current assets/(liabilities)</b>		<u>82,486</u>	<u>(1,043)</u>
<b>Total assets less current liabilities</b>		<u>84,695</u>	<u>116,333</u>

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Deferred tax liabilities	7	–	51
Lease liabilities		<u>6,238</u>	<u>5,251</u>
		<u>6,238</u>	<u>5,302</u>
<b>Net assets</b>		<u><b>78,457</b></u>	<u>111,031</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	15	5,099	5,099
Reserves		<u>73,180</u>	<u>105,752</u>
		<b>78,279</b>	110,851
<b>Non-controlling interests</b>		<u>178</u>	<u>180</u>
<b>Total equity</b>		<u><b>78,457</b></u>	<u>111,031</u>

## NOTES

*For the year ended 31 March 2021*

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Group is located at 9/F., LiFung Tower, No. 868 Cheung Sha Wan Road, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are provision of services relating to sales of air-tickets, hotel accommodation and other travel/wedding related products, sales of package tours, and frozen food and groceries, property investment and investment in treasury activities.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements also include the required disclosure of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

In early 2020, the outbreak of the Coronavirus Disease 2019 ("COVID-19") created unprecedented pressure for travel industry. Precautionary and control measures have since been implemented in various countries, which included border restrictions and quarantine measures over international travel. The situation of the pandemic has still been precarious and the Group recorded a loss of approximately HK\$32,892,000 and net operating cash outflows of approximately HK\$40,366,000 for the year ended 31 March 2021.

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors of the Company have adopted going concern basis in the preparation of the consolidated financial statements of the Group.

In view of these circumstances and the impact of the COVID-19 pandemic, the management strives to maintain an operating scale commensurate with the Group's operating strategies that on one hand enables the Group to respond to the future recovery of the travel industry and on the other hand reserves sufficient liquidity and working capital so as to enable the Group to continue as a going concern. The management has also been continuously negotiating with landlords for rental reductions.

For the purpose of assessing the appropriateness of the use of the going concern basis, the Company's directors have reviewed the Group's cash flow projections prepared by the management covering a period of not less than twelve months from 31 March 2021. Based on the different possible outcomes of the evolution of the COVID-19 pandemic and future development of the travel agency industry, management has prepared the projections, including a worst case analysis, that include key assumptions with regard to the anticipated cash flows from the Group's operations and capital expenditures. The directors, after making due enquiries and considering the basis of management's projections described above, believe that the Group will have sufficient financial resources to operate as a going concern notwithstanding that the assessment of going concern basis of accounting is dependent upon certain assumptions and judgements, such as the timing of uplifting the border restrictions and quarantine measures, and the successful implementation of the aforementioned measures on liquidity. Accordingly, the directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effect of these adjustments has not been reflected in these financial statements.

### 3. ADOPTION OF NEW AND REVISED HKFRSs

#### (a) Adoption of new and revised HKFRSs – effective 1 April 2020

In the current year, the Group has applied for the first time the following amendments issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2020.

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform

The new and amended HKFRSs that are effective from 1 April 2020 did not have any significant impact on the Group's accounting policies.

#### ***Amendments to HKFRS 3 – Definition of a Business***

The amendments clarify the definition of a business and introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election to apply the concentration test is made for each transaction. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business. If the concentration test is failed, the acquired set of activities and assets is further assessed based on the elements of a business.

#### ***Amendments to HKAS 1 and HKAS 8 – Definition of Material***

The amendments clarify the definition and explanation of "material", aligning the definition across all HKFRS Standards and the Conceptual Framework, and incorporating supporting requirements in HKAS 1 into the definition.

#### ***Amendments to HKAS 39, HKFRS 7 and HKFRS 9 – Interest Rate Benchmark Reform***

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

(b) **New and revised HKFRSs that have been issued but are not yet effective**

The following new and revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 16	COVID-19-Related Rent Concessions <sup>1</sup>
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 <sup>6</sup>
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>2</sup>
Amendments to HKAS 16	Proceeds before Intended Use <sup>3</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>3</sup>
Amendments to HKFRS 9	Annual Improvements to HKFRSs 2018-2020 <sup>3</sup>
Amendments to HKFRS 16	Annual Improvements to HKFRSs 2018-2020 <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>4</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>4</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>4</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>4</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 June 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>5</sup> Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

<sup>6</sup> Effective for annual periods beginning on or after 1 April 2021

***Amendments to HKFRS 16 – COVID-19-Related Rent Concessions***

The amendment is issued in June 2020 and is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including interim or annual financial statements not authorised for issue as at 4 June 2020, the date of the amendment is issued.

