



縱橫遊

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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

2022/2023

ANNUAL REPORT

TRAVEL

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This report for which the directors (the “Directors”) of WWPKG Holdings Company Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report 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 report misleading.

This report 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 will also be published on the website of the Company at www.wwpkg.com.hk.

The English text of this report shall prevail over the Chinese text in case of inconsistencies.



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CONTENTS

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	5
Biographical Details of Directors and Senior Management	15
Corporate Governance Report	17
Environmental, Social and Governance Report	28
Report of the Directors	57
Independent Auditor's Report	65
Consolidated Statement of Profit or Loss and Other Comprehensive Income	70
Consolidated Statement of Financial Position	71
Consolidated Statement of Changes in Equity	73
Consolidated Statement of Cash Flows	74
Notes to the Consolidated Financial Statements	75
Financial Highlights	144

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.wwpkg.com.hk

CHAIRMAN'S STATEMENT



Dear Shareholders,

Global tourism has finally come out from a more than two-year hibernation and we are starting to get back on our feet. After the long-awaited suspension since 9 March 2020 amid the coronavirus disease 2019 ("COVID-19") pandemic, the Group re-launched its first tour bound for Japan on 24 June 2022. Following the eased pandemic controls across the world, tourism recovery has been gaining momentum during the year ended 31 March 2023 ("FY22/23"). Our Travel Related Products and Services segment revealed a staggering seventy-five-fold increase in revenue for FY22/23 as compared with the year ended 31 March 2022 ("FY21/22"). The Group's loss for the year decreased by 52.3% from approximately HK\$16.1 million for FY21/22 to approximately HK\$7.7 million for FY22/23.

BUSINESS REVIEW

Tourism recovery has been gaining momentum as the pandemic controls across the world, including restrictions on cross-boundary/border travel and rules that govern quarantine, mask-wearing and socialising, were gradually lifted. In particular, the Japan government fully opened its doors to overseas visitors and reinstated visa-free short-term travel on 11 October 2022, and for Hong Kong, the quarantine regime for inbound persons was lifted on 14 December 2022 with all local anti-epidemic measures, except for mask-wearing, ended on 29 December 2022. On the supply side, the Group's airline suppliers have since resumed their international flights, while on the demand side, leisure travel sentiment has been improving. As a result, the Group's revenue generated from the Travel Related Products and Services segment for FY22/23 recorded a seventy-five-fold increase from approximately HK\$1.6 million for FY21/22 to approximately HK\$125.6 million for FY22/23, and the segment turned its loss of approximately HK\$12.7 million for FY21/22 around to a profit of approximately HK\$3.9 million for FY22/23.

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 FY22/23, such retail operations recorded segment revenue of approximately HK\$32.2 million and segment loss of approximately HK\$5.0 million that was mainly attributable to the low gross profit margins applied and considerable staff costs and advertising, promotion and marketing expenses incurred during its start-up phase. 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, with a soft opening run between 14 February 2023 and 15 March 2023. For FY22/23, such catering business recorded segment revenue of approximately HK\$0.7 million and segment loss of approximately HK\$3.0 million that was mainly attributable to depreciation of right-of-use assets arisen from the lease and staff costs recorded during the restaurant's preparation and soft opening stage.

To ensure the sufficiency of the Group's general working capital, the Company completed two placings of a total of 168,095,000 new ordinary shares during FY22/23 and received net proceeds of approximately HK\$35.6 million.

CHAIRMAN'S STATEMENT

OUTLOOK

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. The World Tourism Organisation ("UNWTO") anticipates a strong year for the sector even in the face of diverse challenges, including the economic slowdown and continuing geopolitical uncertainty. Based on UNWTO's forward-looking scenarios for 2023, international tourist arrivals could reach 80% to 95% of pre-pandemic levels in 2023. Hence, we remain confident in the Group's strategy and has faith that our outbound travel, tourism and hospitality activities will bounce back to surpass the pre-pandemic levels in the medium term.

As the year ending 31 March 2024 commenced, we have been diversifying our package tour products by offering new destinations and itineraries, including Africa and Antarctica as well as expanding our landscape to over twenty countries in Europe. One of our new tours in the spotlight, featuring a 10-day tour to experience one of the greatest spectacles in nature, the Great Migration in Kenya's Maasai Mara departing in the months of July and August 2023, has been fully sold. Focus on digital marketing has been revived to enhance our brand awareness and to promote popularity and variety of our products. Last but not least, the Group's new concept store with a net floor area of over 4,000 square feet is due to open in June 2023. Our concept store will go beyond a traditional travel agent. It will encompass 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 our customers.

Furthermore, by incorporating the new retailing and catering business activities, we seek to diversify our business in other industries in order to expand the Group's 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. With our over 43 years of industry experience and business insights as well as a dedicated management team, we are confident that the Group is able to face the opportunities and challenges ahead.

APPRECIATION

I would like to extend my sincere appreciation to all of our business partners, customers and shareholders of the Company (the "Shareholders") for their loyalty and support. I would also like to thank our management team and staff for their hard work and contribution, especially during these challenging times. With the unfailing faith and effort of our staff of all levels, I have every confidence that the Group will be able to create more values for our investors, and delightful travel experiences for our customers.

WWPKG Holdings Company Limited

Yuen Chun Ning

Chairman and Executive Director

Hong Kong, 20 June 2023

MANAGEMENT DISCUSSION AND ANALYSIS



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"), which commenced in June 2022;
- the catering business of selling food and drinks in Hong Kong and any other business ancillary thereto (the "Catering Business"), which ran a soft opening between 14 February 2023 and 15 March 2023 and officially commenced in April 2023; and
- 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 (the "Cryptocurrency Mining").

FINANCIAL REVIEW REVENUE AND GROSS PROFIT

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

	FY22/23		FY21/22	
	Revenue HK\$'million	Gross Profit HK\$'million	Revenue HK\$'million	Gross profit HK\$'million
<u>Continuing operations</u>				
Package tours	123.0	25.8	1.5	1.0
FIT products ^{Note}	0.8	0.8	–	–
Ancillary travel related products and services ^{Note}	1.8	1.8	0.1	0.1
<hr/>				
Travel Related Products and Services	125.6	28.4	1.6	1.1
Retail Operations	32.1	–	–	–
Catering Business	0.7	0.3	–	–
<hr/>				
	158.4	28.7	1.6	1.1
<hr/>				
<u>Discontinued operation</u>				
Cryptocurrency Mining	0.2	0.2	1.2	1.2
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	158.6	28.9	2.8	2.3

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Package tours

As compared with FY21/22, revenue from package tours increased by 7,868.1% to approximately HK\$123.0 million and gross profit from package tours increased by 2,540.3% to approximately HK\$25.8 million, owing to the re-launch of the Group's outbound package tours beginning 24 June 2022 and the number of tour participants, hence revenue from package tours, spiked since October 2022 when the Japan government resumed its visa-free tourist travel and the Hong Kong SAR government gradually lifted its boarding requirements and quarantine arrangements for inbound persons.

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 FY22/23, sales of FIT products covered global destinations including Japan, Australia, Canada, United States and countries in Asia.

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 FY22/23, revenue mainly represented (i) margin income from insurance companies for the sales of travel insurance to tour participants; and (ii) sales of admission tickets to theme parks and shows and day tours in Japan.

Retail Operations

For FY22/23, revenue represented the Group's sales of lifestyle and healthcare 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

On 13 December 2022, Awesome Catering Holdings Limited ("Awesome Catering"), a wholly-owned subsidiary of the Company, Mr. Chan Chun Hong ("Mr. Chan"), Ms. Ng Cheuk Nam ("Ms. Ng") and Well Fed entered into the joint venture agreement (the "Joint Venture Agreement"), pursuant to which, Awesome Catering subscribed for 5,100 shares of Well Fed, which represented 51% of the enlarged issued share capital of Well Fed at a subscription price of HK\$5,100.

As part of its Catering Business, Well Fed set up its first restaurant, Awesome Bar and Café, located in Tsim Sha Tsui, Hong Kong, with a soft opening run between 14 February 2023 and 15 March 2023. For FY22/23, revenue and gross profit arose from the sales of food and beverages at the restaurant during its soft opening period. Well Fed has been accounted for as a non-wholly owned subsidiary of the Company and hence, its financial statements have been consolidated into the audited consolidated financial statements of the Group for FY22/23.

MANAGEMENT DISCUSSION AND ANALYSIS



Cryptocurrency Mining

During the FY22/23, 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 complete, 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) credit card and debit card charges in respect of payments from customers with credit cards and electronic payment services (EPS); (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) short-term lease expenses and 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 FY22/23, selling expenses increased by 263.7% to approximately HK\$11.8 million as compared with approximately HK\$3.3 million for FY2021/22, mainly due to (i) the increase in credit card charges arising from the sales of Travel Related Products and Services; (ii) the increase in salaries and benefits for the Group’s tour escorts; and (iii) advertising and promotion, staff costs of the sales associates and restaurant staff and depreciation of right-of-use assets incurred for the new 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 FY22/23, administrative expenses increased by 61.3% to approximately HK\$24.8 million as compared with approximately HK\$15.4 million for FY21/22, mainly due to (i) legal and professional fees incurred in connection with the Company’s share placement exercises during FY22/23; (ii) the increase in auditor’s remuneration to cope with the Group’s new Retail Operations and Catering Business; (iii) the increase in salaries as a result of increase in headcount of administrative and operational staff and reduction in no-pay leave taken; (iv) the increase in depreciation of right-of-use assets as a result of renewal of leases in April 2022; and (v) staff costs of the administrative personnel and other administrative expenses incurred for the new Retail Operations and Catering Business, which was partially offset by recognition of impairment losses on property, plant and equipment and right-of-use assets in respect of the Group’s office premises in FY21/22.

SHARE OF RESULTS OF A JOINT VENTURE

The Group held investments in seven startup companies that engaged in tourism and travel technology related businesses via its 50%-owned joint venture. Share of results of the joint venture turned around from a share of loss of approximately HK\$1.6 million for FY21/22 to a share of profit of approximately HK\$2.1 million for FY22/23, mainly due to a net fair value gain recognised on certain investments held by the joint venture.

MANAGEMENT DISCUSSION AND ANALYSIS

LOSS FOR THE YEAR

The Group's loss for FY22/23 decreased by 52.3% to approximately HK\$7.7 million as compared with approximately HK\$16.1 million for FY21/22, which was mainly attributable to the following:

- the increase in gross profit of the Travel Related Products and Services by approximately HK\$27.3 million due to the re-launch of the Group's outbound tours upon re-opening of international borders and lifting of travel restrictions;
- the increase in share of profit of the Group's joint venture by approximately HK\$3.6 million for reasons as discussed in the sub-section headed "Financial Review — Share of Results of a Joint Venture" above; and
- the decrease in loss of the Group's Cryptocurrency Mining operations by approximately HK\$0.8 million, which has been suspended since June 2022, which was partially offset by:
 - the increase in selling expenses by approximately HK\$8.6 million for reasons as discussed in the sub-section headed "Financial Review — Selling expenses" above;
 - the increase in administrative expenses by approximately HK\$9.4 million for reasons as discussed in the sub-section headed "Financial Review — Administrative expenses" above;
 - the decrease in rent concession income by approximately HK\$1.0 million;
 - in respect of the Company's investment in the shares of CTEH INC. ("CTEH"), a gain on disposal of the CTEH shares of approximately HK\$2.7 million was recognised in FY21/22; and
 - the receipt of subsidies from the Hong Kong SAR government under the Anti-epidemic Fund for supporting the tourism industry in the amount of HK\$1.8 million during FY21/22.

MANAGEMENT DISCUSSION AND ANALYSIS



LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its liquidity requirements through internally generated resources and available banking facilities, when necessary. As at 31 March 2023, the Group's net asset value was approximately HK\$42.0 million (31 March 2022: approximately HK\$9.7 million). As at 31 March 2023, the Group had cash and cash equivalents as represented by cash on hand and at banks of approximately HK\$45.7 million (31 March 2022: approximately HK\$11.0 million). The Group's cash and bank balances were mainly denominated in Hong Kong dollars ("HK\$"), which accounted for 91.4% of the total balances (31 March 2022: 89.1%).

To meet the needs of working capital for its Travel Related Products and Services operations, the Group had obtained loans under the SME Financing Guarantee Scheme of the Hong Kong SAR government in June 2020. As at 31 March 2023, the carrying amounts of the bank borrowings amounted to approximately HK\$0.8 million (31 March 2022: approximately HK\$4.1 million).

To support the working capital of its Retail Operations and Catering Business, the Group received advances from non-controlling shareholders of its subsidiaries that were interest-free and repayable on demand. As at 31 March 2023, the carrying amounts of the amounts due to non-controlling shareholders of the Group's subsidiaries amounted to approximately HK\$10.0 million (31 March 2022: nil).

Given that most of the general mandate (i.e. 88,095,000 out of 96,000,000 shares of the Company (the "Shares")) granted to the Directors pursuant to an ordinary resolution passed at the annual general meeting of the Company ("AGM") held on 2 August 2022 has been utilised as a result of the share placing exercise completed on 16 November 2022, a new general mandate was granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company ("EGM") held on 27 April 2023.

For the purpose of enhancing the Group's overall working capital, the Company has conducted the following share placement exercises during FY22/23 and up to the date of this report:

- To ensure the sufficiency of the Group's general working capital, the Company completed its placing of 80,000,000 new ordinary shares (the "First Placing Share(s)") to not less than six placees at the placing price of HK\$0.281 per First Placing Share on 24 May 2022. The placing price of HK\$0.281 per First Placing Share represented a discount of 19.7% to the closing price of HK\$0.350 per Share as quoted on the Stock Exchange on 5 May 2022, 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 First Placing Shares amounted to approximately HK\$21.9 million, representing a net issue price of HK\$0.274 per First Placing Share, which have been used for the general working capital of the Group and general corporate purposes to support the Group's strategies.
- For the purpose of supporting the working capital of the Group's new Retail Operations, the Company attempted to place up to an aggregate of 96,000,000 new ordinary shares (the "Second Placing Share(s)") at the placing price of HK\$0.150 per Second Placing Share under the placing agreement entered into on 23 September 2022 (the "Second Placing Agreement"). The Second Placing Agreement lapsed as the conditions as set out in the agreement were not fully fulfilled by 14 October 2022, hence the placing of the Second Placing Shares did not proceed.

MANAGEMENT DISCUSSION AND ANALYSIS

- For the purpose of supporting the working capital of the Group's new Retail Operations, the Company completed its placing of 88,095,000 new ordinary shares (the "Third Placing Share(s)") to not less than six places at the placing price of HK\$0.170 per Third Placing Share on 16 November 2022. The placing price of HK\$0.170 per Third Placing Share was equivalent to the closing price of HK\$0.170 per Share as quoted on the Stock Exchange on 25 October 2022, 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 Third Placing Shares amounted to approximately HK\$13.7 million, representing a net issue price of HK\$0.156 per Third Placing Share, which have been used for the working capital of the Retail Operations, including procurement expenses, staff costs, general and administration expenses, rental expenses and advertising and marketing expenses.
- To support the Group's general working capital for its businesses, the Company completed its placing of 112,500,000 new ordinary shares (the "Fourth Placing Share(s)") to not less than six places at the placing price of HK\$0.160 per Fourth Placing Share on 2 June 2023. The placing price of HK\$0.160 per Fourth 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 Fourth Placing Shares amounted to approximately HK\$17.6 million, representing a net issue price of HK\$0.157 per Fourth 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.

Current ratio is calculated as current assets divided by current liabilities. The Group's current ratio as at 31 March 2023 was 1.1 times (31 March 2022: 1.6 times).

GEARING RATIO

Gearing ratio is derived from total borrowings, comprising bank borrowings, amounts due to non-controlling shareholders of subsidiaries and loans from a Shareholder, to total assets. The Group's gearing ratio decreased from 39.9% as at 31 March 2022 to 8.2% as at 31 March 2023, which was mainly attributable to the following:

- net cash generated from operations as a result of the resumption of the Group's outbound tours;
- the increase in cash and cash equivalents arising from the share placement exercises as discussed in the sub-section headed "Liquidity and Financial Resources" above;
- repayment of bank borrowings; and
- settlement of loans from a Shareholder with a partial repayment and a waiver of the unpaid portion of the loans granted by such Shareholder (refer to Note 38(d)), which was partially offset by:
- advances from non-controlling shareholders of subsidiaries during FY22/23.

MANAGEMENT DISCUSSION AND ANALYSIS



CHARGE ON THE GROUP'S ASSETS

As at 31 March 2023, the Group did not pledge any of its assets as securities for facilities granted to the Group (31 March 2022: same).

CAPITAL EXPENDITURE

During FY22/23, the Group acquired property, plant and equipment and right-of-use assets at total costs of approximately HK\$19.9 million (FY21/22: approximately HK\$12.3 million), which was financed by internal resources of the Group or advances from non-controlling shareholders of subsidiaries.

CAPITAL STRUCTURE

Details of changes in the Company's share capital are set out in Note 32 to the consolidated financial statements in this annual report.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

With reference to the announcement of the Company dated 13 December 2022 regarding the subscription of shares of Well Fed and as discussed in the sub-section headed "Financial Review — Revenue and Gross Profit — Catering Business" above, Awesome Catering entered into the Joint Venture Agreement and subscribed for 5,100 shares of Well Fed, which currently engages in the Catering Business.

Save as disclosed above, there were no other significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during FY22/23.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

With reference to the announcement of the Company dated 13 December 2022 regarding the subscription of shares of Well Fed, Well Fed has a capital need of HK\$10 million, of which (i) Awesome Catering agreed to procure the funding of approximately HK\$5.1 million; and (ii) Mr. Chan and Ms. Ng agreed to procure the funding of a total sum of approximately HK\$4.9 million (inclusive of approximately HK\$1.8 million that has been paid), respectively, on or before 31 December 2023 (or such other date as may be agreed by the parties to the Joint Venture Agreement from time to time). The amount of capital contribution to Well Fed was determined after arm's length negotiations among Awesome Catering, Mr. Chan and Ms. Ng with reference to the capital contribution intentions. The capital contribution payable by Awesome Catering will be financed by the Group's internal resources and/or other external financing, such as bank loans or equity financing.

The Group's new travel agency concept store is due to open in June 2023. The initial investment cost of such concept store is estimated to be approximately HK\$4.0 million, including approximately HK\$3.0 million budgeted for the site's capital assets. As at 31 March 2023, approximately HK\$1.2 million has been utilised for partial payments of interior designer fees, fitting-out works and acquisition of furniture and computer equipment.

Save as disclosed above, the Group had no other future plans for material investments or capital assets as at 31 March 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 31 March 2023, the Group had no significant contingent liabilities (31 March 2022: same).

FOREIGN EXCHANGE EXPOSURE

Regarding the Group's Travel Related Products and Services, revenue was mainly denominated in HK\$. However, the settlement of substantial portion of its land costs, such as hotel tariffs, transportation costs, meal expenses and admission ticket costs, is denominated in Japanese Yen ("JPY"). The Group is therefore exposed to foreign exchange risk primarily with respect to JPY. The Group has implemented foreign exchange risk management procedures to manage exposure to foreign exchange risk in relation to JPY. The procedures were established to control the foreign exchange risk to an acceptable level by ensuring that the Group is able to obtain sufficient amount of JPY at acceptable exchange rates for meeting its payment obligations arising from business operations and at the same time do not purchase unnecessary amounts of JPY more than it requires. The purchase amounts were limited to the corresponding costs of the travel elements payable in JPY for the Japan bound tours for the coming four weeks (or eight weeks during peak seasons). Such amounts were estimated based on the actual enrolment data (i.e. headcount enrolled for the Group's Japan bound tours) and the costs of travel elements payable in JPY per headcount, of which such costs were determined with reference to the historical spending and the effect of general inflation.

Although the Group may enter into foreign exchange forward contracts with major and reputable financial institutions and foreign currency services companies of long establishment history to manage its exposure to foreign exchange risk, it does not intend to speculate on the future direction of foreign exchange fluctuation. As at 31 March 2023, the Group had outstanding foreign exchange forward contracts denominated in JPY of notional principal amounts of approximately HK\$3.1 million (31 March 2022: approximately HK\$0.7 million). Management will continue to evaluate the Group's foreign exchange risk management procedures and take actions as appropriate to minimise the Group's exposure whenever necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2023, the Group had a workforce of 85 employees (31 March 2022: 30), excluding the Directors. Salaries of employees are determined based on factors such as roles and responsibilities, years of experience, professional specialisation and other qualifications, and are maintained at competitive levels. The Group operates a defined contribution mandatory provident fund scheme for all its employees. The Group also offers discretionary bonuses to its employees by reference to the performance of individual employees and the overall performance of the Group. Total employee benefits expenses, excluding the Directors' emoluments, incurred by the Group for the FY22/23 amounted to approximately HK\$16.9 million (31 March 2022: approximately HK\$8.8 million). The increase in the Group's workforce was attributable to the hiring of tour escorts, frontline sales, marketing and operational staff and managers to support the Group's outbound tours operations during FY2022/23, as well as the addition of staff headcount to the new Retail Operations and Catering Business.

MANAGEMENT DISCUSSION AND ANALYSIS



The Company has adopted a share option scheme on 16 December 2016 with a term of 10 years (the “Share Option Scheme”). The Share Option Scheme is designed to motivate eligible participants, including executives and key employees, who may make a contribution to the Group, and enables the Group to attract and retain individuals with experience and ability and to reward them for their contributions. During FY22/23, no share option had been granted, exercised, lapsed or cancelled under the Share Option Scheme.

The Group did not experience any significant labour disputes that led to any disruption of its normal business operations during FY22/23.

USE OF PROCEEDS

As at 31 March 2023, the unutilised proceeds from the placing of the First Placing Shares of approximately HK\$3.7 million were deposited into licensed banks in Hong Kong. The following table sets forth the status of the use of the proceeds from the placing of the First Placing Shares as at 31 March 2023:

Objective	Allocation of proceeds HK\$ million	Amount utilised up to 31 March 2023 HK\$ million	Balance as at 31 March 2023 HK\$ million	Expected timeframe
Salary payments, including staff costs for the expected recruitment of additional staff when travel restrictions are relaxed	13.0	(11.6)	1.4	To be used within one month
Rental expenses	3.5	(2.8)	0.7	To be used within two months
General corporate expenses including legal and professional fees	3.0	(3.0)	–	
Advertising and marketing expenses to promote Travel Related Products and Services when outbound tourism resumes	2.4	(0.8)	1.6	To be used within six months
	21.9	(18.2)	3.7	

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 March 2023, the unutilised proceeds from the placing of the Third Placing Shares of approximately HK\$2.2 million were deposited into licensed banks in Hong Kong. The following table sets forth the status of the use of the proceeds from the placing of the Third Placing Shares as at 31 March 2023:

Objective	Allocation of proceeds HK\$ million	Amount utilised up to 31 March 2023 HK\$ million	Balance as at 31 March 2023 HK\$ million	Expected timeframe
Procurement expenses in relation to the Retail Operations	7.4	(7.4)	–	
Salary payments in relation to the Retail Operations	2.4	(1.8)	0.6	To be used within one month
General and administration expenses in relation to the Retail Operations	1.8	(1.0)	0.8	To be used within one month
Rental expenses in relation to the Retail Operations	1.2	(0.5)	0.7	To be used within one month
Advertising and marketing expenses in relation to the Retail Operations	0.9	(0.8)	0.1	To be used within one month
	13.7	(11.5)	2.2	

DIVIDEND

In order to retain more cash to finance the working capital requirements and future development of the Group, the board of Directors of the Company (the “Board”) does not recommend the payment of final dividend for FY22/23 (FY21/22: nil). The Board will consider future dividend distribution according to the Company’s dividend policy.

FUTURE PROSPECTS

As discussed in the sub-section headed “Chairman’s Statement — Outlook”, the Group is well-positioned to drive business performance on its road to recovery and profitability as outbound tourism continues to resume. 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.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



EXECUTIVE DIRECTORS

Mr. Yuen Chun Ning (“Mr. CN Yuen”), aged 45, joined the Group in 2005 and was appointed as the Chief Executive Officer, an executive Director and the compliance officer of the Company on 8 June 2016. Mr. CN Yuen was selected by the Board to succeed Mr. Yuen Sze Keung and appointed as the Chairman with effect from 30 September 2022. He also serves as a director of Worldwide Package Travel Service Limited, WWPKG Management Company Limited, Firepower Technology Limited, WWPKG Concept (BVI) Limited and WWPKG Concept Limited and a managing director of Package Tours (Hong Kong) Limited, which are subsidiaries of the Company, and a director of Triplabs (BVI) Limited and Triplabs Limited, which are joint ventures of the Company.

Mr. CN Yuen obtained his degree of Bachelor of Environmental Studies in Planning from the University of Waterloo, Canada in 2001, and his degree of Master of Philosophy from the University of Cambridge, United Kingdom in 2002. Mr. CN Yuen joined the Group in 2005 and has gained over 17 years of experience in the tourism industry through managing the Group’s operations. He has been responsible for managing all lines of businesses of the Group and its overall operations, as well as overseeing the Group’s IT development.

