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WWPKG Holdings Company Limited

縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8069)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 25 October 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to an aggregate of 96,000,000 Placing Shares, to not less than six Placees who and whose beneficial owners are Independent Third Parties at the Placing Price of HK\$0.170 per Placing Share.

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of 96,000,000 Placing Shares represent (i) 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares will be HK\$960,000.

The Placing Price of HK\$0.170 per Placing Share (i) is equivalent to the closing price of HK\$0.170 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) represents a premium of approximately 11.1% over the average closing price of approximately HK\$0.153 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 24 October 2022, being the last trading day immediately preceding the date of the Placing Agreement.

Assuming all the Placing Shares are fully placed, the gross proceeds and net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be approximately HK\$16.3 million and HK\$14.9 million, respectively, representing a net issue price of approximately HK\$0.155 per Placing Share.

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. The allotment and issue of the Placing Shares is not subject to Shareholders' approval.

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

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

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 25 October 2022 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best efforts basis, up to an aggregate of 96,000,000 Placing Shares at the Placing Price of HK\$0.170 per Placing Share to not less than six Placers who are Independent Third Parties.

THE PLACING AGREEMENT

Date : 25 October 2022 (after trading hours)

Issuer : The Company

Placing Agent : Realord Asia Pacific Securities Limited

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

Placing

The Placing Agent has conditionally agreed to place, or procure the placing of, up to an aggregate of 96,000,000 Placing Shares at the Placing Price of HK\$0.170 per Placing Share on a best efforts basis and will receive a placing commission of 8% of the aggregate amount equal to the Placing Price multiplied by the actual number of Placing Shares successfully placed by the Placing Agent (i.e. the gross proceeds from the Placing). Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market condition and taking into account the financial condition of the Group.

Placees

The Placing Shares will be placed to not less than six Placees, who, to the best of the knowledge and belief of the Placing Agent, are not holding any Shares prior to the Placing and are investors who are independent of and not acting in concert with the directors, chief executives, senior management or substantial shareholders of the Company, any of its subsidiaries or their respective associates, and will not be offered or sold to any person, firm or company which is a connected person of the Company. The Placing Agent undertook that none of the Placees or their associates would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the GEM Listing Rules) of the Company.

Number of Placing Shares

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of 96,000,000 Placing Shares represent (i) 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares will be HK\$960,000.

Placing Price

The Placing Price of HK\$0.170 per Placing Share:

- (i) is equivalent to the closing price of HK\$0.170 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) represents a premium of approximately 11.1% over the average closing price of approximately HK\$0.153 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 24 October 2022, being the last trading day immediately preceding the date of the Placing Agreement.

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

Ranking

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

Conditions of the Placing

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

- (i) the passing by the Board of resolutions to approve the Placing Agreement and the transactions contemplated hereunder; and
- (ii) the GEM Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked).

In the event the conditions above are not fulfilled by 15 November 2022 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and the Placing Agent shall be released from all obligations pursuant to the Placing Agreement and none of the parties shall have any claim against the others in respect of the Placing save for any antecedent breach.

Completion

Completion of the Placing will take place at 4:00 p.m. on the third Business Day following the date on which the above conditions are satisfied (or such later date as may be agreed between the Company and the Placing Agent in writing).

Application for listing of Placing Shares

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

Termination

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would materially affect the success of the Placing;

- (ii) the imposition of any moratorium, suspension (for more than seven trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would materially affect the success of the Placing;
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may materially affect the business or financial prospects of the Group and/or the success of the Placing;
- (iv) any material litigation or claim being instigated against any member of the Group, which has or may have an effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing;
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole;
- (vi) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon termination of the Placing Agreement as described above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

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

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

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 96,000,000 new Shares under the General Mandate. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. Assuming that all the Placing Shares are fully placed upon the completion of the Placing, all Shares of the General Mandate will be utilised by the Company.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is one of the long-established and well-known travel agents in Hong Kong, who markets its travel related products and services under the brand “縱橫遊WWPKG”, and engages in (i) the design, development and sales of package tours; (ii) the sales of air tickets and/or hotel accommodations; (iii) the sales of ancillary travel related products and services; (iv) investments in tourism and travel technology related businesses; (v) the engagement in the process of gaining cryptocurrencies by solving cryptographic equations through verifying data blocks and adding transaction records to a public ledger known as a blockchain; and (vi) the sales of lifestyle and healthcare products and services via retail stores and/or e-commerce (the “**New Business Activity**”).