The amendment introduces a new practical expedient for lessees to elect not to assess whether a COVID-19-related rent concessions is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 that meets all of the following conditions:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.



A lease applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes were not lease modifications. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

#### ***Amendments to HKFRS 16 – COVID-19-Related Rent Concessions beyond 30 June 2021***

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

#### ***Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 – Interest Rate Benchmark Reform – Phase 2***

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

#### ***Amendments to HKAS 16 – Proceeds before Intended Use***

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

#### ***Amendments to HKAS 37 – Onerous Contracts – Cost of Fulfilling a Contract***

The amendments specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

#### ***Amendments to HKFRS 9 – Annual Improvements to HKFRSs 2018-2020***

The amendments clarify the fees included in the “10 per cent” test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other’s behalf are included.

#### ***Amendments to HKFRS 16 – Annual Improvements to HKFRSs 2018-2020***

The amendments amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

***Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)***

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

***Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies***

The amendments to Disclosure of Accounting Policies were issued following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed. The amendments to HKAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

***Amendments to HKAS 8 – Definition of Accounting Estimates***

The amendments to HKAS 8 clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

***Amendments to HKFRS 3 – Reference to the Conceptual Framework***

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group’s accounting policies and financial statements.

#### 4. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION

The Group's principal activities are provision of services relating to sales of air-tickets, hotel accommodation and other travel/wedding related products, sales of package tours, and frozen food and groceries, property investment and investment in treasury activities. An analysis of the Group's revenue from principal activities, other income and gains is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>		
Provision of services relating to sales of travel/wedding related products ( <i>note a</i> )	5,086	124,645
Sales of package tours ( <i>note a</i> )	821	161,000
Sales of frozen food and groceries ( <i>note a</i> )	209	–
	<u>6,116</u>	<u>285,645</u>
<b>Revenue from other source</b>		
Rental income from investment properties	307	1,519
	<u>6,423</u>	<u>287,164</u>
<b>Other income and gains</b>		
Interest income on deposits in banks and financial institutions stated at amortised cost	431	1,764
Interest income on debt securities	–	93
Dividend income from listed securities	32	126
Exchange gains	–	543
Financial income on the net investment in a sub-lease agreement	12	68
Sponsorship and joint advertising income	791	10,067
Government grants ( <i>note b</i> )	19,743	–
Gain on lease modifications	4,822	–
Gain on disposal of property, plant and equipment	3,801	–
Gain on disposal of investment properties	2,000	–
Sundry income	2,756	1,256
	<u>34,388</u>	<u>13,917</u>

Notes:

(a) *Customer sales proceeds*

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Gross sales proceeds related to provision of services relating to sales of travel/wedding related products*	30,345	893,711
Sales of package tours	821	161,000
Sales of frozen food and groceries	209	–
<b>Total customer sales proceeds</b>	<u>31,375</u>	<u>1,054,711</u>

\* The Group's gross sales proceeds from provision of services relating to sales of travel/wedding related products, includes the air tickets, hotel accommodation and other travel/wedding related products, are considered as cash collected and receivable on behalf of a principal as an agent. The gross sales proceeds from these sales, which do not represent revenue, represent the price at which products have been sold inclusive of service fees. The related service income is recorded by the Group on net basis.

(b) Government grants

Included in profit or loss is HK\$15,357,000 (2020: Nil) of government grants obtained from Employment Support Scheme ("ESS") under the Anti-epidemic Fund launched by the Hong Kong SAR Government supporting the payroll of the Group's employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group does not have other unfulfilled obligations relating to this program.

In addition, HK\$4,359,000 (2020: Nil) of government grants relating to one-off subsidy for the purpose of giving immediate financial support and cash incentives for travel agents are included in profit of loss.