Ms. Shawlain Ahmin (“Ms. Ahmin”), aged 51, was appointed as an executive Director on 22 June 2022. She also serves as a director of Infinite Perfection and Well Fed, which are subsidiaries of the Company.

Ms. Ahmin obtained her Bachelor degree of Arts in Translation and Chinese from the Hong Kong Polytechnic University in 1994. She has over 25 years of experience in corporate services, business development and strategic planning and operations. Ms. Ahmin is currently a director of, and holds 50% interest in LW Secretaries Limited, a company incorporated in Hong Kong for the provision of company secretarial services to corporate and individual clients in Hong Kong and mainland China, and an executive director of Pacific Legend Group Limited (Stock Code: 8547.HK).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lee Hing Cheung, Eric (“Mr. Eric Lee”), aged 54, was appointed as an independent non-executive Director on 22 June 2022. Mr. Eric Lee is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Board. Mr. Eric Lee obtained his Master degree of Science in Finance from the University of Strathclyde in the United Kingdom in 1993. He is a Chartered Financial Analyst awarded by the CFA Institute in the United States of America. He has over 25 years of experience in investment banking and corporate management.

Mr. Eric Lee was a responsible officer and a director of Shenyin Wanguo Capital (H.K.) Limited, a wholly-owned subsidiary of Shenyin Wanguo (H.K.) Limited (now known as Shenwan Hongyuan Capital (H.K.) Limited) (Stock Code: 218.HK), from 1999 to 2006, and a responsible officer and a director of CCB International Capital Limited, an indirect wholly-owned subsidiary of China Construction Bank Corporation (Stock Code: 939.HK, 601939.SH), from 2006 to 2007. Mr. Eric Lee has been the general manager of Longrun Tea Group Company Limited since 2007 and the director of Joyhigh International Logistics Company Limited since 2017.

Mr. Lee Kwong Ming (“Mr. Lee”), aged 51, was appointed as an independent non-executive Director on 4 July 2022. Mr. Lee is the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Board. Mr. Lee is a fellow member and a practising certificate holder of the Hong Kong Institute of Certified Public Accountants. He is also a fellow member of the Association of International Accountants. He has over 25 years of experience in audit, tax and company secretarial services.

Mr. Lee has been full-time practising on his own name since September 2015 and an independent non-executive director of Pacific Legend Group Limited (Stock Code: 8547.HK) since April 2021.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Gao Lili (“Ms. Gao”), aged 42, was appointed as an independent non-executive Director on 2 September 2022. Ms. Gao is the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Board. She obtained her Bachelor degree of Law from the Central South University of China in the People’s Republic of China (the “PRC”) in 2005. She is a lawyer of the PRC and has over 15 years of experience in Chinese law. She is also a registered inheritance administrator of the Shenzhen Notary Office and a registered arbitrator of the Yulin Arbitration Commission and the Baotou Arbitration Commission.

Ms. Gao is currently a partner of V&T Law Firm. Before joining V&T Law Firm, she was a lawyer at King & Wood Mallesons.

Mr. Leung Ka Cheong (“Mr. Leung”), aged 33, was appointed as an independent non-executive Director on 1 May 2023. Mr. Leung obtained his Bachelor degree of Accounting from The Hong Kong University of Science and Technology in 2012. He is a member of the Hong Kong Institute of Certified Public Accountants and has over 10 years of experience in the accounting, finance and investment industry.

Mr. Leung worked in Cypress House Capital Limited, a licensed corporation to conduct type 1 and type 6 regulated activities under the SFO, PricewaterhouseCoopers and KPMG from 2012 to 2018. He is currently an independent director of AI Transportation Acquisition Corp (Symbol: AITR), a special purpose acquisition company listed on NASDAQ in the U.S., and a director of Ceres Asset Management Limited, a licensed corporation to conduct type 9 (asset management) regulated activities under the SFO.

Mr. Wong Ping Kuen (“Mr. Wong”), aged 36, was appointed as an independent non-executive Director on 1 May 2023. Mr. Wong obtained his Bachelor degree of Accounting and Information Systems (double major) from The Hong Kong University of Science and Technology in 2008, his Master degree of Business Administration from Peking University, the PRC, and his Master degree of Business Administration from National University of Singapore in 2015. He is a member of the Hong Kong Institute of Certified Public Accountants and has over 10 years of experience in the accounting, finance and investment industry.

Mr. Wong founded Credito Capital group in September 2015 and is currently the director of each of Credito Capital Consulting and Appraisal Limited, a private company incorporated in Hong Kong and Beijing Credito Capital Investment Fund Management Co. Ltd., a private company incorporated in the PRC. Between December 2011 and July 2014, he was the financial controller of latia Ltd, a company previously listed on Australian Securities Exchange, responsible for its restructuring. He also worked in Deloitte Touche Tohmatsu, Hong Kong from September 2008 to November 2011. Mr. Wong is currently an independent non-executive director of Sino Harbour Holdings Group Limited (Stock Code: 1663.HK) and AI Transportation Acquisition Corp (Symbol: AITR), a special purpose acquisition company listed on NASDAQ in the U.S.

SENIOR MANAGEMENT

Ms. Hon Piu Kwun Queenie (“Ms. Hon”), aged 45, is the chief financial officer of the Group. Ms. Hon obtained her degree of Bachelor of Commerce in Finance and Accounting from the University of Toronto, Canada in 2001. She is a fellow member of the American Institute of Certified Public Accountants. Prior to joining the Group in 2015, Ms. Hon worked in Arthur Andersen, which has been combined with PricewaterhouseCoopers, between 2001 and 2015 with her last position as senior manager of the assurance department in PricewaterhouseCoopers. She has over 21 years of experience in accounting, auditing and business consulting. She has been responsible for the supervision and management of financial activities of the Group.

Mr. Lai Ka Fai (“Mr. Lai”), aged 44, is the IT manager of the Group. Mr. Lai attained his Higher Diploma in Computer Studies from the City University of Hong Kong in 1998. He later received his degree of Bachelor of Science in Information Systems from the Staffordshire University, United Kingdom by way of online distance learning in 2002. Mr. Lai joined the Group in 1999 as a project executive and was promoted to the position of IT manager in 2011. He has been responsible for the supervision of the IT department and development of IT projects.

CORPORATE GOVERNANCE REPORT



The Board hereby presents the corporate governance report of the Company for FY22/23 (the “Corporate Governance Report”).

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 FY22/23, 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 in the sub-section headed “Chairman and Chief Executive”.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises seven Directors. Details of the composition are as follows:

EXECUTIVE DIRECTORS:

Mr. Yuen Chun Ning (*Chairman and Chief Executive Officer*) (appointed as Chairman on 30 September 2022)

Ms. Shawlain Ahmin (appointed on 22 June 2022)

Mr. Yuen Sze Keung (resigned on 16 January 2023)

Ms. Chan Suk Mei (resigned on 16 January 2023)

Mr. Choi Kam Yan Simon (appointed on 30 September 2022 and resigned on 1 June 2023)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Lee Hing Cheung Eric (appointed on 22 June 2022)

Mr. Lee Kwong Ming (appointed on 4 July 2022)

Ms. Gao Lili (appointed on 2 September 2022)

Mr. Leung Ka Cheong (appointed on 1 May 2023)

Mr. Wong Ping Kuen (appointed on 1 May 2023)

Mr. Lam Yiu Kin (resigned on 2 August 2022)

Mr. Yen Yuen Ho Tony (resigned on 2 August 2022)

Mr. Ho Wing Huen (resigned on 2 September 2022)

Ms. Chan Suk Mei (“Ms. Chan”) is the spouse of Mr. Yuen Sze Keung (“Mr. SK Yuen”), and Mr. Yuen Chun Ning (“Mr. CN Yuen”) is the son of Ms. Chan and Mr. SK Yuen. Save as disclosed above, the members of the Board have no other financial, business, family or other material/relevant relationships among each another.

Each independent non-executive Director has given an annual written confirmation of his/her independence to the Company, and the Company considers them to be independent under Rule 5.09 of the GEM Listing Rules.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS

The Board meets regularly and Board meetings are held at least four times a year at approximately quarterly intervals and at other times as necessary.

Set out below are details of the attendance records of each Director at the Board meetings, committee meetings and general meeting of the Company held during FY22/23:

Name of Directors	Number of meetings attended/held				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	General Meeting
Executive Directors					
Mr. Yuen Chun Ning	4/4	N/A	N/A	N/A	1/1
Ms. Shawlain Ahmin (appointed on 22 June 2022)	3/3	N/A	N/A	N/A	1/1
Mr. Yuen Sze Keung (resigned on 16 January 2023)	3/3	N/A	N/A	1/1	1/1
Ms. Chan Suk Mei (resigned on 16 January 2023)	3/3	N/A	N/A	N/A	1/1
Mr. Choi Kam Yan Simon (appointed on 30 September 2022 and resigned on 1 June 2023)	2/2	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. Lee Hing Cheung Eric (appointed on 22 June 2022)	3/3	3/3	1/1	N/A	1/1
Mr. Lee Kwong Ming (appointed on 4 July 2022)	3/3	3/3	1/1	N/A	1/1
Ms. Gao Lili (appointed on 2 September 2022)	2/2	2/2	1/1	N/A	N/A
Mr. Leung Ka Cheong (appointed on 1 May 2023)	N/A	N/A	N/A	N/A	N/A
Mr. Wong Ping Kuen (appointed on 1 May 2023)	N/A	N/A	N/A	N/A	N/A
Mr. Lam Yiu Kin (resigned on 2 August 2022)	1/1	1/1	N/A	1/1	0/1
Mr. Yen Yuen Ho Tony (resigned on 2 August 2022)	1/1	1/1	N/A	1/1	0/1
Mr. Ho Wing Huen (resigned on 2 September 2022)	2/2	2/2	N/A	1/1	1/1

CORPORATE GOVERNANCE REPORT



RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies; authorising the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the risk management and internal control systems; and setting the Group's values and standards. The day-to-day management, administration and operation of the Group are delegated to the executive Directors. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

During FY22/23, the Board has met at all times the requirements under Rules 5.05(1) and 5.05(2) of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has also complied with Rule 5.05A of the GEM Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors in respect of any legal actions taken against the Directors arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company continuously updates the Directors on the Group's businesses and the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. During FY22/23, each of the Directors participated in appropriate continuous professional development activities by way of attending director training webcasts and in-house training.

CHAIRMAN AND CHIEF EXECUTIVE

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. For the period from 1 April 2022 to 29 September 2022, the role of the Chairman was separated from that of the Chief Executive Officer. During this period, the Chairman and the Chief Executive Officer was Mr. SK Yuen and Mr. CN Yuen, respectively. Following the resignation of Mr. SK Yuen as the Chairman on 30 September 2022, Mr. CN Yuen has been appointed as the Chairman on the same date, 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.

CORPORATE GOVERNANCE REPORT

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The current articles of association of the Company (the “Articles of Association”) provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the GEM Listing Rules, at each AGM, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

NON-EXECUTIVE DIRECTORS

Independent non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election in accordance with the Articles of Association. The term of appointment of the independent non-executive Directors is set out in the sub-section headed “Report of the Directors — Directors’ Service Contracts” in this report. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his/her independence and must provide an annual confirmation of his independence to the Company.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance function such as (i) developing and reviewing the Company’s policies and practices on corporate governance, training and continuous professional development of the Directors and senior management of the Company; (ii) reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements; (iii) developing, reviewing and monitoring the code of conduct of the Directors; and (iv) reviewing the Company’s compliance with the CG Code and disclosure in the Corporate Governance Report.

During FY22/23, the Board reviewed the Company’s corporate governance policies and practices, training and continuous professional development of the Directors and senior management, and compliance with the CG Code and disclosure in this Corporate Governance Report.

The Board holds meetings from time to time whenever necessary. At least 14 days’ notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Draft minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The company secretary of the Company (the “Company Secretary”) is responsible for keeping the minutes of all meetings of the Board and the Board’s committees.

CORPORATE GOVERNANCE REPORT



Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that all required procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

BOARD COMMITTEES

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee. All the Board Committees perform their distinct roles in accordance with their respective terms of reference, which are in compliance with the GEM Listing Rules and the CG Code and are available on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

AUDIT COMMITTEE

The Audit Committee currently consists of three members, namely Mr. Lee Kwong Ming (chairman of the Audit Committee), Mr. Lee Hing Cheung, Eric and Ms. Gao Lili, all being independent non-executive Directors. The Audit Committee has reviewed this report, including the audited consolidated results of the Group for FY22/23.

The Audit Committee performs, amongst others, the following functions:

- To review the financial information of the Group.
- To review the relationship with and terms of appointment of the external auditor.
- To review the effectiveness of the Company's internal audit function.
- To review the effectiveness and adequacy of the Company's financial reporting system, risk management and internal control systems.

According to the current terms of reference, the Audit Committee shall meet at least four times for a financial year. During FY22/23, four meetings of the Audit Committee were held to review the unaudited consolidated quarterly results, the unaudited consolidated interim results and the audited consolidated annual results of the Group and make recommendations to the Board; to review the effectiveness of risk management and internal control systems, including the risk register and assessment conducted by management and the report on internal controls review as prepared by an independent professional consultant; and to make recommendations to the Board on the re-appointment of external auditor.

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE

The Remuneration Committee currently consists of three members, namely Mr. Lee Hing Cheung Eric (chairman of the Remuneration Committee), Mr. Lee Kwong Ming and Ms. Gao Lili, all being independent non-executive Directors.

The primary duties of the Remuneration Committee are:

- To make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.
- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- To make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment).
- To make recommendations to the Board on the remuneration of non-executive Directors.
- To ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.
- To review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

During FY22/23, one meeting of the Remuneration Committee was held to review the remuneration packages of individual executive Directors and senior management for submission to the Board for approval.

Details of the emoluments of the Directors during FY22/23 are set out in Note 11 to the consolidated financial statements in this report. The emoluments paid to the senior management of the Group, who were not Directors, during FY22/23 were within the following bands:

Remuneration band	Number of individuals
Nil to HK\$1,000,000	1
HK\$1,000,000 to HK\$2,000,000	1

NOMINATION COMMITTEE

The Nomination Committee currently consists of three members, namely Ms. Gao Lili (chairman of the Nomination Committee), Mr. Lee Hing Cheung, Eric and Mr. Lee Kwong Ming, all being independent non-executive Directors.

The primary duties of the Nomination Committee are:

- To review the structure, size and diversity of the Board at least annually.
- To identify individuals suitably qualified to become Board members.
- To assess the independence of independent non-executive Directors.
- To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

CORPORATE GOVERNANCE REPORT



Where vacancies on the Board exist or an additional Director is considered necessary, the Nomination Committee will identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of candidates nominated for directorships. The Nomination Committee will take into account the qualification as required by the GEM Listing Rules, including skills, knowledge and working experience, etc. of the candidates and approve if such appointment is considered suitable.

During FY22/23, one meeting of the Nomination Committee was held to review the retirement and re-election of Directors for the 2022 AGM; to review the independence of the independent non-executive Directors; and to review the structure, size and diversity of the Board.

COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board procedures are followed and facilitating communications among Directors as well as with the Shareholders and management.

Mr. Tse Chun Lai ("Mr. Tse") was appointed as the Company Secretary with effect from 14 December 2022 to fill the casual vacancy following the resignation of Ms. Ng Ka Man. Mr. Tse is a manager of the listing department of Top League Corporate Services Company Limited, which is an external company secretarial service provider engaged by the Company. Mr. Tse provided company secretarial services to the Company and reported to the primary corporate contact person of the Company, Ms. Hon, the chief financial officer of the Group.

Mr. Tse obtained his Bachelor degree of Arts in Accounting and Finance from Leeds Beckett University (formerly known as Leeds Metropolitan University) in the United Kingdom. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Tse has over 17 years of experience in business and taxation advisory. He is currently the company secretary and an authorised representative of China CBM Group Company Limited (Stock Code: 8270.HK).

During FY22/23, Mr. Tse undertook no less than 15 hours of relevant professional training to update his skill and knowledge.

COMPLIANCE OFFICER

Mr. CN Yuen, the Chairman and an executive Director, is the compliance officer of the Company. Please refer to his biographical details as set out in the section headed "Biographical Details of Directors and Senior Management" in this report.

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 FY22/23.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error. The responsibility of the external auditor is to form an independent opinion, based on their audit, on the Group's consolidated financial statements prepared by the Directors and to report its opinion to the Shareholders. A statement by the auditor about their reporting responsibility is set out in the section headed "Independent Auditor's Report" in this report.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness. These systems are established within the Group for facilitating effective and efficient operations, for safeguarding assets against unauthorised use, for maintaining proper accounting records, for ensuring the reliability of financial reporting and information, and for ensuring compliance with applicable laws and regulations. These systems are designed to meet the Group's particular needs and to minimise the risks to which the Group is exposed and are designed to manage rather than eliminate the risks to achieve business objectives and by their nature, can only provide reasonable but not absolute assurance against material misstatement or loss.

Executive Directors monitor the business activities closely and management meetings are convened periodically to discuss financial, operational and risk management controls. The key elements of the Group's risk management and internal control systems include the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

The Group has engaged an independent professional consultant to establish and maintain an internal audit function which reports functionally to the Audit Committee. Based on the results of an enterprise-wide risk assessment, a three-year internal audit plan was developed to determine the nature and timing of internal audit activities to cover business activities with material risks across the Group. The three-year internal audit plan, which covers the financial years ended 31 March 2023 and those ending 31 March 2024 and 31 March 2025, has been approved by the Audit Committee. Such plan is subject to annual updates and any major changes to the plan will be reviewed and approved by the Audit Committee.

During FY22/23, internal audit projects applied on the Group's Retail Operations covering (i) sales process and accounts receivable management and collection; (ii) purchasing process and accounts payable management; (iii) treasury including cash management; and (iv) anti-money laundering and counter-terrorist financing policy were executed in accordance with the approved internal audit plan. All internal control deficiencies identified were communicated to the management, and significant internal control deficiencies were summarised and reported to the Audit Committee. Remedial actions to mitigate the associated risks have already been implemented in stages by the Group to further improve its risk management and internal control systems.

The Board with the assistance of the Audit Committee has conducted a review of the effectiveness of the Group's risk management and internal control systems. Considering the abovementioned corrective measures and improvements that had been taken up by management, the Board is satisfied with the effectiveness and adequacy of the Group's risk management and internal control systems for FY22/23.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities and Futures Ordinance ("SFO") and the GEM Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

CORPORATE GOVERNANCE REPORT



DIVIDEND POLICY

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall strike a balance between making an efficient use of capital to strengthen the Group's business development and rewarding the Shareholders. The Company does not have a pre-determined dividend payout ratio. The Board has the full discretion to declare and distribute dividends to the Shareholders, and any final dividend for a financial year will be subject to Shareholders' approval. In proposing any dividend payout, the Board shall take into account, among other things, the Group's financial results, financial position, cash flow situation, business conditions and strategies, expected future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends and any other factors the Board may consider relevant. Any payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands, the Articles of Association and all other applicable laws and regulations.

AUDITOR'S REMUNERATION

During FY22/23, the fees paid/payable to the Company's external auditor are set out as follows:

	Fee paid/ payable HK\$'000
Audit services	1,940
Non-audit services	62

The non-audit services comprise tax advisory services.

BOARD DIVERSITY POLICY

The Board has established a board diversity policy. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Nomination Committee has reviewed the Board composition pursuant to the board diversity policy and the requirements of the GEM Listing Rules and considers that the current composition of the Board is characterised by diversity. For details on the composition of the Board, please refer to the section headed "Biographical Details of Directors and Senior Management" in this report. The Nomination Committee will review the board diversity policy, as appropriate, to ensure its continued effectiveness. Under Rule 17.104 of the GEM Listing Rules, a single gender board will not be considered by the Stock Exchange to have achieved board diversity. The Company has complied with this rule during FY22/23 and as at the date of this report, the Board comprises five male Directors and two female Directors. The Company will continue to apply the principle of appointments based on merits with reference to its board diversity policy as a whole.

GENDER DIVERSITY

The Group recognises the importance of diversity and has a diverse workforce in terms of gender, which provides a variety of ideas and levels of competency that contribute to the Group's success. In its hiring process, the Group considers a number of measurable factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional specialisation, experience, skills, knowledge and other qualifications. Appointment of candidates is solely based on meritocracy, and candidates will be considered against objective criteria, having due regards for the benefits of diversity on the Group. As at 31 March 2023, approximately 54% of the Group's employees, excluding the Directors, was female and 46% was male. For further details on the employment and labour practices of the Group including gender diversity, please refer to the sub-section headed "Environmental, Social and Governance Report — 5. Employee Oriented" in this report.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An AGM of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an AGM, shall be called an EGM.

CONVENE EXTRAORDINARY GENERAL MEETING

Any one or more member(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal place of business in Hong Kong as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the Company Secretary at the Company's principal place of business in Hong Kong at Unit 706–708, 7th Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionist(s).

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified not in order, the Shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s) may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitionist(s) concerned at the EGM is at least 14 clear days' notice in writing (and not less than 10 clear business days).

ENQUIRIES TO THE BOARD

The Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong or by e-mail to ir@wwpkg.com.hk for the attention of the Company Secretary.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Pursuant to Article 113 of the Articles of Association, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected shall have been lodged at the head office or the registration office of the Company provided that the minimum length of the period, during which such notice(s) are given, shall be at least 7 days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules.

CORPORATE GOVERNANCE REPORT



INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhance investor relations. It is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investors.

The Company updates its Shareholders on its latest business developments and financial performance through its quarterly, interim and annual reports. The corporate website of the Company (www.wwpkg.com.hk) has provided an effective communication platform to the public and the Shareholders.

SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide the Shareholders with detailed information about the Company so that they can exercise their rights as the Shareholders in an informed manner.

The Company uses a range of communication tools to ensure its Shareholders are kept well informed of key business imperatives. These include general meetings, annual, interim and quarterly reports, various notices, announcements and circulars. The AGM and other general meetings of the Company are primary forums for communication between the Company and its Shareholders. The Company provides the Shareholders with relevant information on the resolution(s) proposed at general meetings in a timely manner in accordance with the GEM Listing Rules. The information provided is reasonably necessary to enable the Shareholders to make an informed decision on the proposed resolution(s). All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the meetings.

CONSTITUTIONAL DOCUMENTS

During FY22/23, there had been no change in the Company's constitutional documents.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the GEM Listing Rules and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling the Shareholders, investors as well as the public to make rational and informed decisions.

CONCLUSION

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of the Group's businesses and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and the CG Code and align with the latest developments.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

This report is the 7th environmental, social and governance report (the “ESG Report”) issued by the Group. Based on objective, comprehensive, regulative and transparent principles, the ESG Report expounds management ideas, key practices and annual achievements for the ESG work of the Group in FY22/23.

1.1 SCOPE OF THE REPORT

The scope of the ESG Report covers the environmental and social performance within the principal operating activities of the Group’s sales of Travel Related Products and Services and its Retail Operations that commenced in June 2022. Except the additional scope of the Retail Operations that has significant contribution to the Group’s revenue for FY22/23, there are no other significant changes in the scope of the ESG Report from that of the last corresponding period published on 29 June 2022. Unless otherwise specified, this ESG Report covers the operations of the Group’s headquarter, its travel agency branches and retail shops, all of which are located in Hong Kong.

For the corporate governance section, please refer to the section headed “Corporate Governance Report” in this report for details.

1.2 REFERENCE STANDARDS

The ESG Report is prepared mainly with reference to the Environmental, Social and Governance Reporting Guide under Appendix 20 to the GEM Listing Rules (the “ESG Guide”) and is reported in accordance with the principles of materiality, quantitative, balance and consistency included in the ESG Guide. The content index of the ESG Guide is included in the sub-section headed “ESG Reporting Guide and Reference” in this ESG Report.

The content of the ESG Report is determined according to a set of systematic procedures, which include identifying major stakeholders, identifying and assessing the materiality of ESG related issues, defining the coverage of the ESG Report, collecting relevant materials and data, conducting data collation and aggregation, examining the figures in the ESG Report, preparing the ESG Report and reviewing by the Group’s management.

1.3 REPORTING PRINCIPLES

Materiality

The content of the ESG Report is determined based on the stakeholder engagement and materiality assessment. The Group has identified ESG related issues, gathered and reviewed the opinions from internal management and various stakeholders, assessed the relevance and materiality of the issues, and prepared and validated information of the ESG Report. The ESG Report provides comprehensive coverage of the key ESG issues of concern to the Group’s stakeholders.

Quantitative

The Group has disclosed the quantitative environmental and social key performance indicator (“KPI”) in the ESG Report. The criteria, methods, references and conversion factors used to calculate the KPIs are stated whenever possible in order to provide stakeholders with a comprehensive understanding of the Group’s ESG performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Balance

The Group has appointed an external sustainability consultant to provide an unbiased disclosure of all its positive and potentially negative data in this ESG Report, describing the ESG performance of the Group fairly and ensuring that accurate information is available to the public and that the data presented has no selections, omissions, or other forms of manipulation that may inappropriately influence readers' decisions or judgments.