Assuming all the Placing Shares are fully placed, the gross proceeds and net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be approximately HK\$16.3 million and HK\$14.9 million, respectively, representing a net issue price of approximately HK\$0.155 per Placing Share. The net proceeds from the Placing are intended to be used for general working capital of the New Business Activity and be applied in the following manner by 31 March 2023:

- (i) approximately HK\$8.1 million shall be used for procurement expenses;
- (ii) approximately HK\$2.6 million shall be used for staff cost;
- (iii) approximately HK\$1.9 million shall be used for general and administration expenses;
- (iv) approximately HK\$1.3 million shall be used for rental expenses; and
- (v) approximately HK\$1.0 million shall be used for advertising and marketing expenses.

Travel restrictions imposed across the world due to the ongoing coronavirus disease 2019 has disrupted the Group’s travel and tourism business operation. As a result, minimal revenue and gross profit were generated from the travel related products and services segment of the Group since the financial year ended 31 March 2021. In order to diversify the income stream of the Group, it has recently commenced the New Business Activity. The Directors considers that the New Business Activity enables the Group to broaden its revenue base and potentially enhance its financial performance, which is in line with the Group’s development strategy. Accordingly, the Directors consider that the Placing represents a good opportunity for the Company to raise additional funds for the operating expenses of the

Group and to strengthen the Group's financial position, while broadening the capital and Shareholders' base of the Company, and to maintain a healthy working capital position for alleviating the Group's liquidity pressure.

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

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

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

Date of announcement	Fund raising activity	Net proceeds raised (Approx.)	Proposed use of proceeds (Approx.)	Actual use of proceeds (Approx.)
24 May 2022	Placing of 80,000,000 new shares at placing price of HK\$0.281 each under general mandate ("May Placing")	HK\$21.9 million	<ul style="list-style-type: none"> (i) HK\$13.0 million for salary payments, including staff costs for the expected recruitment of additional staff when travel restrictions are relaxed; (ii) HK\$2.4 million for advertising and marketing expenses in relation to the Group's travel and tourism business; (iii) HK\$3.5 million for rental expenses; (iv) HK\$3.0 million for other general corporate purposes, including legal and professional fees. 	<ul style="list-style-type: none"> (i) HK\$3.6 million has been used as intended. (ii) HK\$0.3 million has been used as intended. (iii) HK\$1.3 million has been used as intended. (iv) HK\$3.0 million has been used as intended.

The unutilised proceeds of the May Placing will continue to be used as intended to finance the general working capital of the travel and tourism business operation and other general corporate purposes of the Group in anticipation of the gradual revival of the Group's travel and tourism business in light of the recent relaxation of travel restrictions in Hong Kong and Japan.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

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

Name of Shareholder	As at the date of this announcement		Immediately after the completion of the Placing (assuming all the Placing Shares are fully placed)	
	Number of Shares	Approx. % (Note 2)	Number of Shares	Approx. % (Note 2)
WWPKG Investment Holdings Limited (Note 1)	181,815,000	37.87	181,815,000	31.57
Public Shareholders				
Placees	—	—	96,000,000	16.67
Other public Shareholders	<u>298,185,000</u>	<u>62.13</u>	<u>298,185,000</u>	<u>51.76</u>
Total	<u>480,000,000</u>	<u>100.00</u>	<u>576,000,000</u>	<u>100.00</u>

Notes:

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

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto in the Code on Takeovers and Mergers;
“AGM”	the annual general meeting of the Company held on 2 August 2022;
“associates”	has the meaning ascribed thereto under the GEM Listing Rules;
“Board”	the board of Directors;

“Business Day(s)”	a day (other than Saturdays, Sundays, public holidays in Hong Kong or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general banking business;
“Company”	WWPKG Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (stock code: 8069);
“Completion Date”	the third Business Day following the day on which all the conditions set out in the Placing Agreement are satisfied or such other date as the Company and the Placing Agent may agree in writing;
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Committee”	the GEM Listing Committee of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or grant additional 96,000,000 new Shares, representing 20% of the number of issued Shares as at the date of the AGM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates;
“Placee(s)”	any person or entity who is procured by the Placing Agent or its agent(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement;

“Placing”	the placing of up to an aggregate of 96,000,000 Placing Shares by the Placing Agent, on a best efforts basis, subject to the terms and conditions set out in the Placing Agreement;
“Placing Agent”	Realord Asia Pacific Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO;
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 25 October 2022 in relation to the Placing;
“Placing Price”	HK\$0.170 per Placing Share;
“Placing Share(s)”	a maximum of 96,000,000 new Shares to be placed pursuant to the Placing Agreement;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of the Company of HK\$0.01 each;
“Shareholder(s)”	holder(s) of issued Share(s);
“Stock Exchange”	the Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Hong Kong, 25 October 2022

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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