**Segment information**

The executive directors have identified the Group's operating segments as follows. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Travel and travel/ wedding related business		Rental income from investment properties		Treasury activities		Others		Total	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue from external customers	5,907	285,645	307	1,519	-	-	209	-	6,423	287,164
Reportable segment revenue	5,907	285,645	307	1,519	-	-	209	-	6,423	287,164
Reportable segment (loss)/profit	(26,482)	(32,299)	141	(6,479)	(145)	(868)	(95)	-	(26,581)	(39,646)
Interest income	375	1,743	-	-	56	114	-	-	431	1,857
Changes in fair value of investment properties	-	-	(2,189)	(3,923)	-	-	-	-	(2,189)	(3,923)
Gain on disposal of investment properties	-	-	2,000	-	-	-	-	-	2,000	-
Finance costs	(632)	(1,602)	(36)	(71)	(3)	-	-	-	(671)	(1,673)
Dividend income	-	-	-	-	32	126	-	-	32	126
Depreciation on property, plant and equipment	(5,834)	(28,164)	(148)	(933)	-	-	(26)	-	(6,008)	(29,097)
Impairment loss on property, plant and equipment	(11,239)	(20,037)	-	(1,735)	-	-	-	-	(11,239)	(21,772)
Gain/(loss) on disposal of financial assets/ liabilities at fair value through profit or loss	-	-	-	-	656	(293)	-	-	656	(293)
Fair value loss on financial assets/liabilities at fair value through profit or loss	-	-	-	-	(14)	-	-	-	(14)	-
Loss on disposal of a subsidiary	-	-	(2,838)	-	-	-	-	-	(2,838)	-
Impairment loss on interest in an associate	-	(874)	-	-	-	-	-	-	-	(874)
Share of loss of an associate	-	(148)	-	-	-	-	-	-	-	(148)
Reportable segment assets	88,462	88,116	273	101,068	22,461	334	753	-	111,949	189,518
Additions to non-current segment assets during the year	11,519	9,030	204	27	-	-	236	-	11,959	9,057
Reportable segment liabilities	33,705	79,368	61	6,845	43	30	74	-	33,883	86,243

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Reportable segment revenue	<u>6,423</u>	<u>287,164</u>
<b>Group revenue</b>	<b><u>6,423</u></b>	<b><u>287,164</u></b>
Reportable segment loss	(26,581)	(39,646)
Share of losses of associates	(828)	(1,373)
Other corporate expenses	<u>(5,716)</u>	<u>(3,853)</u>
<b>Loss before income tax</b>	<b><u>(33,125)</u></b>	<b><u>(44,872)</u></b>
Reportable segment assets	111,949	189,518
Other corporate assets	<u>671</u>	<u>9,413</u>
<b>Group assets</b>	<b><u>112,620</u></b>	<b><u>198,931</u></b>
Reportable segment liabilities	33,883	86,243
Other corporate liabilities	<u>280</u>	<u>1,657</u>
<b>Group liabilities</b>	<b><u>34,163</u></b>	<b><u>87,900</u></b>

The Group's revenues from external customers and its non-current assets are all divided into the following geographical locations:

	Revenue from external customers		Non-current assets	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong (domicile)	6,423	287,089	2,193	117,326
The People's Republic of China (the "PRC") excluding Hong Kong	<u>–</u>	<u>75</u>	<u>16</u>	<u>50</u>
	<b><u>6,423</u></b>	<b><u>287,164</u></b>	<b><u>2,209</u></b>	<b><u>117,376</u></b>

The geographical location of the non-current assets is based on the physical location of the asset. The country of domicile is determined by referring to the country which the Group regards as its home country, has the majority of operations and center of management.

Most of the revenue of the Group are derived from Hong Kong. The Group has a large number of customers, and no significant revenue was derived from specific external customers for the years ended 31 March 2020 and 2021.