Consistency

To facilitate the comparison of ESG performance between years, other than the additional scope of the Retail Operations as described in the above section "1.1 Scope of the Report", the Group uses consistent reporting and calculation methods as far as reasonable and details the significant changes in methodologies in the relevant sections.

1.4 ACKNOWLEDGEMENT AND APPROVAL

Upon confirmation by the Group's management, the ESG Report was approved for issue by the Board on 20 June 2023.

1.5 FEEDBACK

The Group values and welcomes all stakeholders to provide feedback and suggestions concerning the ESG Report and on the Group's sustainability performance via:

Postal address: Unit 706-8, 7th Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong (For the attention of the Board of Directors)

Email: ir@wwpkg.com.hk

2. SUSTAINABILITY STRATEGY

The focus on sustainability is fundamental to the Group's business strategy, which has been upholding the tenacity and resilience to experience any ups and downs since its establishment in 1979. Integral to the Group's sustainability vision is to become a professional and reliable travel agent brand in the minds of customers, urging the Group to continuously innovate and strive for excellence to provide customers with diverse and high-quality Travel Related Products and Services.

The Group firmly believes that effective and excellent ESG management can help to enhance its corporate brand image and reduce energy consumption, thereby reducing operating costs. The Group is also committed to incorporating the concept of social responsibility into its decision-making management and business operations and seizing every opportunity for sustainable development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.1 BOARD STATEMENT

The Group places great importance on ESG matters and this importance continues to grow. The Group firmly believes that its management model with sustainable development enables the creation of long-term value and interest to stakeholders including Shareholders, employees, customers, the community and business partners. The Group is committed to making continuous improvement in respect of environmental and social responsibilities and is pleased to present the ESG Report to demonstrate its efforts in sustainable development.

The Board takes overall responsibility for ESG matters and their integration into the Group sustainability strategy, and reviews and deliberates the ESG KPIs as well as the ESG Report. A management team, consisting of the Group's Chief Financial Officer, Finance Manager, Head of Air Control department, Supervisor of Customer Services and Counter Administration department and Human Resources Officer, is designated to handle ESG related matters and relevant staff members are appointed to execute and monitor the implementation of ESG policies under the leadership of the Board. Besides, the concept of sustainable development is incorporated into the Group's daily operations, and its performances on environmental, society and governance are continuously monitored and enhanced, which in turn provide a safeguarding force to the long-term and stable development of the Group. The Board expects management to provide them with ESG updates at least once a year.

The Group keeps a close eye on monitoring the risks and exploring potential opportunities. For the sake of striking a balance among business needs, social demands and environmental impacts, the Group is committed to continuously monitoring the risks and opportunities that exist in its daily operations, and at the same time, embracing transparent corporate culture to ensure that the sustainability strategy is well communicated to employees, customers, the community and other stakeholders.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



2.2 GOALS AND TARGETS

The Group would like to achieve the following goals and targets on setting its environmental, social and governance policies:

- Minimise the burden of the environment from the Group's operation, including reduction of emissions and resources consumption;
- Promote "Paperless Office" concept at the headquarter, branches and shops;
- Identify and mitigate the risks associated with climate change;
- Promote "Green Tourism";
- Increase the sense of belonging among the Group's employees;
- Respect the labour rights and human rights of all employees, maintain high ethical standards and promote an inclusive culture within the Group;
- Provide a healthy and safe work environment and maintain a low level of work-related injury cases/lost time injury rate;
- Ensure employees are provided with sufficient training to carry out their duties;
- Uphold a high level of code of good faith and comply with all applicable laws and regulations within the operational framework; and
- Maintain a high standard of corporate governance, a superior Board, sound internal controls and increased transparency and accountability to all stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3. STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

3.1 STAKEHOLDER ENGAGEMENT

The Group recognises the importance of communication with stakeholders. As such, the Group makes use of various channels to listen to their expectations of the Group. Different channels to communicate with different stakeholders at different intervals have been established in an effort to enhance the Group's management standard and operational efficiency. The Group highly values the feedback from its stakeholders and is committed to addressing the problems that they have raised via various channels, which are listed in the table below:

Major stakeholders	Expectations and concerns	Means of communication	Management response
Government/ regulatory authorities	<ul style="list-style-type: none"> ➤ Compliance with laws and regulations ➤ Anti-corruption policy ➤ Contribution to the local economy 	<ul style="list-style-type: none"> ➤ Regular declaration ➤ Onsite inspection ➤ Supervision on laws and regulations compliance 	<ul style="list-style-type: none"> ➤ Uphold integrity and compliance in operations by establishing comprehensive and effective internal control systems ➤ Submit routine reports and tax payments on time ➤ Promote local tours
Shareholders/ investors	<ul style="list-style-type: none"> ➤ Return on investment ➤ Good corporate governance ➤ Transparency and disclosure of corporate information 	<ul style="list-style-type: none"> ➤ Shareholders' meetings ➤ Quarterly, interim and annual reports ➤ Announcements ➤ Company's website 	<ul style="list-style-type: none"> ➤ Management possesses relevant experience and professional knowledge in business sustainability ➤ Ensure transparent and effective communication by dispatching information on the websites of the Stock Exchange and the Company ➤ Continue to improve the internal control systems and focus on risk management ➤ Adopt measures to control costs and to enhance cash flow and operational efficiency amid the COVID-19 pandemic
Employees	<ul style="list-style-type: none"> ➤ Labour rights ➤ Compensation and benefits ➤ Career development ➤ Health and workplace safety 	<ul style="list-style-type: none"> ➤ Performance appraisals ➤ Regular meetings and trainings ➤ Emails, notice boards, hotline, and team building activities ➤ Employee handbook 	<ul style="list-style-type: none"> ➤ Set up contractual obligations to protect labour rights ➤ Establish a fair, reasonable, and competitive remuneration scheme ➤ Encourage employees to participate in continuous education and professional trainings ➤ Pay attention to occupational health and safety especially in the time of the COVID-19 pandemic

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Major stakeholders	Expectations and concerns	Means of communication	Management response
Customers	<ul style="list-style-type: none"> ➤ High quality products and services ➤ Reasonable price ➤ Customers' safety ➤ Diversified products 	<ul style="list-style-type: none"> ➤ Post-tour surveys ➤ Customer service hotline/social media platforms/emails ➤ Face-to-face communication at branches and shops ➤ Company's website 	<ul style="list-style-type: none"> ➤ Ensure proper contractual obligations are in place ➤ Improve the quality of products and services continuously to maintain customer satisfaction ➤ Provide quick response to customer enquiries ➤ Offer travel insurance policy to customers upon purchases of products ➤ Provide informative travel product brochures both online and offline ➤ Ensure tours are led by experienced tour guides/escorts
Suppliers	<ul style="list-style-type: none"> ➤ Fair and open procurement ➤ Win-win cooperation 	<ul style="list-style-type: none"> ➤ Contracts and agreements ➤ Suppliers' satisfaction assessment ➤ Telephone discussions/emails 	<ul style="list-style-type: none"> ➤ Ensure proper contractual obligations are in place ➤ Establish policies and procedures in supply chain management ➤ Select suppliers with due care
Community	<ul style="list-style-type: none"> ➤ Environmental protection ➤ Community contribution 	<ul style="list-style-type: none"> ➤ Community engagement ➤ Employee voluntary activities ➤ Company's website 	<ul style="list-style-type: none"> ➤ Pay attention to climate change ➤ Promote concept of "Paperless Office" ➤ Encourage employees to participate in charitable activities and voluntary services ➤ Charitable donations

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.2 MATERIALITY ASSESSMENT

The Group hopes to further understand the views and requirements of its key stakeholders via a questionnaire and make adjustments to its business strategy. For FY22/23, the Group had undertaken its materiality assessment exercise. This involved conducting surveys with internal and external stakeholders (including management, employees, customers, suppliers and Shareholders/investors) to identify the most significant operating, environmental and social impacts towards the Group's business.

In addition to the stakeholders' communication channels as mentioned in the sub-section headed "3.1 Stakeholder engagement", the Group conducted online stakeholder surveys and took the following steps in preparing and conducting the FY22/23 materiality assessment:

Procedures for materiality assessment

Establishment of the pool of issues

With reference to the disclosable scope as required under the ESG Guide and taking into consideration the corporate business characteristics, the Group's pool of ESG issues for FY22/23, consisting of a total of 28 issues, was established.

Participation of stakeholders

The Group obtained comments of stakeholders through questionnaires and interviews, which cover the management of the Group, employees, customers, suppliers and Shareholders/investors.

Issues assessment

Based on the focused concerns of all stakeholders, the Group assessed the materiality of issues from the dimensions of "materiality to stakeholders" and "materiality to enterprise" to analyse and establish the materiality matrix and list of issues.

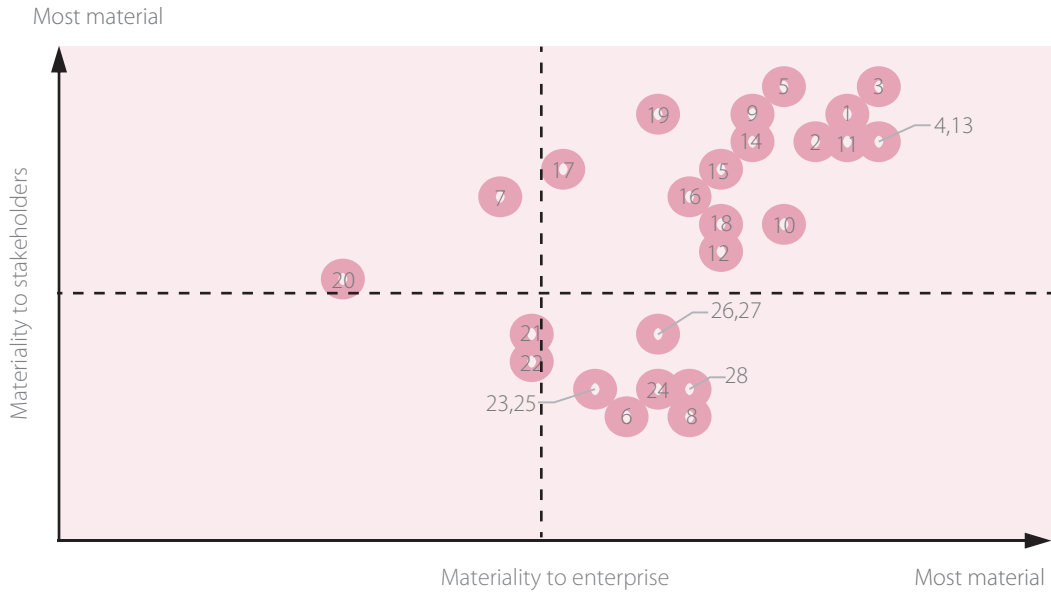
Review and confirmation

The participation of stakeholders in the implementation of plans and the assessment results of important issues were reviewed and confirmed by management, after which ESG related risks of the Group were determined.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Stakeholder engagement materiality matrix



List of ESG issues

Materiality level	Issues no.	Issues
Highest materiality  Lowest materiality	3	Secure customers' safety
	5	Supplier cooperation optimisation
	1	Uphold product and service quality
	4	Customer data and privacy protection
	13	Safeguard network security
	11	Anti-corruption policy and whistleblower procedures
	9	Operate in a credible and compliant manner
	2	Customer experience and satisfaction
	14	Protect employee's rights and interests
	19	Employment compliance
	15	Occupational health and safety
	10	Corporate governance and risk management
	16	Staff training and career development
	18	Prohibit child labour and forced labour
	17	Equal opportunity, diversity and anti-discrimination
	12	Intellectual property rights protection
	7	Reasonable marketing and publicity
	26	Packaging materials consumption reduction
	27	Environmentally friendly products
	28	Environmental compliance
	21	Climate change risk
	24	Energy consumption reduction
	20	Community charity and investment
	8	COVID 19 anti-epidemic measures
	22	Greenhouse gas emission reduction
	23	Waste (hazardous and non-hazardous) reduction
	25	Water consumption reduction
	6	Supply chain ESG management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4. GREEN OPERATION

The Group's daily operations and its package tour arrangements are causing an impact on the environment in terms of the consumption of energy and emissions from transportation. The Group is committed to strike a balance between business development and environmental protection on the road to sustainable development. The Group has begun to collect and analyse environmental data and will continue to enhance its staff's performance and awareness on environmental protection.

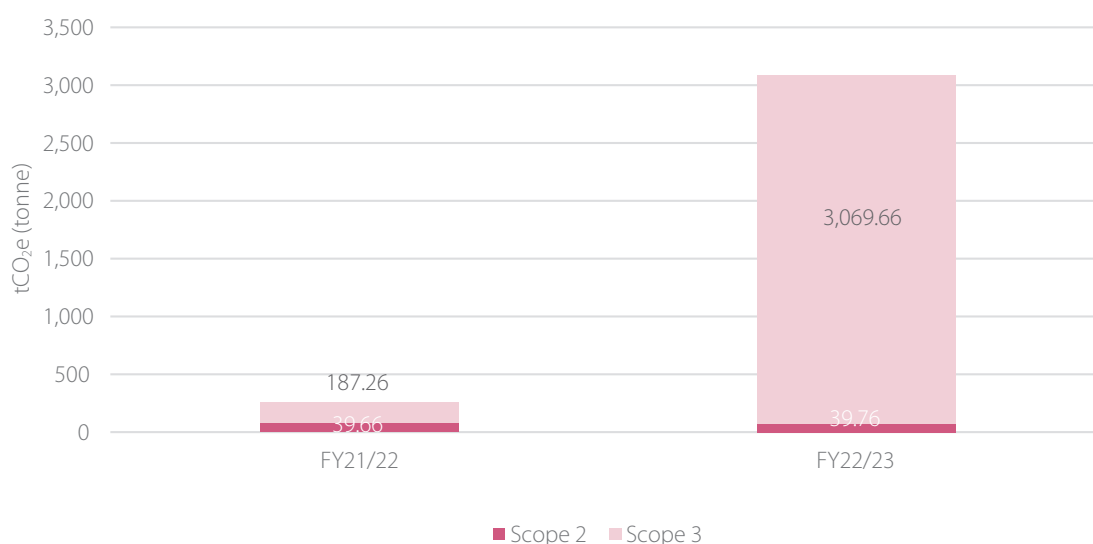
4.1 EMISSION REDUCTION

The Group primarily engages in the provision of Travel Related Products and Services and the Retail Operations. In view of its principal operating activities, the Group is not aware of any relevant laws and regulations that have a significant impact on itself in respect of air emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes. Major laws and regulations applicable are detailed in respective sections.

The data of nitrogen oxides (NO_x), sulphur oxides (SO_x), and particulate matter (PM) is immaterial as the Group does not utilise any motor vehicle to support its principal operating activities on a daily basis. Major applicable laws and regulations related to control of air emissions include, but are not limited to, *Air Pollution Control Ordinance of Hong Kong*.

The Group considers greenhouse gas ("GHG") emissions reduction as one of its long-term objectives. Major applicable laws and regulations related to GHG emissions include, but are not limited to, *Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong)*. Given the Group's business nature, GHG emissions mainly come from fossil fuel combustion by aircrafts and tour buses, accounted under GHG emissions (Scope 3), and electricity consumption in the business activities and operations, accounted under GHG emissions (Scope 2). No material GHG emissions in terms of Scope 1 was generated from the Group's business activities. The increase in GHG emissions (Scope 3) recorded was attributable to the resumption of the Group's outbound tours during FY22/23 following the eased pandemic controls across the world. For FY21/22, international travel was restricted and only local tours were operated in Hong Kong.

Greenhouse gas emissions



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Hazardous wastes, representing toner cartridges used for printers, are collected and disposed by property management offices and licensed contractors respectively. The usage of papers, categorised as non-hazardous wastes, was mainly for advertisement purpose and operational documents. Major applicable laws and regulations related to wastes include, but are not limited to, *Waste Disposal Ordinance of Hong Kong*.

During FY22/23, the Group generated 986.82 kg (equivalent to 0.99 tonnes) of office wastes, including 951.75 kg (equivalent to 0.95 tonnes) of wastepaper and 35.07 kg (equivalent to 0.04 tonnes) of toner cartridges, which increased by 1,570% as compared with 59.09 kg (equivalent to 0.06 tonnes) of office wastes for FY21/22. The increase in office wastes produced was mainly due to:

- the significant increase in the volume of product brochures and promotional flyers relating to travel products printed for advertising and marketing purpose;
- the significant increase in the number of invoices and receipts printed as a result of the increased tour sales; and
- the increase in the Group's workforce to support its outbound tours' resumption and the addition of staff headcount to the new Retail Operations hence the increase in the volume of operational documents prepared.

The Group will continue to reduce paper usage with the establishment of the Group's online sales platform at which product information can be easily downloaded online and shared via emails or mobile messaging applications. Product brochures will only be printed when needed. Please refer to the sub-section headed "The Environment and Natural Resources" below for details on the reduction initiatives implemented in respect of the use of paper.

4.2 USE OF RESOURCES

The Group's headquarter, travel agency branches and retail shops are primarily for office use, with electricity as the greatest consumption.

Energy consumption

The Group takes various environmental protection measures to reduce the use of resources and creates a greener working environment with the following measures:

- Use natural lighting and energy-saving lighting system in the office premises
- Zone air conditioning and lighting systems
- Maintain room temperature at 25.5°C
- Clean air conditioning systems and filters regularly to improve efficiency
- Use environmental-friendly and energy-saving office equipment, such as fax and copy machines
- Circulate notices demanding staff members to shut down computers, lightings, copy machines and printers after work

During FY22/23, the Group consumed 101,945.43 kWh of electricity, including 81,082.43 kWh and 20,863.00 kWh from Travel Related Products and Services and Retail Operations, respectively. Electricity consumed by the Group for FY22/23 increased by 35.9% as compared with 75,036.67 kWh for FY2021/22 mainly due to the resumption of normal hours of operation at the Group's travel agency branches and the additional reporting scope in connection with the new Retail Operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water consumption

Due to the fact that washrooms and pantries are shared amongst occupants of the entire buildings and patrons at which the Group's headquarter, travel agency branches and retail shops are situated, water is effectively considered as a minor consumption and there is no material issue in sourcing water that is fit for purpose. Water consumed by the Group during FY22/23 decreased by 1.2% to 109.83 m³ (FY21/22: 111.14 m³).

Packaging materials

Minimal packaging materials have been used as a result of the nature of the Group's businesses as a travel agent, whilst only paper and plastic bags are used in the new Retail Operations as take-away packaging. For FY22/23, the Retail Operations consumed 0.50 kg (equivalent to 0.0005 tonnes) of packaging materials, which is considered immaterial.

4.3 ENVIRONMENTAL COMPLIANCE

During FY22/23, the Group is not aware of any non-compliance with any environment protection or use of resources related laws and regulations that have a significant impact on the Group.

4.4 ENVIRONMENTALLY FRIENDLY PRODUCTS

The Group fully supports the Green Lifestyle Local Tour Incentive Scheme, which was initiated by the Commerce and Economic Development Bureau, the Environment Bureau and the Environmental Protection Department of Hong Kong, with the Travel Industry Council of Hong Kong ("TIC") to assist in implementation. Various green lifestyle local tours have been offered to the Group's customers in order to promote green lifestyle and tourism, hence encourage customers to enjoy nature of Hong Kong, promote nature conservation and biodiversity, and raise public awareness on waste and carbon reduction, environmental protection and nature conservation. During FY22/23, the Group operated 221 green lifestyle tours consisting of 4,218 tour participants (FY21/22: 221 green lifestyle tours consisting of 4,684 tour participants).

4.5 THE ENVIRONMENT AND NATURAL RESOURCES

Printed materials are indispensable to the Group's operations despite advancements in electronic systems. To reduce the use of paper in its operations, the Group has implemented the following measures:

- Print product flyers only at the request of customers or when needed
- Set up paper recycling facilities in the head office and all branches and shops
- Use paper with international environmental certification only
- Add a reminder in emails encouraging staff members to print only when necessary
- Use copy machines and printers with double-sided and black-and-white printing functions
- Circulate internal notices by electronic means, such as intranet or emails
- Despatch internal documents in reusable envelopes
- Use e-Fax and print only when necessary to reduce the use of paper
- Reuse single-sided old documents as draft or recycled paper

Save as disclosed above, the Group's principal business activities do not have significant impact on the environment and natural resources. Environmental protection is an ongoing process. The Group is working to improve its environmental policies and strengthen enforcement to promote a green working environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



4.6 CLIMATE CHANGE

With the advent of climate change, the Group recognises the growing urgency to address ESG risks and opportunities in the business environment. The Group has identified the risks of climate change that might or have materially affected the Group and initiated a series of actions to ease the impact of the risks of climate change. In the future, the Group will continuously explore and conduct climate-related studies on its business operations.

Climate change risk

Risk factor	Natural disasters including snowstorms, typhoons, tornado, volcanic eruption, earthquakes, fire, floods and similar events
Risk nature	Physical risk
Risk description	As a travel agent, the Group's operations are vulnerable to interruption and damage from natural disasters. As global warming intensifies, extreme weather will become more frequent in the foreseeable future. The supply chain disruption would also cause indirect impact to the Group's Retail Operations if suppliers suffer from extreme weather conditions.
Measures	The Group has in place the Emergencies and Accidents Handling Policy for handling emergencies occurring at the tour destinations to minimise the risk of personal injury to its customers and employees (namely the tour escorts) and damage to their personal property.

Upon the occurrence of an emergency event such as natural disasters, a crisis management command centre will be set up immediately comprising representatives from various departments, as led by the Chairman and the Chief Executive Officer to evaluate the situation and take all prompt and effective actions to cope with such emergency situation with the aim to protecting the life and property of the Group's customers and tour employees. Depending on the severity of the emergency situation, appropriate actions will be taken, which include:

- keeping contact with the Group's tour escorts and land operators to ensure customers are safe;
- keeping contact with the customers' emergency contact persons to keep them informed;
- adjusting itinerary of the tours to avoid going to the affected areas;
- contacting the insurance company to provide assistance and, if necessary, arranging for the return of customers or employees to Hong Kong for medical treatment;
- arranging with airlines for early return to Hong Kong; and
- informing the TIC and the Travel Agents Registry (whose functions of licensing and regulating the tourism trade were later taken up by the Travel Industry Authority ("TIA") established under the *Travel Industry Ordinance (Cap. 634)* in January 2020), the Security Bureau and Immigration Department of the Hong Kong SAR government and the PRC Embassy in the affected destination to coordinate and render all necessary assistance to the Group's customers and employees.

In respect of the Retail Operations, the Group is striking to increase climate resilience so that the influences on the operations can be reduced to minimal. After due assessment, the risk of exposure to the extreme weather causing the operational and supply chain disruptions is relatively low as the suppliers of the Retail Operations and their corresponding operations are mainly located in Hong Kong.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

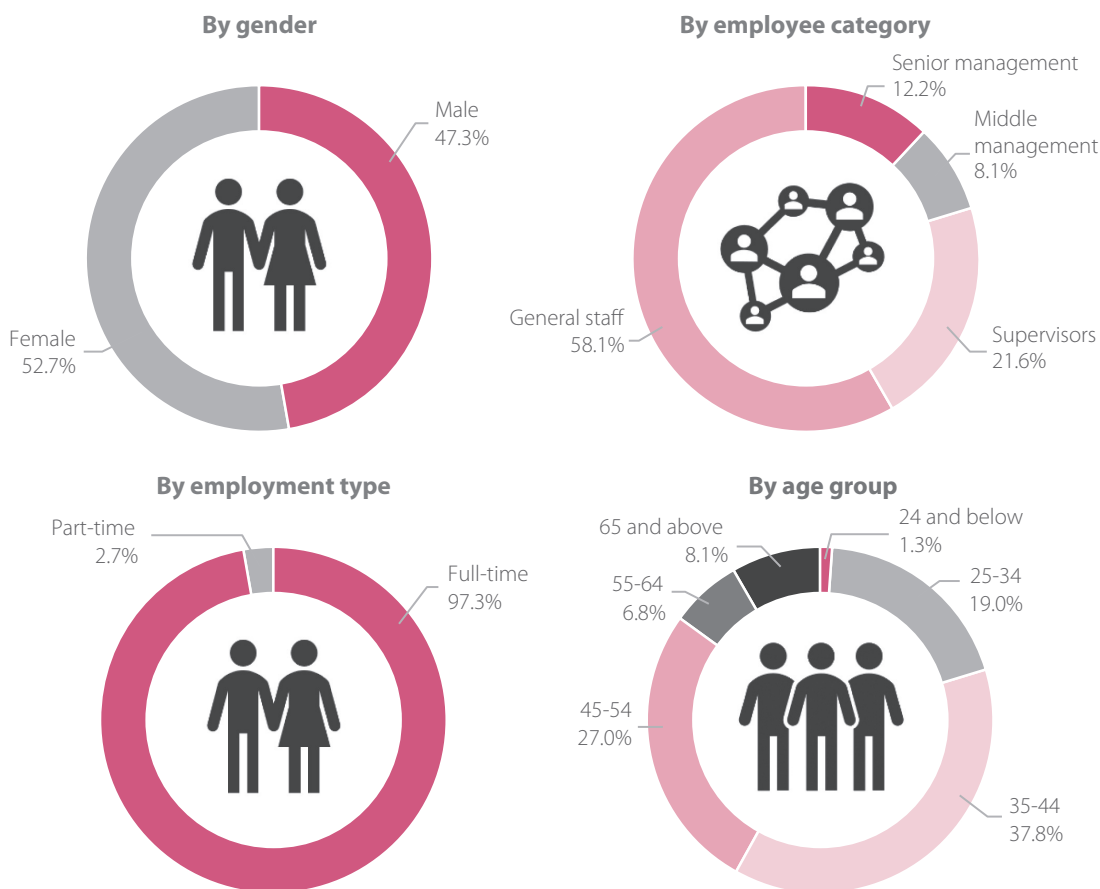
5. EMPLOYEE ORIENTED

5.1 EMPLOYEE'S RIGHTS AND INTERESTS

The Group adopts a fair recruitment policy that prohibits damage to equal employment opportunity or unfair treatment caused by factors such as ethnicity, race, gender, religious belief, social origin or identity, geographic location, age, physical condition and marital status. Only the capabilities of candidates and the needs of the Group will be considered during recruitment. The Group strictly complies with the *Employment Ordinance* and the *Mandatory Provident Fund Schemes Ordinance of Hong Kong* and has relevant policies and procedures in place. The Group's promotion policy primarily depends on the length of service of the employees and their performance appraisals. An internal transfer programme is also in place to minimise staff turnover. In the past, employees applied for internal transfers for reasons concerning overseas travelling, continuous education, family and other matters. The Group used its best endeavours to accommodate their applications and make arrangements according to their will and job commitment and situation.