## 5. LOSS FROM OPERATIONS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss from operations is arrived at after charging/(crediting):		
Depreciation expenses of:		
– owned property, plant and equipment*	1,736	3,572
– right-of-use assets included within:**		
– office equipment	256	256
– leasehold land and buildings	142	873
– other properties leased for own use	3,874	24,396
	<u>6,008</u>	<u>29,097</u>
Loss/(gain) on disposal of:		
– owned property, plant and equipment	29	125
– right-of-use assets included within:		
– leasehold land and buildings	(3,830)	–
– other properties leased for own use	–	244
– investment properties	(2,000)	–
– an associate	3,527	–
– a subsidiary	2,838	–
	<u>564</u>	<u>369</u>
Impairment losses on:		
– owned property, plant and equipment	1,165	1,154
– right-of-use assets included within:		
– office equipment	448	–
– leasehold land and buildings	–	1,735
– other properties leased for own use	9,626	18,883
	<u>11,239</u>	<u>21,772</u>
Impairment loss on interest in an associate	–	874
Net foreign exchange loss/(gain)	118	(543)
Direct operating expenses arising from investment properties that did not generate rental income during the year	6	225
Short-term leases expenses	946	7,303
Variable lease payments not included in the measurement of lease liabilities	50	66
Staff costs (excluding directors' remuneration):		
– Salaries and other benefits	31,070	103,043
– Retirement scheme contribution	1,441	4,541
	<u>32,511</u>	<u>107,584</u>

\* Depreciation expenses of owned property, plant and equipment have been included in:

- selling and distribution costs of approximately HK\$28,000 for the year (2020: HK\$1,090,000); and
- administrative expenses of approximately HK\$1,708,000 for the year (2020: HK\$2,482,000).

\*\* Depreciation expenses of right-of-use assets have been included in:

- selling and distribution costs of Nil for the year (2020: HK\$19,610,000); and
- administrative expenses of HK\$4,272,000 for the year (2020: HK\$5,915,000).

## 6. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on bank borrowings	39	71
Interest on lease liabilities	632	1,602
	<u>671</u>	<u>1,673</u>

## 7. INCOME TAX (CREDIT)/EXPENSE AND DEFERRED TAX

The amounts of income tax in the consolidated statement of comprehensive income represent:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax – Hong Kong		
– Tax for the year	–	194
– Over provision in respect of prior years	(182)	–
	<u>(182)</u>	<u>194</u>
Deferred tax ( <i>note</i> )	(51)	(5)
	<u>(233)</u>	<u>189</u>

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for the years ended 31 March 2021 and 2020, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime and is calculated at 8.25% on the first HK\$2 million of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK\$2 million.

Subsidiary of the Company established in the PRC is subjected to PRC enterprise income tax at 25%. No PRC enterprise income tax has been provided as the Group did not generate any assessable profits in the PRC during the years ended 31 March 2021 and 2020.

*Note:*

Details of the deferred tax liabilities recognised and movements during the years are as follows:

	<b>Accelerated tax depreciation</b> <i>HK\$'000</i>
At 1 April 2019	56
Credited to profit or loss for the year	<u>(5)</u>
At 31 March 2020 and 1 April 2020	51
Credited to profit or loss for the year	<u>(51)</u>
<b>At 31 March 2021</b>	<u>–</u>

As at 31 March 2021, the Group has estimated unused tax losses of approximately HK\$122,269,000 (2020: HK\$88,235,000) which were available for offset against future profits. No deferred tax asset has been recognised in respect of the estimated tax losses due to the unpredictability of future profit streams. The amount of tax losses of approximately HK\$121,434,000 (2020: HK\$87,564,000) have no expiry date and HK\$835,000 (2020: HK\$671,000) are subject to expiry period of five years.

## 8. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2021 (2020: Nil).

The dividends approved and declared during the years are summarised as follows:

	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
Final dividend proposed in the previous year	–	10,197

## 9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK\$32,890,000 (2020: HK\$45,311,000) and 509,859,000 (2020: 509,859,000) weighted average number of ordinary shares in issue during the year.

No diluted loss per share is presented for the years ended 31 March 2021 and 2020 as there was no potential ordinary share during the years.

## 10. INVESTMENT PROPERTIES

	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
At beginning of the year	<b>84,900</b>	88,800
Additions	<b>189</b>	23
Disposals	<b>(6,900)</b>	–
Changes in fair value of investment properties	<b>(2,189)</b>	(3,923)
Disposal of a subsidiary	<b>(76,000)</b>	–
At end of the year	–	84,900

The investment properties represent property interests held under operating leases to earn rentals or for capital appreciation purposes.

The fair value of the Group's investment properties as at 31 March 2020 was arrived at on the basis of the valuation carried out as at that date by an independent qualified professional valuer not connected to the Group. The independent qualified professional valuer is a member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experience in the valuation of properties in the relevant location.

The valuation was arrived at using the investment approach by taking into account the current net rents passing of the property being held under existing tenancy and the reversionary potential of the property and by making reference to comparable leasing evidence in the relevant market. The fair value measurement is positively correlated to the market monthly rental rate and negatively correlated to reversionary yield.



## 11. TRADE RECEIVABLES

The directors of the Company consider that the fair values of trade receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The ageing analysis of trade receivables, based on the invoice dates, as at the end of each of the year, net of impairment, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 – 30 days	29	1,420
31– 90 days	–	315
Over 90 days	11	464
	<u>40</u>	<u>2,199</u>

The Group has a policy of allowing customers credit periods normally within 30 days. Overdue balances are reviewed regularly by the Group's management.

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Prepayments	1,863	6,480
Deposits	7,176	13,999
Other receivables	5,076	11,932
	<u>14,115</u>	<u>32,411</u>
Classified as:		
Non-current assets	1,983	3,389
Current assets	12,132	29,022
	<u>14,115</u>	<u>32,411</u>

The financial assets included in the above balances relate to receivables for which there was no recent history of default. None of these financial assets is either past due or impaired.

## 13. TRADE PAYABLES

The Group is granted by its suppliers for credit periods normally within 30 days. The ageing analysis of the trade payables, based on the invoice dates, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 – 30 days	558	9,211
31– 90 days	338	3,568
Over 90 days	4,270	5,808
	<u>5,166</u>	<u>18,587</u>

The trade payables are short-term and hence the carrying values of the Group's trade payables are considered to be a reasonable approximation of fair value.

#### 14. BANK BORROWING

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Secured bank borrowing</b>		
Portion due for repayment within one year	–	499
Portion due for repayment after one year which contains a repayable on demand clause	–	2,427
	<u>–</u>	<u>2,427</u>
	<u>–</u>	<u>2,926</u>

The Group's bank borrowing bore interest at a floating rate of 3.1% per annum below HK\$ prime were secured by the corporate guarantee provided by the Company and the Group's leasehold land and buildings of approximately HK\$15,100,000 and an investment property of approximately HK\$6,900,000 as at 31 March 2020.

As at 31 March 2020, the current liabilities include bank borrowing of approximately HK\$2,427,000 that were not scheduled for repayment within one year. They were classified as current liabilities as the related loan agreement contains a clause that provides the lenders with an unconditional right to demand repayment at any time at their own discretion. The bank borrowing of HK\$2,926,000 was early repaid during the year.

#### 15. SHARE CAPITAL

	Number of shares '000	Amount <i>HK\$'000</i>
<i>Authorised:</i>		
Ordinary shares of HK\$0.01 each		
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	<u>2,000,000</u>	<u>20,000</u>
<i>Issued and fully paid:</i>		
Ordinary shares of HK\$0.01 each		
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	<u>509,859</u>	<u>5,099</u>

## **DIVIDEND**

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2021 (2020: Nil).

## **CLOSURE OF REGISTER OF MEMBERS FOR AGM**

The register of members of the Company will be closed from 13 August 2021 to 18 August 2021, both days inclusive, for the purpose of determining the entitlement to attend and vote at the AGM scheduled to be held on 18 August 2021. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 12 August 2021.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

For the year ended 31 March 2021, the outbreak of Coronavirus Disease 2019 ("COVID-19") caused unprecedented challenges to the Group's business and adversely impacted on the Group's financial performance. During the year, to enhance the Group's working capital, the Group disposed of (i) the property in Han Chung Mansion at Tsim Sha Tsui; (ii) an indirect wholly owned subsidiary of the Company, being the legal and beneficial owner of the investment property in Kowloon Plaza at Lai Chi Kok; and (iii) the 20% equity interest in an associate company, being the legal and beneficial owner of an investment property in Admiralty Centre, and obtained the net proceeds (after deduction of all related costs and expenses) of approximately HK\$27.6 million, HK\$72.3 million and HK\$4.0 million respectively. Furthermore, to alleviate the financial burden, we obtained approximately HK\$19.7 million from the Hong Kong SAR government's "Employment Support Scheme" and other subsidies available for travel industry. In order to cope with the extremely challenging operation environment, the Group launched various one-day local tours with different themes and features to enable customers to enjoy local attractions and vacations during the pandemic.