The Group has to respond swiftly to the changing tourism and retail markets. To attract new talents, the Group offers competitive remuneration packages to employees and regularly adjust our salary structure according to market conditions. However, salary alone is not enough to retain outstanding employees, a suitable working environment and benefits are taken into consideration as well. In this regard, the Group provides flexible and diversified benefits to suit the actual needs of its staff members. Morale among the staff members is also boosted by a dynamic working environment. The Group fully understands the importance of work-life balance and allow staff members to get off early on festivals as well as provide them with special offers to travel with families and friends.

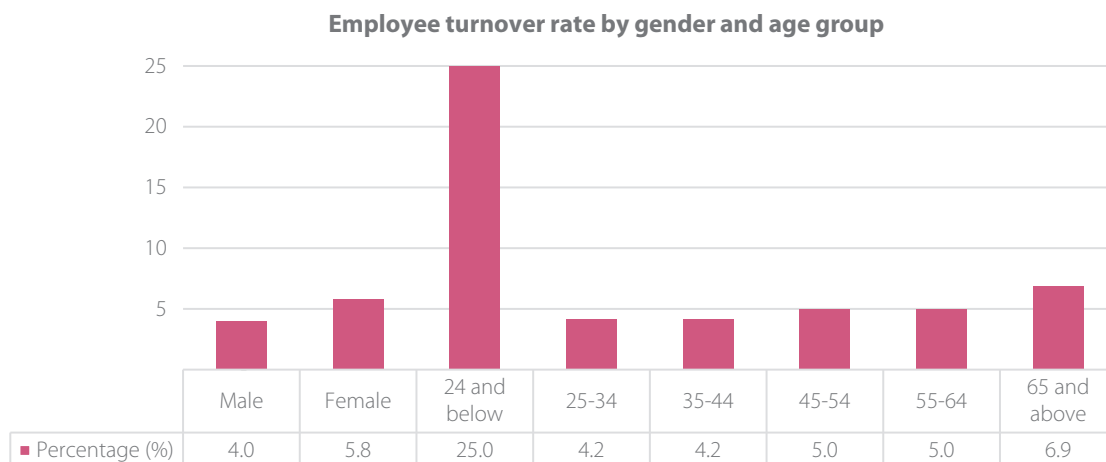
Overview of the Group's workforce as at 31 March 2023



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Overview of the Group's employee turnover as at 31 March 2023



The Group's total employee turnover rate decreased from 16.4% in FY21/22 to 5.0% in FY22/23, which was mainly due to the Group's termination of employment contracts with all of its tour escorts during FY21/22 as a result of the difficult operating environment amid the COVID-19 pandemic.

5.2 OCCUPATIONAL HEALTH AND SAFETY

The health and safety of employees are always the Group's top priority under any circumstance. The Group provides a safe working environment to its employees in order to achieve zero accident. In the event of natural disasters or when an outbound travel alert is issued by the Hong Kong SAR government, the Group may change or cancel the tour itinerary accordingly. The Group understands the unpredictability of the conditions when working abroad. As such, in addition to purchase of the employees' compensation insurance policy as required by the Employees' Compensation Ordinance of Hong Kong, every tour escort of the Group has been covered by corporate business travel insurance policy for additional protection while on tour.

To enhance the Group's responsiveness to emergencies and accidents, the Group has established the Emergencies and Accidents Handling Policy that provides details of a three-tier contingency plan and protocols for any possible incident, pursuant to which effective measures will be implemented promptly to protect lives and personal properties. Further details are disclosed in the sub-section headed "4.6 Climate Change" above.

The Group has stipulated safety guidelines in accordance with the *Occupational Safety and Health Ordinance of Hong Kong*. Besides interior decoration, the design of the Group's travel agency branches and retail shops also takes occupational safety and practicality into account. For instance, desk height is designed to match the height of most staff members and facilitate communication with customers. Office, branches and shops have equipped proper fire-fighting facilities such as fire extinguishers and escape lights. Suggestion boxes are available in the Group's office premises to collect opinions about occupational safety and other issues anonymously for the consideration of the human resources department.

For the past three years including FY22/23, the Group had not identified any work-related fatalities (i.e. 0%). No lost days due to work injury was reported and no material non-compliance relating to providing a safe working environment and protecting employees from occupational hazards occurred during FY22/23.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.3 COVID-19 ANTI-EPIDEMIC MEASURES

The COVID-19 pandemic and its impact on Hong Kong has been a major concern for the Group since the outbreak began. In view of the seriousness of this outbreak, the Group enhanced its existing health and safety measures to help keeping its customers and employees safe during the reporting period, including:

- Distribute face masks to all employees, who are required to wear them at all times during office hours
- Shorten operating hours of the Group's tourist branches and retail stores
- Recommend customers to wear face masks during their visits at the tourist branches and retail stores
- Sanitise high-touch surfaces with disinfectants frequently while the tourist branches and retail stores are open
- Set up automatic hand sanitiser dispenser at the head office's reception area
- Send reminders to employees to check body temperatures daily before going to work, practice good personal hygiene and refrain from work and seek medical advice promptly when having respiratory symptoms

The Group is pleased to announce that none of its operations at the headquarter, travel agency branches or retail shops was ever impacted by the COVID-19 pandemic and suspended. Despite the Hong Kong SAR government's announcement of lowering the response level in relation to the COVID-19 pandemic under the Preparedness and Response Plan for Novel Infectious Disease of Public Health Significance from "Emergency" to "Alert" level on 30 May 2023, the Group will continue to pay attention to the changes in the pandemic situation and make adjustments in a timely manner to ensure the normal operation of the headquarter, branches and shops while safeguarding the health of its employees.

5.4 STAFF TRAINING AND CAREER DEVELOPMENT

Quality service is the key to the Group's success. As service quality is reflected by the performance of its employees, the Group recognises the importance of different types of training available to its employees. New employees are invited to the orientation programme followed by one-to-one on-the-job coaching to learn about frontline and back office operations. It is necessary to provide clear and detailed product information to customers. In this respect, the Group organises product training for frontline staff regularly so that they can keep up with the latest product information and market news and in turn promote better interaction with customers.

Apart from classroom training, the Group strongly believes that practical training is more effective in understanding the needs of its customers and business operations. For the Travel Related Products and Services, learning tours have been arranged for frontline staff and staff members of product development department and tour operations department, who would accompany the Group's package tours led by the tour escorts and have the opportunity to interact with customers and to better understand the tour itinerary and its operations, with the objective of improving service and product quality.

The Group attaches great importance to employees' personal growth. The Group encourages its employees to exert their potential and to align their personal developments with the growth of the Group, so as to promote mutual development between individual employee and the Group. The Group also encourages its employees to maintain constant communication and dialog with their department heads and managers for timely support and advice.

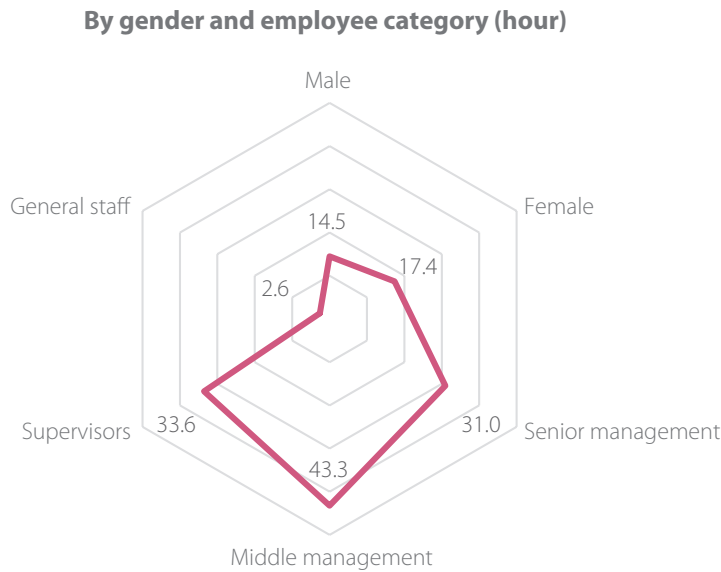
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



During FY21/22 amid the COVID-19 pandemic, regular trainings were replaced by emails, teleconferences and webcasts as part of the social distancing measures and product trainings (for travel and tourism related products) were suspended since March 2020. For FY22/23, regular trainings have been resumed upon relaxation of the social distancing rules and resumption of the Group’s outbound tours. Trainings conducted during FY22/23 covered travel and tourism product briefings, employee ethics and conduct, anti-fraud and whistleblowing protocols, understanding of workplace measures to prevent influenza, continuing education course for insurance intermediaries and webcast trainings for the Directors published by an external law firm. Besides, the Group engaged an external sustainability consultant to provide an ESG related training to relevant employees in order to promote the concept and development of sustainability within the Group. For FY22/23, 89.2% of the Group’s employees were provided with trainings (FY21/22: 100%), and the overall average training hours provided to the Group’s employees increased from 5.4 hours in FY21/22 to 16.0 hours in FY22/23, mainly as a result of the resumption of the Group’s outbound tours and the additional reporting scope in connection with the new Retail Operations.

The Group has participated in the “ERB Manpower Developer Award Scheme” organised by the Employees Retraining Board as a Manpower Developer, who has been recognised for demonstrating outstanding achievements in manpower training and development. During FY22/23, the Group successfully renewed its status of Manpower Developer for another two years from 1 April 2023 to 31 March 2025.

Average training hours for employees in FY22/23



5.5 EQUAL OPPORTUNITY, DIVERSITY AND ANTI-DISCRIMINATION

The Group strives to establish harmonious labour relationship and does not tolerate any discrimination event. An effective whistleblowing mechanism is in place and included in the Group’s Employee Handbook in which employees are able to voice out injustice they face and comprehensive investigation will be carried out accordingly. Necessary disciplinary actions are to be taken once the case is substantiated. During FY22/23, the Group has not received any complaints regarding to harassment and discrimination among its employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.6 CHILD AND FORCED LABOUR PROHIBITION

The Group does not tolerate any illegal behaviours and employment of child and forced labour is prohibited according to the *Employment Ordinance of Hong Kong*. Candidates must provide identification documents at interviews to ensure legal age requirement is met. The Group also understands the importance of work-life balance. The Group's employees will not be forced to work overtime and may apply for flexible working hours depending on their job commitment and situation.

5.7 EMPLOYMENT COMPLIANCE

During FY22/23, the Group has not identified any non-compliance issue relating to compensation and dismissal, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti-discrimination, preventing child and forced labour and other entitlements and benefits.

6. OPERATING PRACTICES

6.1 SUPPLY CHAIN MANAGEMENT

The Group's operations closely collaborate with its suppliers. Long-term and good relationships with suppliers have been established to provide quality and reliable services to customers. Suppliers of the Travel Related Products and Services mainly include airlines, land operators, tour bus operators and hotels. For the Retail Operations, suppliers are mainly related to lifestyle and healthcare products. In addition to pricing, service quality, reputation, safety standards and cleanliness, responsiveness and reliability are taken into consideration, and the suppliers must also comply with all the local laws and regulations, including environmental legislation.

Supplier selection criteria

Airlines	Flight safety standards is the top priority
Land operators	Service agreements are signed by every land operator to ensure that all local transport, relevant suppliers, tour bus drivers, local tour guides, restaurants, tour activities and related arrangements are in compliance with the local laws and regulations and in line with the service quality and contents stated in the agreements
Tour bus operators	Operators with valid licences and proper permits to transport tourists are selected; the length of service of the vehicles cannot exceed local limits; drivers must possess valid driving licences with sound driving experience; third-party liability insurance must be maintained when serving the Group's package tours; and seats must be sufficient for all tour participants
Hotels	Reputable hotels are selected; site visits are conducted at new hotels to ensure that service quality, safety standards and cleanliness meet the Group's requirements
Suppliers of lifestyle and healthcare products	Product quality and safety is the top priority

The Group has in place on-going evaluation processes to monitor the performance of its suppliers.

For the Travel Related Products and Services, the tour escorts record information of the tour buses, restaurants, hotels and other service providers engaged during the tours and report to the customer service department afterwards to monitor the service standards of the suppliers. In addition, post-tour customers' feedback surveys are used for suppliers' evaluation purposes. Eventually, an evaluation report prepared by the tour escorts is used to evaluate the suppliers' performance with assessment criteria including itinerary appropriateness, meal diversity, safety and timeliness of tour buses, level of comfort of hotels and the customers' suggestion with regard to their overall tour experience.

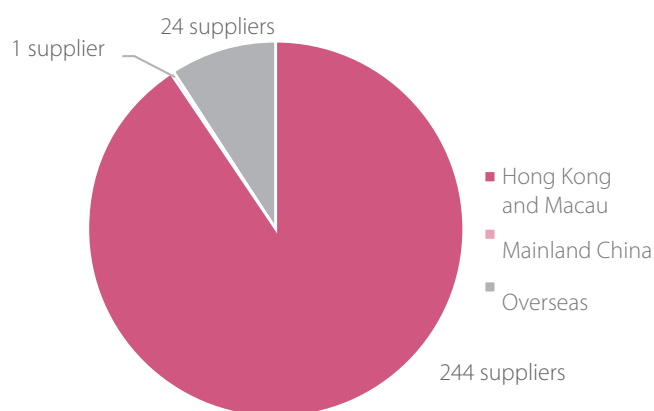
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



In connection with the Retail Operations, product quality and safety especially on healthcare products are continually evaluated through sampling. Suppliers' compliance documentation, including but not limited to, business registration certificates, government licenses (if applicable), qualification certificates and production safety permits, are inspected. Site visits to key suppliers' manufacturing facilities are also conducted to ensure that the key stakeholders in the supply chain comply with laws and regulations relating to safety, good manufacturing practices, social aspects, environment and corporate governance and control.

The Group prioritises and selects key suppliers who have obtained relevant environmental certifications in order to minimise the impact on the environment in the supply chain. The Group will not cooperate with those suppliers if any violation of local environmental or labour related laws and regulations events was found during the supplier evaluation processes. The total number of suppliers increased from 19 entities for FY21/22 to 269 entities for FY22/23, which was mainly due to the resumption of the Group's outbound tours and the additional reporting scope in connection with the new Retail Operations.

Number of suppliers by geographical region



6.2 PRODUCT AND SERVICE QUALITY

Provision of quality and safe products is the Group's mission. In connection with the Travel Related Products and Services, the Group communicates with the TIC and relevant government authorities of destination countries concerned frequently to obtain the latest market information. The Group strictly complies with the relevant local laws and regulations of Hong Kong and the places where outbound package tours are operated, including the *Trade Descriptions Ordinance*, *Travel Agents Ordinance*, *Advertisement Control Regulations*, *Code of Conduct for Outbound Tour Escorts* and *Travel Industry Compensation Fund*.

In view of raising the standard of outbound tour escorts, the TIC decided that all tour escorts leading outbound tours must hold a valid Tour Escort Pass (the "TEP"). To apply for a TEP, one needs to complete the Certificate Course for Outbound Tour Escorts organised by the TIC with a full attendance record (or hold other certificates recognised by the TIC) and pass the Outbound Tour Escort Accreditation Examination ("TEAE") given by the TIC. With the establishment of the TIA taking over the functions of licensing and regulating the tourism trade from the TIC, a person working as a tour escort as defined by the TIA will be required to possess a valid Tour Escort Licence ("TEL"). Under the new regulatory regime, one needs to complete the Pre-Examination Training Courses for Tours Escorts as directed by the TIA with a full attendance record (or hold other certificates recognised by the TIA) and pass the Licensing Examination of Tour Escorts ("TELE") given by the TIC, who acts the examination body for the TELE. To ensure a smooth transition to the new regulatory regime, any TEP issued by the TIC that is still valid as at 31 August 2022 can be taken as a valid TEL issued by the TIA. In addition, the syllabus of the TELE is based on the syllabus adopted by the TIC for its TEAE, and includes the requirements applicable to tour escorts under the *Travel Industry Ordinance (Cap. 634)* and the *Directives to Licensees*. Both syllabuses cover the roles and duties of a tour escort, *Package Tour Accident Contingency Fund Scheme*, general travel insurance policies, basic principles and skillset on crisis management, emergencies' handling and first-aid skills. The TEP/TEL is valid for three years and may be renewed for additional terms of three years. In addition, the Group provides on-the-job training for its tour escorts to ensure the delivery of customer satisfaction.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Despite the Group's effort in providing quality service to customers, it is impossible to meet the expectations of every one of them. The Group uses its best endeavors to provide viable solutions, for example, proposals to transfer the customers to other package tours departing on the same date and/or to other package tours with similar itineraries. In case of adverse weather conditions, the safety of the Group's customers must first be considered. If a tour is delayed or cancelled due to natural disasters or other reasons, the Group makes every effort to provide alternative arrangements. If a tourist attraction is inaccessible, the Group will compensate the customers with another tourist attraction or refund the admission fees (if any), so that the journey of the customers will not be affected. Particularly amid the COVID-19 pandemic, despite its possession of rights to collect handling fee from customers for cancelling package tours for "Reasons Beyond Control" as defined by the TIC, such handling fee was waived for the Group's majority of customers.

For the Retail Operations, the Group has implemented strict procedures and measures of lifestyle and healthcare products sourcing from the suppliers, storage and delivery. Merchandises are attached with necessary warnings and instructions in the form of labels and product manuals that enable customers to assess the risk in using the products and to take precautions against those risks. If any products are proved as causing injury to any person or contravene an unsafe goods notice or prescribed product safety standard, the Group will stop selling them immediately and recall products for return to its suppliers with the claim for the loss incurred or destruction, if necessary. During FY22/23, 0.5% of sold or delivered products have been recalled and no complaints have been received regarding the safety and health reasons of the products or services. The Group complied with relevant laws and regulations relating to product responsibilities related to health and safety, advertising, labelling and privacy matters, including but not limited to ISO9001.

6.3 CUSTOMER EXPERIENCE AND SATISFACTION

In order to provide customers with the perfect travel experience, the Group pays constant attention to the changes in customers' needs and desires and launches a variety of diversified tour itineraries (including green lifestyle local tours, delicacy tours, cruise holidays, festival tours and customised exclusive tours). During the tour, the Group's experienced tour escorts introduce the background, history and knowledge of each scenic spot and render all necessary assistance to the customers. The Group collects customers' feedback on their tour experience and makes adjustments accordingly in order to continuously improve customers' experience and satisfaction.

6.4 SECURE CUSTOMERS' SAFETY

To protect the interest of customers, the Group's staff explain the itinerary and the terms stated on the tour enrolment form in detail during registration at the branches. Branch staff members emphasise on the terms and conditions of the tour enrolment to ensure customers have a clear understanding of the contents before signing to avoid potential disputes in the future. Prior to departure, a pre-tour information package is delivered to each tour participant electronically, followed by a phone call from the responsible tour escort assigned to the tour, when the hotels and itinerary of the tour will be confirmed in order to give confidence to customers. To ensure their safety, customers are required to purchase "WWPKG Peace of Mind" travel insurance policy at registration if they do not have annual travel insurance policy already in place.

The Group adopts a strict quality control policy for its sales of lifestyle and healthcare products. All products must comply with applicable laws and regulations, such as the *Consumer Goods Safety Ordinance* and the *Food and Drugs (Composition and Labelling) Regulations*. Prior to a product launch, the Group conducts lab tests on product samples to ensure that the ingredients found are consistent with the batch records provided by the suppliers and safe to use. Products with potential allergic reactions are specified and labelled with warnings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



To enhance the Group's responsiveness to emergencies and accidents, the Group has established the Emergencies and Accidents Handling Policy that provides details of a three-tier contingency plan and protocols for any possible incident, pursuant to which effective measures will be implemented promptly to protect lives and personal properties. Further details are disclosed in the sub-section headed "4.6 Climate Change" above.

6.5 CUSTOMER COMPLAINT HANDLING

The Group has set up different channels (including online live chat, telephone hotline, email and branches) to receive inquiries, feedback and complaints. A dedicated team is responsible for handling and recording customer inquiries and classifying and referring inquiries to relevant departments for follow-up processing. Each complaint case that is deemed to require further follow-up processing will be investigated by the customer service department.

During FY22/23, the Group received 2 cases of complaints via emails about the waiver of handling fees and the claim on COVID-19 testing fee in relation to its outbound tours. The Group adopted its complaint handling procedures and all complaint cases have been duly resolved at both parties' satisfaction without filing to the TIC/TIA.

6.6 REASONABLE MARKETING AND PUBLICITY

The Group truthfully and objectively introduced its products and services and prohibited any false advertising. Graphics, content and placing channels of external publicity have to be submitted to and reviewed by the advertising department before releasing. Marketing activities and promotional materials are reviewed by the marketing department and approved by the Chief Executive Officer to assure their truthfulness and accuracy.

6.7 INTELLECTUAL PROPERTY RIGHTS PROTECTION

The Group acknowledges the importance of intellectual property rights. The Group conducts effective management on trademarks, patents and other intellectual property rights, registering and renewing all intellectual property related matters in accordance with relevant laws. To enhance their awareness of the importance of intellectual property rights protection, the Group's employees are consistently reminded to be cautious in handling intellectual property matters. The Group encourages and protects fair competition and strives to safeguard others' legitimate rights from being infringed.

During FY22/23, the Group was not aware of any incident relating to the Group's violation of laws and regulations on protection of intellectual property rights.

6.8 CUSTOMER DATA PROTECTION AND PRIVACY POLICY

During the course of its Travel Related Products and Services' operations, the Group may need to obtain customers' identification documents for the purposes of visa application, air ticket and hotel reservations, which may involve the handling of personal data. The Group is committed to protecting the privacy of its customers and has taken adequate security measures to ensure its customers' personal data are protected against unauthorised use or disclosure. The Group complies with the *Personal Data (Privacy) Ordinance of Hong Kong* to protect customer information. All information collected will only be used pursuant to the Group's privacy policy available on its website. The Group has also established an enquiry channel for its customers who would like to enquire, amend or delete their personal data. All personal data will only be obtained and processed by some authorised staff who have been trained on the Group's privacy policy. To enhance employees' awareness of the importance of personal data, all newly recruited employees are required to sign a confidentiality agreement and are reminded that any violation will be subject to legal liability.

During FY22/23, the Group was not aware of any incident relating to the Group's violation of laws and regulations on customer data privacy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6.9 OPERATIONS COMPLIANCE

During FY22/23, the Group has not identified any material non-compliance relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

6.10 ANTI-CORRUPTION POLICY AND WHISTLEBLOWER PROCEDURE

The Group is committed to upholding integrity in its business operations. Any form of bribery, extortion, fraud and money laundering can destroy the Group's long-established reputation and brand image. Therefore, the Group abides by the local laws and regulations relating to anti-corruption and bribery, including but not limited to the *Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong)*, the *Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong)* and *General Code of Conduct for TIC Members* in Hong Kong. To ensure a clear guidance for its employees, the Group has formulated the Employees' Code of Ethics and Conduct to regulate the offer of gifts and entertainment, money laundering, terrorist fundraising and conflict of interests, and to set out suggested actions and reporting protocols in details. The Group has also established the Anti-Fraud and Whistleblowing Policy to strengthen corporate governance and internal controls to safeguard the interests of the Group and its Shareholders, and to cultivate a culture of integrity. The policy covers professional behaviour of Directors and employees as well as associated remedies and penalties. The identity of the whistleblower is kept confidential and investigation is carried out anonymously depending on the circumstances. Any suspected illegal behaviour will be reported to the judicial authority once discovered. In case of false or malicious allegation, the whistleblower may be subject to disciplinary actions. Every year, the Group's employees are provided with online refresher training on code of ethics and conduct and anti-fraud and whistleblowing protocols, followed by a corresponding examination requiring a passing score of 75%.