For the year under review, the Group recorded a loss attributable to owners of the Company of HK\$32.9 million, compared with the loss attributable to owners of the Company of HK\$45.3 million for the previous year. The Group's total customer sales proceeds was HK\$31.4 million, representing a decrease of 97.0% as compared with HK\$1,054.7 million for the previous year. The total revenue for the year decreased to HK\$6.4 million (2020: HK\$287.2 million), representing a decrease of 97.8% over the previous year.

Overall, the Group's loss for the year was HK\$32.9 million, compared with the loss of HK\$45.1 million for the previous year. Loss per share attributable to owners of the Company for the year was HK6.5 cents (2020: HK8.9 cents). The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2021 (2020: Nil).

## BUSINESS REVIEW

The Group's retail FIT (free independent travellers) business is operated mainly through Travel Expert Limited (專業旅運有限公司) ("Travel Expert"), which is the core focus of the Group. During the year, the outbreak of COVID-19 pandemic has caused unprecedented impact on business operations of this business line. Due to stringent travel restrictions and quarantine measures, the sales and revenue of this business line slumped drastically to record low level. To preserve working capital to survive the storm, we implemented various cost saving measures. We actively streamlined the branch network to reduce operating costs. We negotiated with landlords for rental reductions and early termination of some shops. We implemented various measures to reduce staff cost, such as reducing staff headcount, no-pay leave arrangements, salary reduction and encouraging staff to clear their annual leaves.

The Group's online business is operated through the online trading platform [www.texpert.com](http://www.texpert.com) that focused on selling travel products like theme park tickets, train and bus tickets, boat tickets and etc. During the year, we actively promoted staycation packages of Hong Kong hotels to enable customers to enjoy vacations or visiting local attractions amid times of combating pandemic.

The Group's tour operation is mainly operated by Premium Holidays Limited (尊賞假期有限公司) ("Premium Holidays") with focus on operating high-end long haul tours business. During the year, this business line has been adversely impacted by the COVID-19 pandemic. Due to stringent travel restrictions and quarantine measures introduced by governments all over the world, outbound package tours of this business line have halted since mid-March 2020. This business line strived to improve operational and cost efficiencies by continuously and closely monitoring costs and streamlining work processes. With a view to enhance our competitiveness and service quality, this business line also conducted various training programs for the Group's frontline staff to equip them with product knowledge, selling skills and service quality.

In addition to the ordinary travel business segment, our investment activities using the Group's surplus funds allocated under the approved investment cap are conducted by Travel Expert Asset Management Limited (專業旅運資產管理有限公司) ("Travel Expert Asset Management"). During the year, the business recorded a slight loss. We will continue to closely monitor the market situation and make investment decisions prudently in order to help the Group to better utilize its surplus fund and contributed to its bottom line.

During the year, the global outbreak of COVID-19 resulted in upheavals in tourism and the Group's overall performance was adversely affected. The social gathering restrictions in fighting against the pandemic have caused change in consumers' dining habit. Instead of dining out, most of consumers preferred to stay and dine at home. This greatly boosted the demand for frozen food and other food ingredients. With a view to tap into this business opportunity, the Group opened a shop "teSTORE" in Wanchai in January 2021, which selling a wide variety of frozen food and groceries from countries all over the world. Apart from selling goods at the shop, an online platform using the same business name was also launched. As the operation of teSTORE is still at an early stage, we will launch marketing activities to promote its business when the operation of this new business becomes smooth.

## **FINANCIAL REVIEW**

### **Other Income and Gains**

Total other income and gains increased significantly by HK\$20.5 million from HK\$13.9 million for the previous year to HK\$34.4 million for the year. Such increase was primarily attributed to the recognition of government grants of HK\$19.7 million, gain on lease modifications of HK\$4.8 million, gain on disposal of property, plant and equipment of HK\$3.8 million and gain of disposal of investment properties of HK\$2.0 million during the year, whereas no such items were recorded in the previous year.

### **Selling and Distribution Costs**

For the year ended 31 March 2021, selling and distribution costs amounted to HK\$22.9 million, representing a decrease of 82.7% from HK\$132.7 million for the previous year.

The global outbreak of COVID-19 has deeply impacted on the Group's business. The decrease of selling and distribution costs was mainly due to (i) significant reduction of frontline staff cost that was contributed by the reduction of frontline headcounts and less sales commission expenses and other staff costs; (ii) decrease in advertising and promotion activities; (iii) decrease in credit card charges on sales proceeds; and (iv) decrease in depreciation on right-of-use assets and rents related to retail premises. During the year, in response to the challenging operating operation environment due to the outbreak of COVID-19, we further streamlined our branch network in order to reduce costs to preserve working capital. Besides, the Group carried out strict cost control measures and strived to maintain a reasonable selling and distribution costs level. The Group will also adopt other measures to maintain both the competitiveness and cost effectiveness of its branch network in accordance with market conditions. As at 31 March 2021, the Group operated a total of 10 retail shops in Hong Kong under the brand names of Travel Expert and Premium Holidays.

### **Administrative Expenses**

For the year ended 31 March 2021, administrative expenses amounted to HK\$47.3 million, representing a decrease of 43.0% from HK\$83.0 million for the last year, which was mainly due to the decrease in staff costs (including salaries and bonus), impairment losses on right-of-use assets and various other operating expenses.

Currently, the Group has one back office location in Hong Kong and one in Shenzhen. With our efforts, we managed to reduce the overall administrative expenses to a more reasonable level. In order to retain our strength through managing our costs and working capital by preserving cash in this difficult time, the Group will continue to adopt strict cost control measures on administrative expenses by better allocation of back office resources and streamlining existing working process.

### **Finance Cost**

Finance cost of the Group for the year was HK\$671,000, of which as to HK\$39,000 was related to the interest-bearing bank borrowing (2020: HK\$71,000) and as to HK\$632,000 was related to the interest on lease liabilities (2020: HK\$1.6 million).

## **Liquidity, Financial Resources and Capital Resources**

The Group generally finances its liquidity requirements through internally generated resources and will only finance with available banking facilities whenever necessary. For the year ended 31 March 2021, the Group had a significant operating cash outflow of approximately HK\$40.4 million (2020: HK\$63.3 million) and the net assets value of HK\$78.5 million (as at 31 March 2020: HK\$111.0 million). Including the time deposits over three months, the Group had total cash and cash equivalents of HK\$76.5 million as at 31 March 2021 (as at 31 March 2020: HK\$44.1 million). As at 31 March 2021, the Group had not held any investment property (as at 31 March 2020: investment properties of HK\$84.9 million). The Group had a portfolio of financial assets and liabilities at fair value through profit or loss of HK\$4.1 million as at 31 March 2021 (as at 31 March 2020: Nil).

As at 31 March 2021, the Group did not have any outstanding bank borrowing. As at 31 March 2020, the gearing ratio (interest-bearing bank borrowings divided by total equity) was 2.6%.

### **Contingent Liabilities**

The Group did not have any contingent liabilities as at 31 March 2021.

### **Capital Commitments**

As at 31 March 2021, the Group's did not have any commitment in respect of capital expenditure were contracted but not provided for the acquisition of property, plant and equipment (as at 31 March 2020: HK\$211,000).

### **Pledge of Assets**

As at 31 March 2021, the Group's bank deposits of HK\$15.2 million were pledged to a broker and banks to secure derivative financial instruments and banking facilities granted to the Group (as at 31 March 2020: investment properties of HK\$84.9 million, leasehold land and building of HK\$15.1 million and bank deposits of HK\$1.6 million were pledged to banks to secure banking facilities granted to the Group).