During FY22/23, the Group has not identified any confirmed or suspected cases of bribery, extortion, fraud and money laundering. The Group upholds the code of good faith in any circumstance to ensure that its operations are in compliance with the laws and regulations.

7. COMMUNITY

7.1 COMMUNITY CHARITY AND INVESTMENT

The Group assumes corporate social responsibility while actively developing its businesses. The Group has been capitalising on its existing resources and advantages to serve the community. The Group believes the community needs help in many aspects and monetary donation alone may not be the most beneficial to the community. As such, the Group collaborates with various organisations to serve the community and encourage its employees to actively participate in community development. The Group continued to be named as "Caring Company" by the Hong Kong Council of Social Service for eleven consecutive years. In FY22/23, the Group was a keen supporter of the Lifeline Express Hong Kong Foundation and made donations to support the operation of the Lifeline Express hospital-train that aims to provide free operations for the underprivileged cataract patients in the PRC. Community investment requires multi-faceted cooperation. In the future, the Group will continue to capitalise on its existing resources and advantages to promote a better community.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



TABLE OF KEY PERFORMANCE

ESG Indicator	Unit	2022/2023	2021/2022 ^{e)}
A. Environmental Indicator			
A1 Emissions^{a)}			
A1.1 The types of emissions and respective emissions			
A1.2 Direct and energy indirect greenhouse gas emissions and intensity			
Total emission of greenhouse gas	tCO ₂ e	3,109.42	226.92
Greenhouse gas emission intensity ^{d)}	tCO ₂ e per HK\$'000	0.02	0.14
Greenhouse gas emissions (Scope 1)	tCO ₂ e	–	–
Greenhouse gas emissions (Scope 2) ^{b)}	tCO ₂ e	39.76	39.66
Greenhouse gas emissions (Scope 3) ^{c)}	tCO ₂ e	3,069.66	187.26
A1.3 Total hazardous waste produced and intensity			
Total hazardous waste	tonne	0.04	0.00
Hazardous waste intensity ^{d)}	tonne per HK\$'000	0.00	0.00
A1.4 Total non-hazardous waste produced and intensity			
Total non-hazardous waste	tonne	0.95	0.06
Non-hazardous waste intensity ^{d)}	tonne per HK\$'000	0.00	0.00
A2 Use of resources			
A2.1 Direct and indirect energy consumption by type in total and intensity			
Total energy consumption	kWh	101,945.43	75,036.67
Energy consumption intensity ^{d)}	kWh per HK\$'000	0.65	45.23
Direct energy consumption	kWh	–	–
Indirect energy consumption	kWh	101,945.43	75,036.67
A2.2 Water consumption in total and intensity			
Total water consumption	m ³	109.83	111.14
Water consumption intensity ^{d)}	m ³ per HK\$'000	0.001	0.07
A2.5 Total packaging material used for finished products	tonne	0.00 ^{g)}	N/A

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Indicator		Unit	2022/2023	2021/2022 ^{e)}
B.	Social Indicator			
B1	Employment			
B1.1	Total workforce by gender, employee category, age group and geographical region^{g)}			
	Total number of employees	person	74	32
Gender	Male	person	35	10
	Female	person	39	22
Employment type	Full-time	person	72	31
	Part-time	person	2	1
Employee category	Senior management	person	9	6
	Middle management	person	6	4
	Supervisors	person	16	14
	General staff	person	43	8
Age group	24 and below	person	1	–
	25-34	person	14	8
	35-44	person	28	14
	45-54	person	20	5
	55-64	person	5	1
	65 and above	person	6	4
Geographical region	Hong Kong	person	74	32
B1.2	Employee turnover rate by gender and age group^{h)}			
	Total employee turnover rate	%	5.0	16.4
Gender	Male employee turnover rate	%	4.0	38.3
	Female employee turnover rate	%	5.8	6.4
Age group	Turnover rate of employees aged 24 and below	%	25.0	–
	Turnover rate of employees aged 25-34	%	4.2	18.8
	Turnover rate of employees aged 35-44	%	4.2	11.3
	Turnover rate of employees aged 45-54	%	5.0	18.3
	Turnover rate of employees aged 55-64	%	5.0	116.7
	Turnover rate of employees aged 65 and above	%	6.9	2.1
Geographical region	Hong Kong	%	5.0	16.4
B2	Health and Safety			
B2.1	Number and rate of work-related fatalities			
	Number of work-related fatalities	case	–	–
	Rate of fatalities	%	–	–
B2.2	Lost days due to work injury			
	Lost days due to work injury	day	–	–
	Work-related injury	case	–	–

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



ESG Indicator		Unit	2022/2023	2021/2022 ^{e)}
B3	Development and Training¹⁾			
B3.1	The percentage of employees trained by gender and employee category			
	Percentage of employees trained	%	89.2	100.0
Gender	Percentage of male in employees trained	%	91.4	100.0
	Percentage of female in employees trained	%	87.2	100.0
Employee category	Percentage of senior management in employees trained	%	88.9	100.0
	Percentage of middle management in employees trained	%	83.3	100.0
	Percentage of supervisors in employees trained	%	100.0	100.0
	Percentage of general staff in employees trained	%	86.0	100.0
B3.2	The average training hours completed per employee by gender and employee category			
	Total training hours	hour	1,186.5	174.0
	Average training hours for employees	hour	16.0	5.4
Gender	Average training hours for male employees	hour	14.5	6.0
	Average training hours for female employees	hour	17.4	5.2
Employee category	Average training hours for senior management	hour	31.0	9.7
	Average training hours for middle management	hour	43.3	6.0
	Average training hours for supervisors	hour	33.6	4.6
	Average training hours for general staff	hour	2.6	3.5
Operational Indicator				
B5	Supply Chain Management			
B5.1	Number of suppliers by geographical region			
	Total number of suppliers	entity	269	19
	Hong Kong and Macau	entity	244	18
	Mainland China	entity	1	–
	Overseas	entity	24	1
B6	Product Responsibility			
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0.5	5.4
B6.2	Number of products and service-related complaints received	case	2	3
B7	Anti-corruption			
B7.1	Number of concluded legal cases regarding corrupt practices brought against the Company or its employees during the reporting period	case	–	–
B8	Community Investment			
B8.2	Resources contributed to the focus area			
	Charity donations	HKD	30,000	2,000

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Notes:

- a) Based on the business activities of the Group, exhaust emissions including nitrogen oxides (NO_x), sulfur oxides (SO_x) and other pollutants discharged under the national laws and regulations are not significant during its daily operations.
- b) GHG emissions (Scope 2) include indirect emissions of carbon dioxide generated from purchase of electricity. GHG emissions (Scope 2) is calculated with reference to the GHG emission intensity published in the CLP 2022 Sustainability Report.
- c) GHG emissions (Scope 3) include indirect emissions of carbon dioxide generated from paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments, and air, sea and land travel by the Group's customers and employees during tours. GHG emissions (Scope 3) generated from paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments are calculated with reference to the Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange, the unit electricity consumption published in the Water Supplies Department 2020/21 Annual Report and the purchased electricity consumption per sewage treated published in the Drainage Services Department 2020-21 Sustainability Report. GHG emissions (Scope 3) generated from air travel by the Group's customers and employees during tours are calculated with reference to the Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange and Greenhouse gas reporting: conversion factors 2021 published by the Department for Business, Energy & Industrial Strategy of United Kingdom.
- d) Intensity in FY22/23 was calculated by dividing the amount of greenhouse gas emissions, waste production and electricity and water consumption by the Group's revenue from Travel Related Products and Services and Retail Operations of HK\$157,730,000 (FY21/22: HK1,659,000).
- e) Part of the data for FY21/22 was restated for comparison purposes.
- f) Due to the additional reporting scope of the Retail Operations for FY22/23, 0.0005 tonnes of plastic and paper packaging bags have been consumed.
- g) The employment data in headcount was obtained from the Group's Human Resources department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.
- h) The turnover data in headcount was obtained from the Group's Human Resources department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employees who resigned in FY2022/23 by twelve months and then further by the number of employees in FY2022/23.
- i) The training information was obtained from the Group's Human Resources department. Training refers to the vocational training that the Group's employees attended in FY2022/23. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



ESG REPORTING GUIDE AND REFERENCE

A. Environmental	Section
A1. Emissions	
Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.1, 4.3, 4.4
KPI A1.1 The types of emissions and respective emission data.	4.1
KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1, Table of Key Performance
KPI A1.3 Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1, Table of Key Performance
KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1, Table of Key Performance
KPI A1.5 Description of emission target(s) set and steps taken to achieve them.	2.2, 4.1, 4.5
KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.2, 4.1, 4.5
A2. Use of Resources	
Policies on the efficient use of resources, including energy, water and other raw materials.	4.2
KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.2, Table of Key Performance
KPI A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility).	4.2, Table of Key Performance
KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	2.2, 4.2
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.2
KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.2, Table of Key Performance

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. Environmental	Section
A3. The Environment and Natural Resources	
Policies on minimizing the issuer's significant impact on the environment and natural resources.	4.1, 4.2, 4.3, 4.5
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.1, 4.2, 4.3, 4.5
A4. Climate Change	
Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4.6
KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.6
B. Social	Section
B1. Employment	
Policies and compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1, 5.5, 5.7
KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	5.1, Table of Key Performance
KPI B1.2 Employee turnover rate by gender, age group and geographical region.	5.1, Table of Key Performance
B2. Health and Safety	
Policies and compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.	5.2, 5.3, 5.7
KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.2, Table of Key Performance
KPI B2.2 Lost days due to work injury.	5.2, Table of Key Performance
KPI B2.3 Description of occupational health and safety measures adopted how they are implemented and monitored.	5.2, 5.3

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



B. Social	Section
B3. Development and Training	
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.4, 5.7
KPI B3.1 The percentage of employees trained by gender and employee category (e.g., senior management, middle management, etc.).	5.4, Table of Key Performance
KPI B3.2 The average training hours completed per employee by gender and employee category.	5.4, Table of Key Performance
B4. Labour Standards	
Policies and compliance with laws and regulations relating to preventing child and forced labour.	5.6, 5.7
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	5.6
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	5.6
B5. Supply Chain Management	
Policies on managing environmental and social risks of the supply chain.	6.1
KPI B5.1 Number of suppliers by geographical region.	6.1, Table of Key Performance
KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	6.1
KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. Social	Section
B6. Product Responsibility	
Policies and compliance with laws and regulations relating to health and safety. Advertising, labeling and privacy matters relating to products and services provided and method of redress.	6.2, 6.3, 6.4, 6.6, 6.8, 6.9
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	6.2, Table of Key Performance
KPI B6.2 Number of products and service-related complaints received and how they are dealt with.	6.5, Table of Key Performance
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	6.7
KPI B6.4 Description of quality assurance process and recall procedures.	6.2, 6.5
KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.8
B7. Anti-corruption	
Policies and compliance with laws and regulations relating to bribery, extortion, fraud and money laundering.	6.10
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	6.10, Table of Key Performance
KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	6.10
KPI B7.3 Description of anti-corruption training provided to directors and staff.	5.4
B8. Community Investment	
Policies on community engagement to understand the needs of the communities where we operate and to ensure that our activities take into consideration the communities' interests.	7.1
KPI B8.1 Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	7.1
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	7.1, Table of Key Performance

REPORT OF THE DIRECTORS



The Board hereby presents its annual report with the audited consolidated financial statements of the Group for FY22/23.

PRINCIPAL ACTIVITIES

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. Details of the principal activities of the Company's subsidiaries are set out in Note 39 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's businesses, an analysis of the Group's performance during FY22/23 using financial key performance indicators, a description of the principal risks and uncertainties facing the Group and an indication of the future development in the Group's businesses, are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this report, the sub-section headed "Principal Risks and Uncertainties" below and the notes to the consolidated financial statements.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with the requirements of relevant laws and regulations. During FY22/23, as far as the Board and management are aware of, there was no material breach or non-compliance with any applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to contributing to the sustainability of the environment and has implemented policies to minimise the impact on the environment from its business activities. The Group endeavours to refine the approach to addressing its environmental, social and ethical responsibilities along with improving its corporate governance in order to generate greater value for all stakeholders.

Details of the environmental, social and governance of the Group are set out in the section headed "Environmental, Social and Governance Report" in this report.

RELATIONSHIP WITH STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its key stakeholders, including its employees, customers and suppliers, to meet its immediate and long-term business goals. During FY22/23, there were no material and significant disputes between the Group and its employees, customers and suppliers.

The Group recognises employees as one of its valuable assets and strictly complies with the labour laws and regulations in Hong Kong and reviews regularly the existing staff benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as medical insurance. The Group provides good quality services to its customers and keeps a database for direct communications with recurring customers for developing a long-term trusted relationship. The Group also maintains effective communication and develops a long-term business relationship with the suppliers.

REPORT OF THE DIRECTORS

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The following are the key risks and uncertainties identified by the Group:

CATASTROPHIC EVENTS, POLITICAL INSTABILITY AND ISSUANCE OF ANY OUTBOUND TRAVEL ALERT

The Group's operation is vulnerable to interruption and damage from natural disasters including snowstorms, typhoons, tornado, volcanic eruption, earthquakes, fire, floods and similar events. Occurrence of natural disasters may reduce customers' sentiment to travel to those affected regions or countries since customers would generally perceive such occurrence as a risk that endangers their safety. For the same reason, occurrence of wars and acts or threats of terrorism, the outbreak or general apprehension of outbreak of any contagious or infectious disease and any material adverse change in the political and social situation in the destinations for which the Group's tours are bound could reduce customers' demand in travelling to those affected regions or countries. In addition, the issuance of an outbound travel alert by the Hong Kong SAR government as a result of any of the aforementioned events may defer the Group's customers from travelling to the affected destination, which may adversely affect the Group's business.

THE GROUP'S CONTINUING SUCCESS DEPENDS ON ITS REPUTATION AND BRAND RECOGNITION

The reputation of a travel agent is one of the major considerations for customers in their choice of travel agents. The Group believes its success in the past was largely dependent on its reputation and established brand built over the last 43 years of business. However, the Group's reputation and brand may be damaged by various factors including adverse publicity, customers' complaints over the Group's products and services, misconduct or negligence committed by the Group's employees or service providers and accidents during the tours giving rise to injuries to customers. The Group's quality control system will not completely eliminate the risk of substandard quality or safety issues relating to its products and services. If customers are dissatisfied with the Group's products or services or if incidents attracting adverse publicity arise, it may damage the Group's reputation and brand, which in turn will adversely affect its business, results of operation and prospects.

MATERIAL PORTION OF THE GROUP'S REVENUE DERIVES FROM THE SALES OF TOURS BOUND FOR JAPAN

Demand for Japan bound tours may be adversely affected by the happening of natural or other disasters, changes in Japan's political, economical or social environment, changes in the preference of the customers in Hong Kong or the exchange rate of JPY against HK\$. If the demand for the Group's Japan bound tours decreases and the Group is unable to increase its sales of package tours bound for other destinations to compensate for the decrease in demand for Japan bound tours, its business and results of operation may be adversely affected.

EXPOSURE TO FOREIGN EXCHANGE RISK PARTICULARLY IN RELATION TO JPY

The Group derives a majority of its revenue from the sales of travel products bound for Japan. Receipts from customers are denominated in HK\$ while the settlement of substantial portion of the Group's land costs, such as hotel tariffs, transportation costs, meal expenses and admission ticket costs are denominated in JPY. The difference in the exchange rates at which the payables are recorded and finally settled may give rise to transactional foreign currency exchange gain or loss. Moreover, certain of the Group's financial assets and liabilities, such as cash and cash equivalents, deposits and other receivables, trade payables and amounts due to related companies, are denominated in JPY and are therefore subject to translation difference at year-end exchange rates. Accordingly, the Group is exposed to foreign currency risk mainly arising from business transactions and assets and liabilities denominated in JPY, when significant fluctuations in the exchange rate of JPY against HK\$ could materially and adversely affect the Group's financial condition and results of operation.

IT SECURITY ISSUE AND LOSS OF DATA

The Group's online sales platform and operating systems are exposed to potential attacks from malicious intruders, which may significantly impact the Group's operations and adversely affect its reputation and reliability.

REPORT OF THE DIRECTORS



RESULTS AND APPROPRIATIONS

The results of the Group for FY22/23 are set out in the consolidated statement of profit or loss and other comprehensive income on page 70 in this report.

The Board does not recommend the payment of final dividend for FY22/23 (FY21/22: nil).

DONATIONS

Charitable and other donations made by the Group during FY22/23 amounted to approximately HK\$30,000 (FY21/22: approximately HK\$2,000).

SHARE CAPITAL

Details of the movements in the share capital of the Company during FY22/23 and FY21/22 and the Shares issued FY22/23 are set out in Note 32 to the consolidated financial statements and the sub-section headed "Management Discussion and Analysis — Liquidity and Financial Resources".

EVENTS AFTER THE REPORTING PERIOD

The Company completed its placing of 112,500,000 Fourth Placing Shares to not less than six placees at the placing price of HK\$0.160 per Fourth Placing Share on 2 June 2023. The placing price of HK\$0.160 per Fourth 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 Fourth Placing Shares amounted to approximately HK\$17.6 million, representing a net issue price of HK\$0.157 per Fourth 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.

On 11 February 2022, the Hong Kong SAR government published the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022, the main feature of which is that the Mandatory Provident Fund ("MPF") offsetting mechanism will be abolished on 1 May 2025, stopping employers from using the accrued benefits of their mandatory contributions under the MPF Scheme to offset any severance payment and long service payment payable to employees. Currently, the Group is allowed to offset severance payments and long service payments against its employees' MPF benefits derived from the Group's MPF contributions as the employer. As at the date of this report, an estimate of the financial effect on the Group as a result of the abolition of the MPF offsetting mechanism cannot be made as the exact implementation details concerning such mechanism have not been announced.

DISTRIBUTABLE RESERVES

Under the Companies Law of the Cayman Islands, share premium is distributable to the Shareholders, subject to the condition that immediately following the date on which the distribution or dividend is proposed to be made, the Company is able to pay its debts as they fall due in the ordinary course of business. Distributable reserves of the Company as at 31 March 2023, calculated according to the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to HK\$28,358,000 (31 March 2022: HK\$nil).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years ended 31 March is set out in the section headed "Financial Highlights" in this report.

REPORT OF THE DIRECTORS

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as set out in the sub-section headed “Share Option Scheme” below, no equity-linked agreements were entered into by the Group, or existed during FY22/23.

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 FY22/23.

SHARE OPTION SCHEME

The Share Option Scheme was adopted pursuant to a resolution passed by the Company's then shareholders on 16 December 2016 for the primary purpose of providing eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants (the “Eligible Participants”) of the Share Option Scheme include any employee, adviser, consultant, service provider, agent, customer, partner or joint venture partner of the Company or any of its subsidiaries. The Share Option Scheme became effective on 12 January 2017 (the “Listing Date”) and, unless otherwise cancelled or amended, will remain in force for 10 years commencing on the Listing Date. As at the date of this report, (i) the remaining life of the Share Option Scheme is about 3.6 years; and (ii) the total number of Shares available for issue under the Share Option Scheme is 40,000,000 Shares, representing 10% of the issued share capital of the Company as at the Listing Date.

Upon acceptance of an option to subscribe for Shares granted pursuant to the Share Option Scheme (the “Option”), the Eligible Participant shall pay HK\$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 21 days from the date on which the Option is granted. The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a day on which trading of Shares take place on the Stock Exchange (the “Trading Day”); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share. The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme does not exceed 10% of the Shares in issue as at the Listing Date.

The Company may at any time refresh such limit, subject to the Shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue at the time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the Shareholders has been obtained in accordance with the GEM Listing Rules.

There is no minimum period for which the Options must be held before the Options can be exercised unless otherwise determined by the Board. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during FY22/23 and there was no outstanding share option as at the date of this report.

REPORT OF THE DIRECTORS



DIRECTORS

The Directors during FY22/23 and up to the date of this report were:

EXECUTIVE DIRECTORS:

Mr. Yuen Chun Ning

Ms. Shawlain Ahmin (appointed on 22 June 2022)

Mr. Yuen Sze Keung (resigned on 16 January 2023)

Ms. Chan Suk Mei (resigned on 16 January 2023)

Mr. Choi Kam Yan Simon (appointed on 30 September 2022 and resigned on 1 June 2023)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Lee Hing Cheung Eric (appointed on 22 June 2022)

Mr. Lee Kwong Ming (appointed on 4 July 2022)

Ms. Gao Lili (appointed on 2 September 2022)

Mr. Leung Ka Cheong (appointed on 1 May 2023)

Mr. Wong Ping Kuen (appointed on 1 May 2023)

Mr. Lam Yiu Kin (resigned on 2 August 2022)

Mr. Yen Yuen Ho Tony (resigned on 2 August 2022)

Mr. Ho Wing Huen (resigned on 2 September 2022)

Pursuant to article 112 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Ms. Gao Lili, Mr. Leung Ka Cheong and Mr. Wong Ping Kuen will retire at the forthcoming AGM. Ms. Gao Lili will not offer herself for re-election while Mr. Leung Ka Cheong and Mr. Wong Ping Kuen, being eligible, will offer themselves for re-election.

Pursuant to article 108 of the Articles of Association, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at AGM, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Mr. Lee Hing Cheung Eric and Mr. CN Yuen will retire by rotation at the forthcoming AGM. Mr. Lee Hing Cheung Eric will not offer himself for re-election while Mr. CN Yuen, being eligible, will offer himself for re-election.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service agreement with the Company. Each service contract is for an initial term of three years and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing. No Director proposed for re-election at the forthcoming AGM has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESSES

Save as disclosed in this report, no transactions, arrangements and contracts of significance in relation to the Group's businesses to which the Company, any of its subsidiaries or its parent company was a party and in which a Director or the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of or at any time during FY22/23.

REPORT OF THE DIRECTORS

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management are set out in the section headed "Biographical Details of Directors and Senior Management" in this report.

DISCLOSURE OF INTERESTS

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

As at 31 March 2023, none of the Directors and chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the 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 31 March 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	17.6%

Notes:

- (i) According to Section 336 of the SFO, 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, Mr. SK Yuen and Mr. CN Yuen, respectively.

Save as disclosed above, as at 31 March 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.

REPORT OF THE DIRECTORS



DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the sub-section headed "Disclosure of Interests" above, at no time during FY22/23 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.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into or existed during FY22/23.

MAJOR CUSTOMERS AND SUPPLIERS

For FY22/23, the aggregate amount of sales attributable to the Group's five largest customers represented less than 30% of the Group's total sales.

The percentages of purchases for FY22/23 attributable to the Group's major suppliers are as follows:

	Percentage of the Group's total purchases
The largest supplier	16.8%
Five largest suppliers in aggregate	41.3%

None of the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of the Company's issued shares) had any interest in the major suppliers noted above.

CONNECTED TRANSACTIONS

The related party transactions as disclosed in Note 38 to the consolidated financial statements constituted connected transactions as defined under Chapter 20 of the GEM Listing Rules, which complied with the requirements thereunder.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Board on the basis of their performance, qualifications, competence and job nature. The remuneration of the Directors and senior management of the Group is recommended by the Remuneration Committee and is decided by the Board, having regard to the Group's operating results, comparable market statistics, the responsibilities and duties assumed by each Director and senior management member as well as their individual performance.

PERMITTED INDEMNITY PROVISIONS

The Articles of Association provide that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty in their offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any Director.

During FY22/23 and up to the date of this report, the Company has taken out and maintained appropriate insurance to cover potential legal actions against its Directors.

REPORT OF THE DIRECTORS

CONTROLLING SHAREHOLDERS' NON-COMPETING UNDERTAKING

Each of Ms. Chan, Mr. SK Yuen, Mr. CN Yuen and WWPKG Investment (the "Controlling Shareholders") has executed a deed of non-competition through which they shall not and shall procure each of their close associates and/or companies controlled by him (excluding any member of the Group) not to, whether on their own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (whether as an investor, a shareholder, partner, principal, agent, director, employee or otherwise and whether for profit, reward, interest or otherwise) any restricted business. For details of the deed of non-competition, please refer to the section headed "Relationship with Our Controlling Shareholders" in the prospectus of the Company dated 30 December 2016.

The Controlling Shareholders have confirmed in writing to the Company of their compliance with the deed of non-competition for disclosure in this report for FY22/23.

The independent non-executive Directors have reviewed the compliance by each of the Controlling Shareholders with the confirmations provided by or obtained from the Controlling Shareholders, they have confirmed that, as far as they can ascertain, there is no breach by any of the Controlling Shareholders of the undertakings in the deed of non-competition given by them.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

During FY22/23, each of the Directors, the Controlling Shareholders 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.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares as at the date of this report.

AUDITOR

There has been no change of auditor of the Company since FY21/22.

The consolidated financial statements for FY22/23 have been audited by BDO Limited, who will retire at the forthcoming AGM and a resolution for their reappointment as auditors of the Company will be proposed thereat.

By order of the Board

Yuen Chun Ning

Chairman

20 June 2023

INDEPENDENT AUDITOR'S REPORT



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TO THE SHAREHOLDERS OF WWPKG HOLDINGS COMPANY LIMITED

(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of WWPKG Holdings Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 70 to 143, which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

BASIS FOR OPINION (CONTINUED)

Key Audit Matter

Impairment of property, plant and equipment, right-of-use assets, goodwill, trade deposits and other prepayments attributable to the cash generating units ("CGUs")

Refer to Note 4.9 to the consolidated financial statements for the Group's accounting policies on impairment for non-financial assets and Note 5 on the critical accounting estimates and judgements in relation to the impairment.

As at 31 March 2023, the Group had property, plant and equipment, right-of-use assets, goodwill, trade deposits and other prepayments with net carrying amount of HK\$15,174,000, HK\$15,668,000, HK\$563,000, HK\$20,957,000 and HK\$6,174,000 respectively after impairment which allocated to CGUs of Travel Related Products and Services, Retail Operations and Catering Business.

Management prepared impairment assessment with the support of cash flow forecasts for the CGUs in accordance with the Group's accounting policy in Note 4.9. The recoverable amount was determined based on the value-in-use calculations of the CGUs. These calculations involved significant management judgement with respect to the assumptions used including gross margin and operating costs for the Travel Related Products and Services CGU, Retail Operations CGU and Catering Business CGU as well as pre-tax discount rate. Based on management's impairment assessment, no impairment of property, plant and equipment, right-of-use assets, goodwill and trade deposits and other prepayments was recognised for the Travel Related Products and Services CGU, Retail Operations CGU and Catering Business CGU for the year ended 31 March 2023.

Management's assessment on impairment of property, plant and equipment, right-of-use assets, goodwill, trade deposits and other prepayments is considered as a key audit matter because of the significant judgements and estimates involved in the management's impairment assessment.

Our responses:

Our procedures to address this key audit matter included:

- Assessing the appropriateness of the management's identification of CGUs based on the understanding of the Group's business;
- Understanding the management's key controls over the identification of impairment indications of the property, plant and equipment and right-of-use assets and the preparation of the cash flow forecasts of CGUs;
- Assessing the appropriateness of the valuation methodology used by management;
- Discussing business plans with management and assessing impact of the expected timing of uplifting of the travel restriction on the Group's business for the Travel Related Products and Services CGU;
- Evaluating the key assumptions used in the impairment assessment including the forecast revenue and operating expenses by applying our knowledge of the business and industry and comparing the forecast with historical trend and data of the Group of CGUs; and
- Evaluating of the competence, capabilities and objectivity of auditor's expert.

We found the key assumptions and judgements made in the impairment assessment supportable based on available evidence.

INDEPENDENT AUDITOR'S REPORT



OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

Chan Wing Fai

Practising Certificate no. P05443

Hong Kong, 20 June 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Note	2023 HK\$'000	2022 HK\$'000 (Re-presented)
Revenue	7	158,409	1,659
Cost of sales	9(a)	(129,731)	(567)
Gross profit		28,678	1,092
Other income and other (losses)/gains, net	8	545	5,833
Selling expenses	9(a)	(11,845)	(3,257)
Administrative expenses	9(a)	(24,825)	(15,395)
Operating loss		(7,447)	(11,727)
Finance costs, net	13	(617)	(365)
Share of results of a joint venture	19(a)	2,074	(1,565)
Loss before income tax		(5,990)	(13,657)
Income tax expense	14	—	—
Loss and total comprehensive loss for the year from continuing operations		(5,990)	(13,657)
Discontinued operation			
Loss and total comprehensive loss for the year from a discontinued operation, after tax	9(b)	(1,682)	(2,441)
Loss and total comprehensive loss for the year		(7,672)	(16,098)
Loss and total comprehensive loss for the year attributable to:			
Owners of the Company			
— From continuing operations		(2,780)	(13,547)
— From a discontinued operation		(1,345)	(1,953)
		(4,125)	(15,500)
Non-controlling interests			
— From continuing operations		(3,210)	(110)
— From a discontinued operation		(337)	(488)
		(3,547)	(598)
		(7,672)	(16,098)
Loss per share from continuing and discontinued operations			
Basic and diluted loss per Share (expressed in HK cents)	15	(0.82)	(3.75)
Loss per share from continuing operations			
Basic and diluted loss per Share (expressed in HK cents)	15	(0.55)	(3.28)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



As at 31 March 2023

	Note	2023 HK\$'000	2022 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	17(a)	15,174	1,690
Right-of-use assets	17(b)	15,668	8,658
Goodwill	18	563	–
Other non-current assets	22	2,878	804
Interest in a joint venture	19	11,159	9,085
		45,442	20,237
Current assets			
Inventories	20	9,384	218
Prepayments, deposits and other receivables	22	30,890	6,428
Due from a related company	38(c)	495	–
Cryptocurrencies	24	746	1,058
Cash and cash equivalents	25	45,739	11,037
		87,254	18,741
Current liabilities			
Trade payables	26	3,600	26
Accruals and other payables	27	58,634	4,488
Derivative financial instruments	23	121	58
Due to non-controlling shareholders of subsidiaries	28	10,045	–
Lease liabilities	30	6,644	3,294
Bank borrowings	29	825	4,068
		79,869	11,934
Net current assets			
		7,385	6,807
Total assets less current liabilities			
		52,827	27,044

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Note	2023 HK\$'000	2022 HK\$'000
Non-current liabilities			
Lease liabilities	30	9,817	5,598
Other non-current liabilities	27	1,001	290
Loans from a shareholder	38(d)	–	11,503
		10,818	17,391
Net assets			
		42,009	9,653
EQUITY			
Equity attributable to owners of the Company			
Share capital	32	5,681	4,000
Reserves		40,177	5,649
		45,858	9,649
Non-controlling interests	33	(3,849)	4
Total equity		42,009	9,653

The consolidated financial statements on pages 70 to 143 were approved for issue by the Board on 20 June 2023 and were signed on its behalf.

Yuen Chun Ning
Executive Director

Shawlain Ahmin
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



For the year ended 31 March 2023

	Attributable to owners of the Company						Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve (Note) HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
At 1 April 2022	4,000	56,667	12,004	2,500	(65,522)	9,649	4	9,653
Loss for the year	-	-	-	-	(4,125)	(4,125)	(3,547)	(7,672)
Total comprehensive loss for the year	-	-	-	-	(4,125)	(4,125)	(3,547)	(7,672)
Issue of Shares upon placing	1,681	35,775	-	-	-	37,456	-	37,456
Transaction costs on placing of Shares	-	(1,746)	-	-	-	(1,746)	-	(1,746)
Deemed capital contribution arising from loans from a shareholder	-	-	4,624	-	-	4,624	-	4,624
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	(306)	(306)
At 31 March 2023	5,681	90,696	16,628	2,500	(69,647)	45,858	(3,849)	42,009
At 1 April 2021	4,000	56,667	11,371	2,500	(50,022)	24,516	2	24,518
Loss for the year	-	-	-	-	(15,500)	(15,500)	(598)	(16,098)
Total comprehensive loss for the year	-	-	-	-	(15,500)	(15,500)	(598)	(16,098)
Capital injection from non-controlling interests of a subsidiary	-	-	-	-	-	-	600	600
Deemed capital contribution arising from loans from a shareholder	-	-	633	-	-	633	-	633
At 31 March 2022	4,000	56,667	12,004	2,500	(65,522)	9,649	4	9,653

Note: As at 31 March 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

	Note	2023 HK\$'000	2022 HK\$'000
Cash flows from operating activities			
Net cash generated from/(used in) operating activities	34(a)	13,888	(16,110)
Cash flows from investing activities			
Purchase of property, plant and equipment		(8,046)	(3,210)
Interest received		10	6
Proceeds from disposal of property, plant and equipment	34(a)	304	–
Proceeds from disposal of listed equity securities		–	9,886
Proceeds from disposal of cryptocurrencies		–	50
Net cash inflows from acquisition of subsidiaries	35	1,308	–
Release of short-term fixed deposits		–	600
Prepayment for purchase of property, plant and equipment		(1,188)	–
Net cash (used in)/generated from investing activities		(7,612)	7,332
Cash flows from financing activities			
Payments for lease liabilities (including interest)		(3,452)	(1,674)
Repayment of bank borrowings (including interest)		(3,317)	(3,314)
Advances from a shareholder		–	12,000
Repayment of loans from a shareholder		(7,000)	–
Advances from non-controlling shareholders of subsidiaries		6,485	–
Capital injection from non-controlling shareholder of a subsidiary		–	600
Issue of Shares upon placing		37,456	–
Payments for transaction costs on the placing of Shares		(1,746)	–
Net cash generated from financing activities		28,426	7,612
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		11,037	12,203
Cash and cash equivalents at end of the year		45,739	11,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



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, P.O. 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 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”).

The shares of the Company (the “Shares”) were listed on GEM on 12 January 2017.

The ultimate holding company of the Group is WWPKG Investment Holdings Limited (“WWPKG Investment”), a company incorporated in the British Virgin Islands (the “BVI”).

2 BASIC OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective terms include all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the HKICPA, the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The consolidated financial statements have been prepared under the historical cost convention, except for the derivative financial instruments, which were measured at fair value, at the end of the reporting period, as explained in the accounting policies set out in Note 4.

The HKICPA has issued new and revised HKFRSs that are first effective or available for early adoption for the current reporting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior reporting periods in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 ADOPTION OF NEW AND REVISED HKFRSs

3.1 ADOPTION OF AMENDED HKFRSs

The Group has applied for the first time the following amended HKFRSs issued by the HKICPA for the accounting period beginning on or after 1 April 2022:

Amendments to HKFRS 3 — Reference to the Conceptual Framework
Amendments to HKAS 16 — Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37 — Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018–2020

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 these consolidated financial statements.

3.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

The following new or amended HKFRSs potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 and HKFRS Practice Statement 2 — Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8 — Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to HKFRS 16 — Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 1 — Classification of Liabilities as Current or Non-current (the "2020 Amendments")	1 January 2024
Amendments to HKAS 1 — Non-current Liabilities with Covenants (the "2022 Amendments")	1 January 2024
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of what the impact of these new and amended HKFRSs is expected to be in the period of initial application and is not yet in a position to state whether these new and amended HKFRSs will result in substantial changes to the Group's accounting policies and financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



4 SIGNIFICANT ACCOUNTING POLICIES

4.1 PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 4.2).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity respectively.

(b) Joint arrangements

Under HKFRS 11 — Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, as well as the legal structure of the joint arrangement. The Group classifies its investments in joint arrangements as joint ventures.

Interest in a joint venture is accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position (refer to Note 4.1(c)).

(c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income ("OCI") of the investee in OCI. Dividend received or receivable from joint venture is recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Adjustments have been made where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 4.9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING (Continued)

(d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss or transferred to another category of equity as specified or permitted by applicable HKFRSs.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss or transferred to another category of equity where appropriate.

4.2 BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity, and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 BUSINESS COMBINATIONS (Continued)

Contingent consideration payable is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

4.3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Directors of the Company who make strategic decisions.

4.4 SEPARATE FINANCIAL STATEMENTS

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

4.5 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements is presented in Hong Kong dollars ("HK\$"), which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss ("FVPL") are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income ("FVOCI") are recognised in OCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter of the lease term, as follows:

Leasehold improvements	20% or over the lease term, whichever is shorter
Furniture, fixtures and office equipment	20% to 33.33% per annum
Motor vehicles	33.3% or over the lease term, whichever is shorter
Computer software	20% to 33.3% per annum
Website	20% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Note 4.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

4.7 CRYPTOCURRENCIES

Cryptocurrencies on hand at the end of the reporting period are accounted for under HKAS 38 — Intangible Assets as an intangible asset with an indefinite useful life measured at cost, which is the fair value upon receipt as described in Note 4.16(f) less accumulated impairment losses.

The Group has classified cryptocurrencies on hand at the end of the reporting period as current assets as management has determined that cryptocurrency markets have sufficient liquidity to allow conversion within the Group's normal operating cycle and the Group expects to realise them within that cycle.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 GOODWILL

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree over the fair value of the identifiable assets and liabilities measured as at the acquisition date.

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. A cash-generating unit ("CGU") is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit on a pro-rata basis on the carrying amount of each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable), its value in use (if determinable) or zero, whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

4.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An intangible asset with an indefinite useful life is tested for impairment annually, irrespective of whether there is any indication that they may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units or "CGUs"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 FINANCIAL INSTRUMENTS

(i) Financial assets

A financial asset is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

FVPL: Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 FINANCIAL INSTRUMENTS (Continued)

(i) Financial assets (Continued)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the OCI. This election is made on an investment-by-investment basis. Equity investments at FVOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss. All other equity instruments are classified as FVPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on financial assets at amortised cost and debt investments at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measures loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 FINANCIAL INSTRUMENTS (Continued)

(ii) Impairment loss on financial assets (Continued)

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account except for debt instruments at FVOCI, whereby the loss allowance is recognised in OCI and will not reduce the carrying amount of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 FINANCIAL INSTRUMENTS (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVPL are initially measured at fair value and financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, lease liabilities, due to non-controlling shareholders of subsidiaries and borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

4.11 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 DERIVATIVES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. However, the derivatives of the Group do not qualify for hedging accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and presented in "other income and other (losses)/gains, net". Trading derivatives are classified as a current asset or liability.

4.13 INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost is determined using first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated applicable selling expenses.

4.14 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.15 INCOME TAX

The income tax expense for the reporting period comprises current and deferred income tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.16 REVENUE RECOGNITION

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue is recognised after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if the Group's performance:

- provides benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

Determining whether the Group is acting as a principal or as an agent requires consideration of all relevant facts and circumstances, including whether (1) the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services; (2) the Group retains the inventory risk before and after the customer orders, during the provision of services or on return; (3) the Group has latitude in establishing prices; and (4) the Group is primarily responsible for fulfilling the promise to provide the specified goods or services. The Group's management performs the assessment based on the above mentioned factors and reaches the conclusion that the Group acts as a principal in the sales of package tours, and acts as an agent in the sales of FIT products and ancillary travel related products and services. Accordingly, the Group recognises revenue from the sales of package tours on a gross basis and sales of FIT products and ancillary travel related products and services on a net basis.

(a) Revenue from sales of package tours

Revenue from sales of package tours is recognised over time as the customer simultaneously receives and consumes all of the benefits provided by the Group's performance as the Group performs.

(b) Margin income from sales of FIT products

Margin income from sales of FIT products is recognised at a point in time when the booking services or tickets are delivered to and have been accepted by the customers.

(c) Margin income from sales of ancillary travel related products and services

Margin income from sales of ancillary travel related products and services is recognised at a point in time when the booking services, tickets or merchandise are delivered to and have been accepted by the customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.16 REVENUE RECOGNITION (Continued)

(d) Revenue from sales of lifestyle and healthcare products

Revenue from sales of lifestyle and healthcare products is recognised when the control of the products has been transferred to the customers, which is the point of acceptance by the customers.

(e) Revenue from catering services

Revenue from catering services is recognised at a point in time when food and beverages have been provided to the customers. Payment of the transaction price is due immediately after dining.

(f) Revenue from Cryptocurrency Mining

The Group engages in the provision of transaction verification services within cryptocurrency networks, commonly described as "cryptocurrency mining". As consideration for these services, the Group receives Ethereum ("ETH") coins from the specific cryptocurrency mining pool in which it participates. A cryptocurrency is considered earned on the completion and addition of a block to the blockchain, at which time the economic benefit is received and can be reliably measured. Revenue is recognised and measured based on the fair value of the cryptocurrencies received. The fair value is determined using the spot price of the cryptocurrencies on the date of receipt.

(g) Customer loyalty programme (contract liabilities)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. A contract liability for the award points is recognised at the time of the initial sale. Revenue is recognised when the award points are redeemed or when they expire after the initial sale.

(h) Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated statement of profit or loss and other comprehensive income and presented in "finance costs, net".

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (i.e. after deduction of the loss allowance).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.16 REVENUE RECOGNITION (Continued)

(i) Referral income and management services fee income

Referral income is recognised at a point in time when the services are rendered. Management services fee income is recognised overtime when the services are rendered according to the terms of the service agreement.

4.17 EMPLOYEE BENEFITS

(a) Short-term obligation

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The obligations are presented as current liabilities in the consolidated statement of financial position.

(b) Other long-term employee benefit obligations

Liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(c) Post-employment obligations

The Group operates defined contribution pension plans.

The Group has arranged for its employees to join the Mandatory Provident Fund Scheme, which is a defined contribution scheme managed by an independent trustee. For the defined contribution plan, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 SHARE-BASED PAYMENTS

(a) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which it receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

4.19 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 PROVISIONS AND CONTINGENT LIABILITIES (Continued)

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

4.20 LEASES

The Group as lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined, which is generally not the case for leases of the Group, otherwise, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate, adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.20 LEASES (Continued)

The Group as lessee (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- with the exception to which the practical expedient for COVID-19-Related Rent Concessions applies, if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain purchase option. Low-value assets comprise small items of office furniture.

4.21 RELATED PARTIES

- (a) A person or a close member of that person's family is related to the Group if that person:
- has control or joint control over the Group;
 - has significant influence over the Group; or
 - is a member of key management personnel of the Group or the Company's parent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.21 RELATED PARTIES (Continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
 - the entity is controlled or jointly controlled by a person identified in (a);
 - a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); or
 - the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- that person's children and spouse or domestic partner;
- children of that person's spouse or domestic partner; and
- dependents of that person or that person's spouse or domestic partner.

4.22 DIVIDEND DISTRIBUTION

Dividend distribution to the shareholders of the Company is recognised as a liability in the Group's consolidated statement of financial position in the period in which the dividends are approved by the shareholders of the Company or Directors, where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.23 GOVERNMENT GRANTS

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchases of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets. Note 8 provides further information on how the Group accounts for government grants.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

5.1 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, TRADE DEPOSITS, OTHER PREPAYMENTS AND GOODWILL

The Group follows the guidance of HKAS 36 — Impairment of Assets to determine whether property, plant and equipment, right-of-use assets, trade deposits, other prepayments and goodwill are required to be impaired or to be reversed with the exception of goodwill. Significant judgement is required to identify indicators of impairment or reversal of previously recognised impairment and determine the recoverable amount. In making this judgement and to determine whether impairment or reversal has occurred typically requires various estimates and assumptions. The Group evaluates, among other factors, the extent to which the recoverable amount of the asset is less than its carrying balance or vice versa, including factors such as industry performance and changes in operational cash flows. In turn, measurement of an impairment loss or reversal requires a determination of recoverable amount, which is based on management's estimates with the best information available. For the purpose of assessing impairment or reversal, assets are grouped at the lowest levels for which there are separately identifiable CGUs. The Group treats Travel Related Products and Services, Retail Operations, Catering Business and Cryptocurrency Mining as four separate CGUs. The recoverable amount of each CGU has been determined based on value-in-use calculations or fair value less costs of disposal calculations, whichever are higher. The calculations require the use of estimates, including gross margins and operating costs for the Travel Related Products and Services, Retail Operations and Catering Business, as well as pre-tax discount rate for those CGUs. Significant changes in the key assumptions on which the recoverable amount of the asset is based could significantly affect the Group's financial position and results of operations. For the year ended 31 March 2023, the Group recognised impairment of property, plant and equipment and right-of-use assets of HK\$Nil (2022: HK\$1,486,000) and HK\$Nil (2022: HK\$218,000), respectively. Refer to Note 17 and Note 18 for further details.

5.2 USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

Management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. Such estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

5.3 WRITE-DOWN OF INVENTORIES

The Group writes down inventories to net realisable value based on an assessment of the recoverability of inventories. The assessment of write-downs requires the management's judgement and estimates. Where expectation is different from an original estimate, the difference will impact the carrying values of inventories and may result in write-downs of inventories in the period in which such estimates have been changed.

5.4 INCOME TAXES

The Group is mainly subject to income taxes in Hong Kong. Judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for anticipated tax charges based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

6 FINANCIAL AND CAPITAL RISK MANAGEMENT

6.1 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management of the Group. Formal and informal management meetings are held to identify significant risks and to develop procedures to deal with any risks in relation to the Group's businesses.

(a) Foreign exchange risk

The Group operates principally in Hong Kong. It is exposed to foreign exchange risk primarily with respect to Japanese Yen ("JPY") denominated transactions arising from the costs of services consumed in hotel accommodations, tour bus services, and other travel-related services.

The foreign exchange risk of the Group mainly arises from cash and cash equivalents, deposits and other receivables, due from a related company, derivative financial instruments and other payables denominated in JPY, which are used in the provision of package tours services in Japan.

As at 31 March 2023, if JPY had strengthened/weakened by 5% with all other variables held constant, the post-tax loss would have been approximately HK\$155,000 lower/higher (2022: post-tax loss would have been approximately HK\$57,000 lower/higher), mainly as a result of foreign exchange gains/losses on revaluation of JPY denominated cash and cash equivalents, deposits and other receivables, due from a related company, derivative financial instruments and other payables.

The Group manages its exposures to foreign exchange transactions by monitoring the level of foreign currency receipts and payments and using foreign exchange forward contracts to manage against the foreign exchange risk arising from future operational transactions and recognised assets and liabilities. The Group ensures that the net exposure to foreign exchange risk is kept to an acceptable level from time to time. The Group also regularly reviews the portfolio of suppliers and the currencies in which the transactions are denominated so as to minimise the Group's exposure to foreign exchange risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

6.1 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under its terms and cause a financial loss to the Group. The Group's maximum exposure to credit risk, which mainly arises from deposits and other receivables, due from a related company and bank balances, is limited to the carrying amounts of financial assets recognised at the end of the reporting period, which are stated as follows:

	2023 HK\$'000	2022 HK\$'000
Deposits and other receivables	6,637	1,315
Due from a related company	495	–
Cash and cash equivalents	45,739	11,037
Maximum exposure to credit risk	52,871	12,352

(i) Risk management

The Group's deposits and other receivables and due from a related company are considered to have a low credit risk, as they have a low risk of default and the issuers have strong capacity to meet its contractual obligations in the near term.

The Group expects that there is no significant credit risk associated with cash at banks, as they are held in international financial institutions located in Hong Kong, which are of high credit quality.

(ii) Impairment of financial assets

The Group has two main types of financial assets that are subject to the expected credit loss model:

- cash at banks; and
- other financial assets at amortised cost (including deposits and other receivables and due from a related company).

While cash at banks are also subject to the impairment requirement of HKFRS 9, the identified impairment loss was immaterial.

For other financial assets at amortised cost, the Group considers that its credit risk has not increased significantly since initial recognition with reference to the counterparties' historical default rate and current financial position. The impairment is determined based on the 12-month ECL, which is close to zero.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



6 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

6.1 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Prudent liquidity risk management is upheld by maintaining sufficient cash and cash equivalents generated from the operating activities.

As at 31 March 2023, the Group had banking facilities in the aggregate amount of HK\$45,200,000 (2022: HK\$50,200,000), including a bank guarantee to suppliers in the amount of HK\$10,000,000 (2022: HK\$10,000,000) for future operating activities. The banking facilities were secured by corporate guarantee of the Company and do not contain any material covenants. The Group has not breached any covenants on its banking facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the amount of interest is not significant.

Specifically for bank borrowings that contain a repayment on demand clause, which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the Group can be required to pay, that is if the lender was to invoke their unconditional right to call the loans with immediate effect.