### **Foreign Exchange Risks and Treasury Policies**

The Group has foreign currency exposures that mainly arise from the balance of assets and liabilities in currencies other than in Hong Kong dollar, the Group's functional currency. The Group's policy requires the management to monitor the Group's foreign exchange exposure by closely monitoring the movement of foreign currency rates. The management may purchase foreign currency at spot rate, when and where appropriate for the purpose of meeting the Group's future payment obligation in foreign currency. With the setup of Travel Expert Asset Management together with the extension of investment scope, the Group may use more financial tools such as foreign exchange forward contracts and currency futures etc. to manage the foreign exchange risks. For the year ended 31 March 2021, the Group recorded exchange loss of approximately HK\$118,000 (2020: exchange gain of approximately HK\$543,000).

## **Human Resources and Employee's Remuneration**

As at 31 March 2021, the Group had a total workforce of 85 (as at 31 March 2020: 237), of which about 31.8% were frontline staff. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. Other benefits include contributions to mandatory provident fund and medical insurance coverage. In addition, the Group has adopted a Share Option Scheme to recognize the contributions of our staff and to provide them with incentives to stay with the Group. The remuneration policy will be reviewed by the Board from time to time. Emoluments of Directors are determined by the Remuneration Committee after considering the Group's operating results, individual performance and comparing with market conditions.

## **OUTLOOK**

The Group anticipates that the COVID-19 pandemic will continue to exert tremendous pressure and challenges to the operating environment. As many countries are experiencing resurgence of the pandemic after relaxation of social distancing measures and resumption of economic activities, it is expected that stringent border control and quarantine measures will not be eased in the near future. The ongoing pandemic continues to pose a serious threat to the Group's business and financial performance. The operating environment of the Group is expected to be more challenging than ever.

To navigate the storm, the top priority of the Group's management is to manage our costs and working capital. To enable us to retain strength for the Group's sustainable development, the Group will continue to carry out a number of cost saving measures, including reducing staff and other operating costs, negotiating with landlords to obtain rental relief and streamlining the branch network. In addition, facing the uncertainty of the market recovery, apart from minimize costs and optimize cost structure, the Group will explore new business opportunities with a view to broaden sources of income.

The management is of the view that the Group has sufficient working capital to support the Group's operation needs. We will continue to use our utmost efforts to maintain the Group's operation by adopting proactive and forward looking measures.

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

During the year ended 31 March 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **CORPORATE GOVERNANCE**

During the year ended 31 March 2021, the Company has complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), save as disclosed below.

Under code provision A.1.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to all Directors to give them an opportunity to attend. During the year, regular meetings were held in line with the meeting schedule as planned in the preceding year. Two unscheduled supplementary meetings were convened with less than 14 days’ notice to facilitate the Directors’ timely reaction and expeditious decision making process in respect of disposals of property and an indirect wholly owned subsidiary. Nevertheless, all Board meetings were duly convened and held according to the relevant requirements of the Articles of Association of the Company. The Board will use reasonable endeavour to meet the requirement of code provision A.1.3 of the CG Code in future.

## **EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT**

The following is an extract of the independent auditor’s report on the Group’s annual financial statements for the year ended 31 March 2021:

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Material Uncertainty Related to Going Concern**

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group recorded a loss for the year of approximately HK\$32,892,000 and operating cash outflows of approximately HK\$40,366,000 during the year ended 31 March 2021. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **REVIEW OF ANNUAL RESULTS**

The Audit Committee has reviewed and discussed with the management and the Company’s external auditors the annual results of the Group for the year ended 31 March 2021.



## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix 10 of the Listing Rules (“Model Code”) as the code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, the Directors of the Company confirmed that they have complied with the required standard set out in the Model Code for the year ended 31 March 2021.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement of the Group for the year ended 31 March 2021 is published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.tegroup.com.hk](http://www.tegroup.com.hk). The annual report will be published on the same websites and dispatched to shareholders in due course.

By order of the Board  
**Travel Expert (Asia) Enterprises Limited**  
**Ko Wai Ming, Daniel**  
*Chairman*

Hong Kong, 28 June 2021

*As at the date of this announcement, the Executive Directors of the Company are Mr. Ko Wai Ming, Daniel and Ms. Cheng Hang Fan; and the Independent Non-executive Directors of the Company are Mr. Mak King Sau, Mr. Szeto Chi Man and Mr. Yung Ha Kuk, Victor.*