	On demand HK\$'000	Within 1 year HK\$'000	Between 1 to 2 years HK\$'000	Between 2 to 3 years HK\$'000	Between 3 to 4 years HK\$'000	Total HK\$'000
As at 31 March 2023						
Trade payables	-	3,600	-	-	-	3,600
Other payables	-	15,595	-	-	-	15,595
Derivative financial instruments	-	121	-	-	-	121
Lease liabilities	-	7,272	6,696	2,280	1,330	17,578
Bank borrowings	825	-	-	-	-	825
Due to non-controlling shareholders of subsidiaries	10,045	-	-	-	-	10,045
	10,870	26,588	6,696	2,280	1,330	47,764
As at 31 March 2022						
Trade payables	-	26	-	-	-	26
Other payables	-	3,350	-	-	-	3,350
Derivative financial instruments	-	58	-	-	-	58
Lease liabilities	-	3,578	3,046	2,767	-	9,391
Bank borrowings	4,068	-	-	-	-	4,068
Loans from a shareholder	-	-	12,000	-	-	12,000
	4,068	7,012	15,046	2,767	-	28,893

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

6.2 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholders of the Company, return capital to the shareholders of the Company, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio, which is derived from total borrowings, comprising bank borrowings and due to non-controlling shareholders of subsidiaries, to total assets:

	2023 HK\$'000	2022 HK\$'000
Bank borrowings	825	4,068
Loans from a shareholder	–	11,503
Due to non-controlling shareholders of subsidiaries	10,045	–
	10,870	15,571
Total assets	132,696	38,978
Gearing ratio	8.2%	39.9%

The decrease in the Group's gearing ratio was mainly attributable to the following:

- net cash generated from operations as a result of the resumption of the Group's outbound tours;
- the increase in cash and cash equivalents arising from issue of Shares upon placing as set out in Note 32;
- repayment of bank borrowings; and
- settlement of loans from a shareholder with a partial repayment and a waiver of the unpaid portion of the loans granted by such shareholder (refer to Note 38(d)), which was partially offset by advances from non-controlling shareholders of subsidiaries during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



6 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

6.3 FAIR VALUE ESTIMATION

The carrying amounts of the Group's financial assets and financial liabilities, including deposits and other receivables, due from a related company, cash and cash equivalents, trade and other payables, due to non-controlling shareholders of subsidiaries and bank borrowings approximate their fair values due to their short-term maturities.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 31 March 2023				
Liabilities				
Derivative financial instruments				
Foreign exchange forward contracts (Note 23)	–	(121)	–	(121)
As at 31 March 2022				
Liabilities				
Derivative financial instruments				
Foreign exchange forward contracts (Note 23)	–	(58)	–	(58)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of foreign exchange forward contracts held by the Group is determined using forward exchange rates at the year-end date, with the resulting value discounted back to present value.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no transfers between levels during the year.

6.4 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at 31 March 2023 and 2022, there were no financial assets or financial liabilities which were subject to offsetting, enforceable master netting or similar agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 REVENUE AND SEGMENT INFORMATION

(a) REVENUE

	2023 HK\$'000	2022 HK\$'000 (Re-presented)
Continuing operations		
Sales of package tours	122,949	1,543
Margin income from sales of FIT products	821	10
Margin income from sales of ancillary travel related products and services	1,789	106
Sales of lifestyle and healthcare products	32,171	–
Catering services	679	–
	158,409	1,659
Discontinued operation		
Revenue from Cryptocurrency Mining	195	1,182
	158,604	2,841

(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.

During the year ended 31 March 2023, Retail Operations and Catering Business that commenced operations in June 2022 and February 2023, respectively, were added as new reportable segments.

The Group is organised into five reportable 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



7 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) SEGMENT INFORMATION (Continued)

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 statements.

Year ended 31 March 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	125,559	-	32,171	679	195	158,604
Reportable segment profit/(loss)	3,896	2,074	(4,994)	(2,984)	(1,677)	(3,685)
Unallocated (expenses)/gains, net						(3,365)
Finance income						10
Finance costs						(632)
Loss before income tax						(7,672)
Income tax expense						-
Loss and total comprehensive loss for the year						(7,672)
Share of results of a joint venture	-	2,074	-	-	-	2,074
Depreciation of property, plant and equipment	350	-	301	460	365	1,476
Depreciation of right-of-use assets	3,095	-	822	566	82	4,565
Impairment loss on cryptocurrencies	-	-	-	-	507	507

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) SEGMENT INFORMATION (Continued)

Year ended 31 March 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	1,659	–	–	–	1,182	2,841
Reportable segment loss	(12,682)	(1,565)	–	–	(2,430)	(16,677)
Unallocated gains/(expenses), net						955
Finance income						6
Finance costs						(382)
Loss before income tax						(16,098)
Income tax expense						–
Loss and total comprehensive loss for the year						(16,098)
Share of results of a joint venture	–	(1,565)	–	–	–	(1,565)
Depreciation of property, plant and equipment	532	–	–	–	627	1,159
Depreciation of right-of-use assets	888	–	–	–	196	1,084
Impairment loss on property, plant and equipment	–	–	–	–	1,486	1,486
Impairment loss on right-of-use assets	–	–	–	–	218	218
Impairment loss on cryptocurrencies	–	–	–	–	91	91

For the year ended 31 March 2023, unallocated (expenses)/gains, net represent corporate (expenses)/gains (2022: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



7 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) SEGMENT INFORMATION (Continued)

Segment assets and liabilities are as follows:

Year ended 31 March 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	Unallocated HK\$'000		
Reportable segment assets	75,438	11,159	16,454	22,462	1,268	5,915	132,696	
Reportable segment liabilities	(59,589)	-	(4,868)	(25,670)	(91)	(469)	(90,687)	
Capital expenditure	3,581	-	2,038	14,324	-	-	19,943	

Year ended 31 March 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	Unallocated HK\$'000		
Reportable segment assets	22,282	9,085	-	-	3,178	4,433	38,978	
Reportable segment liabilities	(24,786)	-	-	-	(4,528)	(11)	(29,325)	
Capital expenditure	8,594	-	-	-	3,680	-	12,274	

Capital expenditure comprises additions to property, plant and equipment and right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) SEGMENT INFORMATION (Continued)

Segment assets and liabilities are reconciled to the Group's assets and liabilities as follows:

	2023		2022	
	Assets HK\$'000	Liabilities HK\$'000	Assets HK\$'000	Liabilities HK\$'000
Reportable segment assets/(liabilities)	126,781	(90,218)	34,545	(29,314)
Unallocated:				
Prepayments, deposits and other receivables	187	–	184	–
Cash and cash equivalents	5,728	–	4,249	–
Accruals and other payables	–	(469)	–	(11)
	132,696	(90,687)	38,978	(29,325)

(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. As at 31 March 2023, all non-current assets were located in Hong Kong (31 March 2022: same).

(d) REVENUE FROM MAJOR CUSTOMER

	2023 HK\$'000	2022 HK\$'000
Cryptocurrency Mining		
Customer A	–	1,182

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



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

	2023 HK\$'000	2022 HK\$'000 (Re-presented)
Continuing operations		
Other income		
Referral income	23	–
Management services fee income	144	144
Rent concessions	384	1,410
Subsidies (Note i)	–	1,800
Others	438	–
	989	3,354
Other (losses)/gains, net		
Exchange losses, net	(449)	(116)
Fair value losses on derivative financial instruments	(30)	(63)
Gain on disposal of listed equity securities in Hong Kong (Note ii)	–	2,658
Gain on lease modification	35	–
	(444)	2,479
Other income and other (losses)/gains, net	545	5,833
Discontinued operation		
Other (losses)/gains, net		
Gain on lease modification	84	–
Gain on disposal of cryptocurrencies	–	17
Loss on disposal of property, plant and equipment	(418)	–
	(334)	17

Notes:

- (i) Subsidies mainly represent grants received from Hong Kong SAR Government. There are no unfulfilled conditions or contingencies relating to these grants.
- (ii) Gain on disposal of listed equity securities represents the fair value gains up to the date of disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 EXPENSES BY NATURE

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

	2023 HK\$'000	2022 HK\$'000 (Re-presented)
Continuing operations		
Land costs (Note)	51,452	679
Air fare costs/(income)	45,498	(119)
Cost of inventories	32,152	–
Catering service costs	386	–
Short-term lease expenses	–	760
Low-value assets leases expenses	235	47
Advertising and promotion	1,408	1,111
Credit card fees	2,118	32
Employee benefits expenses, excluding Directors' benefits and interests	16,536	8,517
Directors' benefits and interests	2,026	1,880
Depreciation of property, plant and equipment	1,111	532
Depreciation of right-of-use assets	4,483	889
Provision for slow-moving inventories	–	86
Office, telecommunication and utility expenses	931	459
Legal and professional fees	2,403	1,318
Auditor's remuneration		
— Audit services	1,890	580
— Non-audit services	47	47
Others	3,725	2,401
	166,401	19,219

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



9 EXPENSES BY NATURE (CONTINUED)

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

	2023 HK\$'000	2022 HK\$'000 (Re-presented)
<i>Discontinued operation</i>		
Employee benefits expenses, excluding Directors' benefits and interests	353	266
Depreciation of property, plant and equipment	365	627
Depreciation of right-of-use assets	82	195
Impairment loss on property, plant and equipment	–	1,486
Impairment loss on right-of-use assets	–	218
Impairment loss on cryptocurrencies	507	91
Office, telecommunication and utility expenses	144	416
Legal and professional fees	7	59
Auditor's remuneration		
— Audit services	50	240
— Non-audit services	15	15
Others	15	16
	1,538	3,629

Note:

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 EXPENSES BY NATURE (CONTINUED)

(b) DISCONTINUED OPERATION

Due to the recent market and price volatility on the cryptocurrencies and the increasing cost of electricity, together with the increasing ETH-mining difficulty level, Cryptocurrency Mining was suspended on 15 June 2022. All mining rig equipment was sold on 16 February 2023 and the Group ceased to rent the associated office premises since October 2022.

The revenue, results and cash flows of the discontinued operation were as follows:

	Note	2023 HK\$'000	2022 HK\$'000 (Re-presented)
Revenue	7(a)	195	1,182
Other income and other (losses)/gains, net	8	(334)	17
Administration expenses	9(a)	(1,538)	(3,629)
Finance costs, net	13	(5)	(11)
Loss for the year from a discontinued operation		(1,682)	(2,441)
Loss for the year from a discontinued operation attributable to:			
Owner of the company		(1,345)	(1,953)
Non-controlling interests		(337)	(488)
		(1,682)	(2,441)
Operating cash (outflows)/inflows		(284)	1,129
Investing cash inflows/(outflows)		111	(68)
Financing cash outflows		(161)	(260)
Total cash (outflows)/inflows		(334)	801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



10 EMPLOYEE BENEFITS EXPENSES, EXCLUDING DIRECTORS' BENEFITS AND INTERESTS

	2023 HK\$'000	2022 HK\$'000 (Re-presented)
Continuing operations		
Salaries, discretionary bonuses and allowances (Note (i))	15,741	6,419
Pension costs — defined contribution plan (Note (ii))	622	768
Termination benefits	–	1,246
Other employee benefits	173	84
	16,536	8,517
Discontinued operation		
Salaries, discretionary bonuses and allowances (Note (i))	335	253
Pension costs — defined contribution plan (Note (ii))	18	13
Other employee benefits	–	–
	353	266

Notes:

- (i) The amount includes wage subsidies provided by the Hong Kong government under the Employment Support Scheme. There are no unfulfilled conditions or other contingencies relating to these subsidies.
- (ii) The Group has arranged for its employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), which is a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the entities of the Group (the employer) and its employees make monthly contributions to the scheme generally at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employer and the employees are subject to a maximum contribution of HK\$1,500 per month since June 2014 and thereafter contributions are voluntary.

There were no forfeited contributions utilised during the year ended 31 March 2023 to reduce future contributions (2022: nil). As at 31 March 2023, contributions totalling HK\$172,000 were payable (31 March 2022: HK\$37,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 DIRECTORS' BENEFITS AND INTERESTS

The remuneration of each Director of the Company paid/payable by the Group for the years ended 31 March 2023 and 2022 are set out below:

Year ended 31 March 2023

Name	Fees HK\$'000	Salaries, other allowances and benefits HK\$'000	Discretionary bonuses HK\$'000	Pension costs — defined contribution plan HK\$'000	Total HK\$'000
Executive Directors					
Yuen Chun Ning (Chairman and Chief Executive Officer) (Note i)	-	-	-	1	1
Shawlain Ahmin (Note ii)	-	186	-	10	196
Yuen Sze Keung (Note iii)	-	545	-	-	545
Chan Suk Mei (Note iv)	-	687	-	-	687
Choi Kam Yan, Simon (Note v)	-	241	-	9	250
Independent non-executive Directors ("INED")					
Lee Hing Cheung, Eric (Note vi)	93	-	-	-	93
Lee Kwong Ming, Kenny (Note vii)	89	-	-	-	89
Gao Lili (Note viii)	70	-	-	-	70
Lam Yiu Kin (Note ix)	34	-	-	-	34
Ho Wing Huen (Note ix)	34	-	-	-	34
Yen Yuen Ho Tony (Note x)	27	-	-	-	27
	347	1,659	-	20	2,026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



11 DIRECTORS' BENEFITS AND INTERESTS (CONTINUED)

Year ended 31 March 2022

Name	Fees HK\$'000	Salaries, other allowances and benefits HK\$'000	Discretionary bonuses HK\$'000	Pension costs — defined contribution plan HK\$'000	Total HK\$'000
Executive Directors					
Yuen Chun Ning (Chief Executive Officer) (Note i)	–	–	–	–	–
Yuen Sze Keung (Chairman) (Note iii)	–	720	–	–	720
Chan Suk Mei	–	900	–	–	900
Independent non-executive Directors (“INED”)					
Lam Yiu Kin	100	–	–	–	100
Ho Wing Huen	80	–	–	–	80
Yen Yuen Ho Tony	80	–	–	–	80
	260	1,620	–	–	1,880

Notes:

- (i) appointed as Chairman on 30 September 2022
- (ii) appointed as an executive Director on 22 June 2022
- (iii) resigned as Chairman on 30 September 2022 and an executive Director on 16 January 2023
- (iv) resigned as an executive Director on 16 January 2023
- (v) appointed as an executive Director on 30 September 2022 and resigned on 1 June 2023
- (vi) appointed as an INED on 22 June 2022
- (vii) appointed as an INED on 4 July 2022
- (viii) appointed as an INED on 2 September 2022
- (ix) resigned as an INED on 2 August 2022
- (x) resigned as an INED on 2 September 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 DIRECTORS' BENEFITS AND INTERESTS (CONTINUED)

The Group has not paid consideration to any third parties for making available Directors' services during the year ended 31 March 2023 (2022: same).

As at 31 March 2023, there were no loans, quasi-loans and other dealing arrangements in favour of the Directors, bodies corporate controlled by and connected entities with the Directors (31 March 2022: same).

Save as disclosed in Note 38 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at 31 March 2023 or at any time during the year ended 31 March 2023 (2022: same).

For the year ended 31 March 2023, six Directors (2022: six) have waived emoluments of HK\$2,395,000 (2022: HK\$2,900,000).

There were no amounts paid or receivable by Directors as an inducement to join or upon joining the Group during the year ended 31 March 2023 (2022: same).

There was no compensation paid or receivable by Directors or past Directors for the loss of office as a Director or for the loss of any other office in connection with the management of the affairs of the Company and its subsidiaries during the year ended 31 March 2023 (2022: same).

There were no other emoluments payable to the INEDs during the year ended 31 March 2023 (2022: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



12 FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals for the year ended 31 March 2023 included two Directors (2022: two), details of whose remuneration are set out in Note 11 above. Details of the remuneration of the remaining three highest paid employees (2022: three) for the years ended 31 March 2023 and 2022 are as follows:

	2023 HK\$'000	2022 HK\$'000
Salaries and allowances	2,809	2,400
Discretionary bonuses	10	–
Pension costs — defined contribution plan	51	36
	2,870	2,436

The emoluments on these individuals fell within the following bands:

	Number of individuals	
	2023	2022
Emolument bands		
HK\$Nil to HK\$1,000,000	2	2
HK\$1,000,001 to HK\$1,500,000	–	–
HK\$1,500,001 to HK\$2,000,000	1	1
	3	3

There were no amounts paid or receivable by the aforementioned three highest paid individuals (2022: nil) as an inducement to join or upon joining the Group during the year ended 31 March 2023 (2022: same).

There was no compensation paid or receivable by the aforementioned three highest paid individuals (2022: three) for the loss of any office in connection with the management of the affairs of the Company and its subsidiaries during the year ended 31 March 2023 (2022: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 FINANCE COSTS, NET

	2023 HK\$'000	2022 HK\$'000 (Re-presented)
<u>Continuing operations</u>		
Finance income		
Bank interest income	9	6
Finance costs		
Imputed interest on loans from a shareholder	(121)	(136)
Interest expense on lease liabilities	(431)	(77)
Interest expense on bank borrowings	(74)	(158)
	(626)	(371)
Finance costs, net	(617)	(365)
<u>Discontinued operation</u>		
Finance income		
Bank interest income	1	–
Finance costs		
Interest expense on lease liabilities	(6)	(11)
	(5)	(11)

14 INCOME TAX EXPENSE

The applicable rate of Hong Kong profits tax is 16.5% (2022: 16.5%). No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group does not have any assessable profit arising in Hong Kong during the years ended 31 March 2023 and 2022.

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 CONSOLIDATED FINANCIAL STATEMENTS



14 INCOME TAX EXPENSE (CONTINUED)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the taxation rate in Hong Kong as follows:

	2023 HK\$'000	2022 HK\$'000 (Re-presented)
Loss before income tax		
— Continuing operations	(5,990)	(13,657)
— Discontinued operation	(1,682)	(2,441)
	(7,672)	(16,098)
Tax calculated at a tax rate of 16.5%	1,266	2,656
Income not subject to tax	369	736
Expenses not deductible for tax purpose	(567)	(568)
Temporary differences not recognised	530	257
Tax losses for which no deferred income tax was recognised	(2,080)	(3,081)
Utilisation of tax losses previously not recognised	482	—
	—	—

15 BASIC AND DILUTED LOSS PER SHARE From continuing and discontinued operations

(a) Basic

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

	2023	2022 (Re-presented)
Loss attributable to owners of the Company (HK\$'000)		
— Continuing operations	(2,780)	(13,547)
— Discontinued operation	(1,345)	(1,953)
	(4,125)	(15,500)
Weighted average number of ordinary shares in issue ('000)	503,181	413,589
Basic loss per Share from continuing and discontinued operations (HK cents per Share)	(0.82)	(3.75)
Basic loss per share from continuing operations (HK cents per Share)	(0.55)	(3.28)
Basic loss per share from a discontinued operation (HK cents per Share)	(0.27)	(0.47)

(b) Diluted

Diluted loss per Share is the same as basic loss per Share due to the absence of potential dilutive ordinary shares during the year ended 31 March 2023 (2022: same).

The basic and diluted loss per Share for the years ended 31 March 2023 and 2022 have been adjusted to reflect the bonus element in the Placing Shares of the Company during the year.

Details of the movements in share capital have been set out in Note 32 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 DIVIDENDS

The Board does not recommend the payment of dividend for the year ended 31 March 2023 (2022: nil).

17 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Computer software HK\$'000	Website HK\$'000	Total HK\$'000
Year ended 31 March 2022						
Cost						
At 1 April 2021	3,458	6,582	858	1,599	9,536	22,033
Additions	–	3,127	–	–	–	3,127
Disposals	–	(282)	–	(58)	–	(340)
At 31 March 2022	3,458	9,427	858	1,541	9,536	24,820
Accumulated depreciation and impairment						
At 1 April 2021	(3,399)	(6,550)	(858)	(1,479)	(8,539)	(20,825)
Charge (Note 9(a))	(51)	(648)	–	(120)	(340)	(1,159)
Impairment loss (Note 9(a))	–	(1,486)	–	–	–	(1,486)
Disposals	–	282	–	58	–	340
At 31 March 2022	(3,450)	(8,402)	(858)	(1,541)	(8,879)	(23,130)
Closing net book amount						
At 31 March 2022	8	1,025	–	–	657	1,690
Year ended 31 March 2023						
Cost						
At 1 April 2022	3,458	9,427	858	1,541	9,536	24,820
Additions	11,403	3,840	358	–	–	15,601
Disposals	–	(3,908)	–	–	–	(3,908)
At 31 March 2023	14,861	9,359	1,216	1,541	9,536	36,513
Accumulated depreciation and impairment						
At 1 April 2022	(3,450)	(8,402)	(858)	(1,541)	(8,879)	(23,130)
Charge (Note 9(a))	(503)	(561)	(100)	–	(312)	(1,476)
Disposals	–	3,267	–	–	–	3,267
At 31 March 2023	(3,953)	(5,696)	(958)	(1,541)	(9,191)	(21,339)
Closing net book amount						
At 31 March 2023	10,908	3,663	258	–	345	15,174

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



17 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(a) PROPERTY, PLANT AND EQUIPMENT (Continued)

For the year ended 31 March 2023, depreciation expenses of HK\$848,000 (2022: HK\$888,000) was recognised in "administrative expenses" and HK\$628,000 (2022: HK\$271,000) was recognised in "selling expenses".

As at 31 March 2023, the Group had property, plant and equipment of HK\$15,174,000, right-of-use assets of HK\$15,668,000, trade deposits of HK\$20,957,000 and other prepayments of HK\$6,174,000 that were subject to impairment tests. The Group treats Travel Related Products and Services, Retail Operations and Catering Business as three separate CGUs and performed impairment assessments by considering the recoverable amounts of the underlying assets. The operating loss of Retail Operations and Catering Business are considered as impairment indicators. Hence, the Group's management has performed impairment assessments on the relevant property, plant and equipment, right-of-use assets, trade deposits and other prepayments by assessing their recoverable amounts based on the higher of value-in-use calculations or fair value less costs of disposal calculations.

The recoverable amounts of the CGUs are determined based on value-in-use calculations, which are higher than the fair value less costs of disposal calculations. The calculations use pre-tax cash flow projections based on financial budgets approved by the Directors and a discount rate of 14.08% for the Retail Operations CGU and 11.38% for the Catering Business are used. Key assumptions to the value-in-use calculations include gross margins and operating costs for the Retail Operations CGU and the Catering Business CGU, as well as pre-tax discount rate for those CGUs. As at 31 March 2023, the recoverable amounts were HK\$2,439,000 for the Retail Operations CGU and HK\$23,395,000 for the Catering Business CGU.

For the year ended 31 March 2023, the Group recognised impairment of property, plant and equipment and right-of-use assets of HK\$Nil (2022: HK\$1,486,000) and HK\$Nil (2022: HK\$218,000), respectively.

(b) RIGHT-OF-USE ASSETS

The Group has lease contracts for properties used in its operations. The movements during the year are set out below:

	Total HK\$'000
Year ended 31 March 2022	
Cost	
At 1 April 2021	12,289
Additions	562
Lease modification	8,585
At 31 March 2022	21,436
Accumulated depreciation and impairment	
At 1 April 2021	(11,476)
Charge (Note 9(a))	(1,084)
Impairment loss (Note 9(a))	(218)
At 31 March 2022	(12,778)
Closing net book amount	
At 31 March 2022	8,658

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(b) RIGHT-OF-USE ASSETS (Continued)

	Total HK\$'000
Year ended 31 March 2023	
Cost	
At 1 April 2022	21,436
Amounts recognised on business combinations (Note 35)	8,302
Additions	4,342
Effect of modification to lease terms	(1,149)
Termination of lease	(13,041)
At 31 March 2023	19,890
Accumulated depreciation and impairment	
At 1 April 2022	(12,778)
Charge (Note 9(a))	(4,565)
Effect of modification to lease terms	80
Termination of lease	13,041
At 31 March 2023	(4,222)
Closing net book amount	
At 31 March 2023	15,668

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2023 HK\$'000	2022 HK\$'000
Right-of-use assets		
Properties	15,668	8,658
Lease liabilities		
Current	6,644	3,294
Non-current	9,817	5,598
	16,461	8,892

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



17 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(b) RIGHT-OF-USE ASSETS (Continued)

(ii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2023 HK\$'000	2022 HK\$'000
Depreciation charge of right-of-use assets		
Properties	4,565	1,084
Interest expenses (included in finance costs)	437	88
Impairment loss on right-of-use assets	–	218
Expenses relating to short-term leases (included in selling expenses and administrative expenses)	–	760
Expenses relating to short-term leases of travel buses (included in land costs as part of cost of sales)	9,319	–
Expenses relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	235	47

The total cash outflow for leases including interest expenses during the year ended 31 March 2023 was approximately HK\$13,006,000 (31 March 2022 HK\$2,481,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various properties as travel agency branches, retail shops, restaurant and office premises. Lease contracts are typically made for fixed periods, but may have extension options as described in (iv) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(iv) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The Group recognises right-of-use assets with extension and termination options that are exercisable only by the Group and not by the respective lessor only if the Group is highly likely to exercise the options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 GOODWILL

	2023 HK\$'000	2022 HK\$'000
Gross carrying amount at 1 April	–	–
Acquisition of subsidiaries (Note 35)	563	–
Gross carrying amount at 31 March	563	–
Accumulated impairment losses at 31 March	–	–
Net book value at 31 March	563	–

IMPAIRMENT TEST FOR GOODWILL

A summary of the goodwill allocation is presented below:

	2023 HK\$'000	2022 HK\$'000
Retail Operations	344	–
Catering Business	139	–
Travel Related Products and Services	80	–
Gross carrying amount at 31 March	563	–

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budget and forecasts approved by management covering a 5-year period to 2028.

Key assumptions used for value-in-use calculations are:

- (i) Projected EBITDA has been based on past performance of the Group's respective CGUs and its expectation for the market development. Management considers EBITDA a proxy for operating cash flow.
- (ii) The discount rate applied to cash flows of the Group's respective CGUs is based on discount rate and reflects the specific risks relating to the relevant CGU. The discount rate applied in the value-in-use calculation is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



18 GOODWILL (CONTINUED)

	2023 HK\$'000	2022 HK\$'000
Retail Operations	14.08%	–
Catering Business	11.38%	–
Travel Related Products and Services	16.02%	–

The discount rate is adjusted to reflect the risk profile equivalent to those that the Group expects to derive from the assets.

In accordance with the Group's accounting policy on asset impairment, the carrying values of goodwill were tested for impairment at each reporting date. Note 5 contains information about the estimates, assumptions and judgements relating to goodwill impairment tests. The goodwill impairment tests revealed no need for goodwill impairment for the year ended 31 March 2023.

19 INTEREST IN A JOINT VENTURE

(a) SHARE OF NET ASSETS OF A JOINT VENTURE

	2023 HK\$'000	2022 HK\$'000
As at 1 April	9,085	10,650
Share of post-tax results of a joint venture	2,074	(1,565)
As at 31 March	11,159	9,085

Details of the joint venture as at 31 March 2023 and 2022 is set out below:

Name of joint venture	Place of incorporation	Issued and fully paid capital	Effective equity interest	Principal activities
Triplabs (BVI) Limited ("Triplabs")	BVI	HK\$20,000,000	50%	Investments in tourism and travel technology related business through a wholly-owned subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 INTEREST IN A JOINT VENTURE (CONTINUED)

(a) SHARE OF NET ASSETS OF A JOINT VENTURE (Continued)

Summarised statement of financial position

	2023 HK\$'000	2022 HK\$'000
ASSETS		
Non-current asset		
Financial assets at fair value through profit or loss	15,870	11,420
Current assets		
Prepayments	7	6
Cash and cash equivalents	6,651	6,948
	6,658	6,954
Total assets	22,528	18,374
LIABILITIES		
Current liability		
Accruals and other payables	210	204
Total liability	210	204
Net assets	22,318	18,170

Reconciliation of the above summarised statement of financial position to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2023 HK\$'000	2022 HK\$'000
Net assets of Triplabs	22,318	18,170
Proportion of the Group's ownership interest in Triplabs	50%	50%
Carrying amount of the Group's interest in Triplabs	11,159	9,085

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



19 INTEREST IN A JOINT VENTURE (CONTINUED)

(a) SHARE OF NET ASSETS OF A JOINT VENTURE (Continued)

Summarised statement of profit or loss and other comprehensive income

	2023 HK\$'000	2022 HK\$'000
Other income and gains/(losses), net	4,453	(2,870)
Administrative expenses	(308)	(260)
Operating profit/(loss)	4,145	(3,130)
Finance income	3	–
Profit/(loss) and total comprehensive income/(loss) for the year	4,148	(3,130)

(b) There are no material contingent liabilities and capital commitment relating to the Group's investment in the joint venture.

20 INVENTORIES

	2023 HK\$'000	2022 HK\$'000
Merchandise for sales	9,384	304
Less: Provision for slow-moving inventories	–	(86)
	9,384	218

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 FINANCIAL INSTRUMENTS BY CATEGORY

	2023 HK\$'000	2022 HK\$'000
Financial assets		
Financial assets at amortised cost		
Deposits and other receivables	6,637	1,315
Due from a related company	495	–
Cash and cash equivalents	45,739	11,037
	52,871	12,352
	52,871	12,352
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial instruments	121	58
	121	58
Financial liabilities at amortised cost		
Trade payables	3,600	26
Other payables	15,595	3,350
Lease liabilities	16,461	8,892
Loans from a shareholder	–	11,503
Due to non-controlling shareholders of subsidiaries	10,045	–
Bank borrowings	825	4,068
	46,526	27,839
	46,647	27,897

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



22 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES AND OTHER NON-CURRENT ASSETS

	2023 HK\$'000	2022 HK\$'000
Other non-current assets		
Rental deposits — non-current portion	1,690	804
Prepayments — non-current portion	1,188	–
	2,878	804
Prepayments, deposits and other receivables		
Trade deposits	20,957	5,384
Rental, utilities and other deposits	837	85
Prepayments	4,986	533
Other current assets	4,110	426
	30,890	6,428

The carrying amounts of prepayments, deposits and other receivables approximate their fair values as at 31 March 2023 and 2022.

Prepayments, deposits and other receivables and other non-current assets are denominated in the following currencies:

	2023 HK\$'000	2022 HK\$'000
HK\$	30,903	6,878
JPY	2,865	354
	33,768	7,232

23 DERIVATIVE FINANCIAL INSTRUMENTS

	2023 HK\$'000	2022 HK\$'000
Foreign exchange forward contracts — at fair value through profit or loss — Current liabilities	121	58

During the years ended 31 March 2023 and 2022, the Group entered into foreign exchange forward contracts to manage its foreign exchange rate exposures in relation to the settlement of land costs in JPY which did not meet the criteria for hedge accounting. The Group's policy is not to utilise trading derivative financial instruments for speculative purposes. As at 31 March 2023, the Group had outstanding foreign exchange forward contracts with notional principal amounts of HK\$3,078,000 (2022: HK\$698,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 CRYPTOCURRENCIES

	2023 HK\$'000	2022 HK\$'000
Gross carrying amount		
As at 1 April	1,149	–
Cryptocurrencies mined	195	1,182
Disposals	–	(33)
As at 31 March	1,344	1,149
Accumulated impairment		
As at 1 April	(91)	–
Impairment loss (Note 9(a))	(507)	(91)
As at 31 March	(598)	(91)
Closing net book value		
As at 31 March	746	1,058

At 31 March 2023, the Group held cryptocurrencies representing a carrying amount of HK\$746,000 (31 March 2022: HK\$1,058,000) as follows:

	2023 Coins HK\$'000	2022 Coins HK\$'000
Ethereum ("ETH")	53 746	43 1,058

As at 31 March 2023, the Group estimated the recoverable amounts of cryptocurrencies held by the Group which were determined based on their estimated fair values arrived at using available information for the reference prices in the relevant cryptocurrencies markets. The recoverable amounts were categorised under Level 1 fair value hierarchy as the fair values were based on a quoted (unadjusted) market price in active markets for identical assets. The Directors considered that there was HK\$507,000 impairment loss on cryptocurrencies as the recoverable amounts of cryptocurrencies as at 31 March 2023 (2022: HK\$91,000) were lower than their carrying amounts.

25 CASH AND CASH EQUIVALENTS

	2023 HK\$'000	2022 HK\$'000
Cash on hand	405	730
Cash at banks	45,334	10,307
Cash and cash equivalents	45,739	11,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



25 CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and cash equivalents are denominated in the following currencies:

	2023 HK\$'000	2022 HK\$'000
HK\$	41,819	9,833
JPY	1,784	960
EUR	1,474	–
Others	662	244
	45,739	11,037

26 TRADE PAYABLES

As at 31 March 2023 and 2022, the ageing analysis of trade payables based on invoice date are as follows:

	2023 HK\$'000	2022 HK\$'000
1 to 30 days	1,139	25
31 to 60 days	981	–
61 to 90 days	–	–
91 to 120 days	–	–
Over 120 days	1,480	1
	3,600	26

The carrying amounts of trade payables approximate their fair values as at 31 March 2023 and are denominated in HK\$.

27 ACCRUALS AND OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES

	2023 HK\$'000	2022 HK\$'000
Other non-current liabilities		
Provision for reinstatement cost (Note (i))	793	100
Provision for long service payment	208	190
	1,001	290
Accruals and other payables		
Contract liabilities (Note (ii))	43,039	1,138
Accrued staff costs	1,939	814
Payables in respect of property, plant and equipment	7,555	–
Other payables	6,101	2,536
	58,634	4,488

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 ACCRUALS AND OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Notes:

- (i) The movements in provision for reinstatement cost are set out below:

	2023 HK\$'000	2022 HK\$'000
At 1 April	100	100
Addition of new leases	483	–
Recognised on business combination	210	–
At 31 March	793	100

- (ii) The Group had the following contract liabilities recognised in the consolidated statement of financial position:

	2023 HK\$'000	2022 HK\$'000
Sales of package tours (Note (a))	42,392	1,114
Sales of retail products (Note (b))	536	–
Customer loyalty programme (Note (c))	111	24
	43,039	1,138

Notes:

- (a) The Group typically receives deposits from customers in advance of the tour departure dates and contract liabilities are recognised until the package tour services are provided.
- (b) Contract liabilities represent advance payments received from customers for retail products that have not yet been rendered to the customers.
- (c) The value attributable to the award of loyalty points as part of initial sales transaction is deferred until such time as the customers redeem their loyalty points within 24 months.

The movements in contract liabilities are set out below:

	2023 HK\$'000	2022 HK\$'000
As at 1 April	1,138	2,249
Revenue recognised that was included in the contract liabilities at the beginning of the year	(436)	(507)
Refund or forfeit deposits	(117)	(698)
Deposits received from customers in advance	42,454	94
As at 31 March	43,039	1,138

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



27 ACCRUALS AND OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Accruals and other payables and other non-current liabilities are denominated in the following currencies:

	2023 HK\$'000	2022 HK\$'000
HK\$	58,039	4,778
JPY	1,596	–
	59,635	4,778

28 DUE TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

The amounts due to non-controlling shareholders of subsidiaries are non-trade nature, unsecured, interest free and repayable on demand.

29 BANK BORROWINGS

	2023 HK\$'000	2022 HK\$'000
Bank borrowings, secured and repayable on demand (Note)	825	4,068

Note:

As at 31 March 2023, the bank borrowings were secured by undertakings provided by the executive Directors.

The contractual maturity of the bank borrowings that are repayable on demand is as follows:

	2023 HK\$'000	2022 HK\$'000
Within one year	825	3,243
In the second year	–	825
	825	4,068

The carrying amounts of bank borrowings approximate their fair values as at 31 March 2023.

The bank borrowings are denominated in HK\$ and interest-bearing at 2.75% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 LEASE LIABILITIES

Future lease payments are due as follows:

	Future lease payments		Present value of future lease payments	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Within one year	7,272	3,578	6,644	3,294
More than one year, but not exceeding two years	6,696	3,046	6,361	2,886
More than two years, but not more than four years	3,610	2,767	3,456	2,712
	17,578	9,391	16,461	8,892
Less: Future finance charges	(1,117)	(499)	N/A	N/A
Present value of lease obligations	16,461	8,892	16,461	8,892
Less: Amount due for settlement within 12 months (shown under current liabilities)			(6,644)	(3,294)
Amount due for settlement after 12 months			9,817	5,598

The carrying amounts of the Group's lease liabilities are denominated in HK\$.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



31 DEFERRED INCOME TAX

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

As at 31 March 2023, the Group did not recognise deferred income tax assets in respect of tax losses totalling HK\$98,330,000 (2022: HK\$88,649,000) that can be carried forward for offsetting against future taxable profits.

32 SHARE CAPITAL

	Number of Shares	Share capital HK\$'000
Authorised:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	10,000,000,000	100,000
Issued and fully paid:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 1 April 2021, 31 March 2022 and 1 April 2022	400,000,000	4,000
Issue of Shares upon placing	168,095,000	1,681
As at 31 March 2023	568,095,000	5,681

Note:

On 24 May 2022, 80,000,000 Shares were first placed and issued at a subscription price of HK\$0.281 each to not less than six placees at an aggregate consideration of HK\$22,480,000 of which HK\$800,000 was credited to share capital and the remaining balance of HK\$21,680,000 was credited to share premium account.

On 16 November 2022, 88,095,000 Shares were subsequently placed and issued at a subscription price of HK\$0.17 each to not less than six placees at an aggregate consideration of HK\$14,976,000 of which HK\$881,000 was credited to share capital and the remaining balance of HK\$14,095,000 was credited to share premium account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Group as at 31 March 2023 and 2022 that have material non-controlling interests.

Name of subsidiaries	Ownership interests and rights held by non-controlling interests		Non-controlling interests arising from acquisition of subsidiaries		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2023	2022	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Well Fed International Limited	49%	-	(123)	-	(1,507)	-	(1,630)	-
Sampi International Limited	35%	-	(185)	-	(1,162)	-	(1,347)	-
Individually immaterial subsidiaries with non-controlling interests	1-35%	1-20%	2	-	(878)	(598)	(872)	4
			(306)	-	(3,547)	(598)	(3,849)	4

Summarised financial information in respect of Well Fed International Limited and Sampi International Limited, which have material non-controlling interests are set out below. The summarised financial information below represented amounts before intragroup eliminations.

Well Fed International Limited	2023	2022
For the year ended 31 March	HK\$'000	HK\$'000
Revenue	679	-
Loss and total comprehensive loss for the year	(3,075)	-
Loss allocated to non-controlling interests	(1,507)	-
Dividend paid to non-controlling interests	-	-
Cash used in operating activities	(44)	-
Cash used in investing activities	(6,514)	-
Cash generated from financing activities	7,081	-
Net cash inflows	523	-
Current assets	909	-
Non-current assets	21,414	-
Current liabilities	(19,933)	-
Non-current liabilities	(5,723)	-
Net liabilities	(3,333)	-
Accumulated non-controlling interests	(1,630)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



33 NON-CONTROLLING INTEREST (CONTINUED)

Sampi International Limited	2023	2022
For the year ended 31 March	HK\$'000	HK\$'000
Revenue	24,712	–
Loss and total comprehensive loss for the year	(3,321)	–
Loss allocated to non-controlling interests	(1,162)	–
Dividend paid to non-controlling interests	–	–
Cash used in operating activities	(8,087)	–
Cash used in investing activities	(1,252)	–
Cash generated from financing activities	9,622	–
Net cash inflows	283	–
Current assets	9,556	–
Non-current assets	1,205	–
Current liabilities	(14,500)	–
Non-current liabilities	(110)	–
Net liabilities	(3,849)	–
Accumulated non-controlling interests	(1,347)	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 CASH FLOW INFORMATION

(a) CASH GENERATED FROM/(USED IN) OPERATIONS

	2023 HK\$'000	2022 HK\$'000
Loss before income tax expense from continuing operations	(5,990)	(13,657)
Loss before income tax expense from a discontinued operation	(1,682)	(2,441)
	(7,672)	(16,098)
Adjustments for:		
Depreciation of property, plant and equipment	1,476	1,159
Depreciation of right of use assets	4,565	1,084
Loss on disposal of property, plant and equipment	418	–
Impairment loss on property, plant and equipment	–	1,486
Impairment loss on right-of-use assets	–	218
Impairment loss on cryptocurrencies	507	91
Provision for slow-moving inventories	–	86
Rent concessions	(384)	(1,410)
Gain on lease modifications	(119)	–
Finance income and finance costs, net	622	376
Fair value losses on derivative financial instruments	30	63
Gain on disposal of listed equity securities in Hong Kong	–	(2,658)
Gain on disposal of cryptocurrencies	–	(17)
Share of results of a joint venture	(2,074)	1,565
Operating cash flows before changes in working capital	(2,631)	(14,055)
Changes in working capital:		
Inventories	(9,166)	52
Prepayments, deposits and other receivables	(22,107)	300
Due (from)/to related companies	(495)	79
Cryptocurrencies	(195)	(1,182)
Trade payables	3,574	26
Accruals, other payables and other non-current liabilities	44,908	(1,330)
Cash generated from/(used in) operations	13,888	(16,110)

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2023 HK\$'000	2022 HK\$'000
Cost disposed (Note 17(a))	3,908	340
Accumulated depreciation and impairment (Note 17(a))	(3,267)	(340)
Written off the prepaid fixed assets	81	–
Loss on disposal of property, plant and equipment (Note 8)	(418)	–
Proceeds from disposal of property, plant and equipment	304	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



34 CASH FLOW INFORMATION (CONTINUED) (b) NET CASH/(DEBT) RECONCILIATION

	2023 HK\$'000	2022 HK\$'000
Cash and cash equivalents	45,739	11,037
Lease liabilities	(16,461)	(8,892)
Bank borrowings	(825)	(4,068)
Loans from a shareholder	–	(11,503)
Due to non-controlling shareholders of subsidiaries	(10,045)	–
Net cash/(debt)	18,408	(13,426)

Movements in net cash/(debt) for the years ended 31 March 2023 and 2022:

	Cash HK\$'000	Lease liabilities due within 1 year HK\$'000	Lease liabilities due after 1 year HK\$'000	Bank borrowings repayable on demand HK\$'000	Loans from a shareholder due after 1 year HK\$'000	Due to non- controlling shareholders of subsidiaries due within 1 year HK\$'000	Total HK\$'000
Net cash as at 1 April 2021	12,203	(2,747)	–	(7,224)	–	–	2,232
Cash flow	(1,166)	1,674	–	3,314	(12,000)	–	(8,178)
New leases and effect of modification of lease payments	–	(9,141)	–	–	–	–	(9,141)
Interest expenses	–	(88)	–	(158)	(136)	–	(382)
Rent concessions	–	1,410	–	–	–	–	1,410
Deemed capital contribution	–	–	–	–	633	–	633
Other non-cash movement (Note)	–	5,598	(5,598)	–	–	–	–
Net debt as at 31 March 2022	11,037	(3,294)	(5,598)	(4,068)	(11,503)	–	(13,426)
Amounts recognised on business combinations	–	(8,302)	–	–	–	(3,560)	(11,862)
Cash flow	34,702	3,452	–	3,317	7,000	(6,485)	41,986
New leases and effect of modification of lease payments	–	(2,666)	–	–	–	–	(2,666)
Interest expenses	–	(437)	–	(74)	(121)	–	(632)
Rent concessions	–	384	–	–	–	–	384
Deemed capital contribution	–	–	–	–	4,624	–	4,624
Other non-cash movement (Note)	–	4,219	(4,219)	–	–	–	–
Net cash as at 31 March 2023	45,739	(6,644)	(9,817)	(825)	–	(10,045)	18,408

Note:

Other non-cash movements during the years ended 31 March 2023 and 2022 mainly include reclassification of lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 BUSINESS COMBINATION

On 31 May 2022, the Company entered into an agreement with Ms. Ma Wing Kiu Arwen (the "Vendor"), pursuant to which the Company agreed to purchase and the Vendor agreed to sell the entire share capital of Infinite Perfection Asia Limited ("Infinite Perfection") at the consideration of HK\$1. Infinite Perfection is an investment holding company, which has 65% shareholding in each of its three subsidiaries collectively engaging in the Retail Operations. On 3 January 2023, Infinite Perfection has entered into an agreement with Ms. Choi Chun Kei, pursuant to which Infinite Perfection agreed to acquire 65% equity interest in Guyguide Limited at the consideration of HK\$80,000. Guyguide Limited is a travel agent, which principally engages in the provision of Travel Related Products and Services in Hong Kong.

On 19 December 2022, Awesome Management Holdings Limited ("Awesome Catering"), a wholly-owned subsidiary of the Company, Mr. Chan Chun Hong, Ms. Ng Cheuk Nam and Well Fed International Limited (the "JV Company") entered into the joint venture agreement, pursuant to which, Awesome Catering conditionally agreed to subscribe for, and the JV Company conditionally agreed to allot and issue 5,100 shares, which represent 51.0% of the total enlarged issued share capital of the JV Company upon completion, at a subscription price of HK\$5,100. Awesome Catering is an investment holding company incorporated in the BVI, which is directly and wholly owned by the Company. The JV Company principally engages in the Catering Business.

During 2023, the Company completed a total of 3 acquisitions, their fair value of identifiable assets and liabilities as at the date of acquisition were as follows:

	Infinite Perfection HK\$'000	Well Fed International Limited HK\$'000	Guyguide Limited HK\$'000	Total HK\$'000
Right-of use assets	781	7,521	–	8,302
Prepayments, deposits and other receivables and other non-current assets	1,726	1,567	–	3,293
Cash and cash equivalents	1,211	112	65	1,388
Lease liabilities	(781)	(7,521)	–	(8,302)
Accruals and other payables and other non-current liabilities	(1,746)	(99)	(65)	(1,910)
Due to non-controlling shareholders	(1,718)	(1,842)	–	(3,560)
Total identifiable net liabilities at fair value	(527)	(262)	–	(789)
Non-controlling interests	183	123	–	306
Total identifiable net liabilities at fair value attributable to the Group	(344)	(139)	–	(483)
Goodwill	344	139	80	563
	–	–	80	80
Satisfied by:				
Cash consideration	–	–	80	80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



35 BUSINESS COMBINATION (CONTINUED)

The goodwill of approximately HK\$563,000, which is not deductible for tax purposes, mainly represents the control premium paid, skills and technical talent of acquired businesses' s workforce and the expected synergies to be achieved from integrating acquired businesses into the Group's businesses and future market development. These benefits could not be separately recognised from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The fair value of prepayments, deposits and other receivables and other non-current assets at the date of acquisition is approximately the contractual amounts of those prepayments, deposits and other receivables and other non-current assets acquired.

The Group has elected to measure the non-controlling interests in acquired businesses at its proportionate share of the acquired net identifiable liabilities. The amount of the non-controlling interests at the acquisition date amounted to approximately HK\$306,000.

An analysis of the cash flows in respect of acquisition of subsidiaries for the year ended 31 March 2023 are as follows:

	2023 HK\$'000
Cash consideration paid	(80)
Cash and cash equivalents acquired	1,388
Net cash inflows arising from acquisition of subsidiaries	1,308

Since the acquisition date, Infinite Perfection has contributed revenue of HK\$32,171,000 and a loss of HK\$5,023,000 to the Group. If the acquisition had occurred on 1 April 2022, the Group's revenue would have been HK\$158,409,000 and the Group's loss for the year would have been HK\$7,821,000.

Since the acquisition date, Well Fed International Ltd has contributed revenue of HK\$679,000 and a loss of HK\$3,075,000 to the Group. If the acquisition had occurred on 1 April 2022, the Group's revenue would have been HK\$158,409,000 and the Group's loss for the year would have been HK\$8,116,000.

Since the acquisition date, Guyguide Limited has contributed revenue of HK\$Nil and a profit of HK\$49,000 to the Group. If the acquisition had occurred on 1 April 2022, the Group's revenue would have been HK\$158,409,000 and the Group's loss for the year would have been HK\$8,182,000.

36 CONTINGENCIES

As at 31 March 2023, the Group did not have any significant contingent liabilities (2022: same).

37 CAPITAL COMMITMENT

As at 31 March 2023, the outstanding capital commitments of the Group not provided for in the financial statements are summarised as follows:

	2023 HK\$'000	2022 HK\$'000
Commitments in respect of leasehold improvements		
— authorised and contracted for	726	—
— authorised but not contracted for	—	—
	726	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 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 or balances with the Group as at and for the years ended 31 March 2023 and 2022:

Name of related party	Relationship with the Group
Mr. Yuen Chun Ning	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
WWPKG Investment	Controlled by a Director, which is an ultimate holding company of the Group

Other than those transactions and balances disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties during the years ended 31 March 2023 and 2022:

(a) TRANSACTIONS WITH RELATED PARTIES

	2023 HK\$'000	2022 HK\$'000
Rental payments (Note)		
Sky Right Investment Limited	1,410	1,410
Booking services fee expense		
Y's Japan Limited	933	–
Management services fee income		
Triplabs Limited	144	144

Note:

During the year ended 31 March 2023, 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 (2022: HK\$1,410,000) was recognised in "other income and other 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 CONSOLIDATED FINANCIAL STATEMENTS



38 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:

	2023 HK\$'000	2022 HK\$'000
Salaries and allowances	3,731	3,548
Pension cost — defined contribution plan	54	38
	3,785	3,586

(c) DUE FROM A RELATED COMPANY

	2023 HK\$'000	2022 HK\$'000
— Y's Japan Limited	495	–

The amount due from a related company arising from trading activities was unsecured, interest-free, repayable on demand and denominated in JPY.

(d) LOANS FROM A SHAREHOLDER

	2023 HK\$'000	2022 HK\$'000
— WWPKG Investment	–	11,503

The Company obtained a loan facility totalling HK\$15.0 million from its ultimate parent of which HK\$12.0 million had been drawn down by the Group. As at 31 March 2022, these loans from a shareholder were unsecured, interest-free, repayable twenty-four months from the dates of drawdown, denominated in HK\$ and carried at amortised cost using the effective interest rate of 2.75% per annum. On 16 August 2022, the Company accepted the option offered by its ultimate parent to settle the outstanding loans with principal amounts of HK\$12.0 million and terminate the facility through a one-off payment of HK\$7.0 million (the "Repayment Option"). The Directors considered that the Repayment Option is fair and reasonable, on better terms and in the interests of the Company and the shareholders of the Company as a whole. As a result of exercising the Repayment Option, the unpaid portion of the loans was recognised as deemed capital contribution arising from waiver of loans from a shareholder in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 SUBSIDIARIES

As at 31 March 2023 and 2022, the Company had direct and indirect interests in the following principal subsidiaries:

Name of company	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held		Proportion of ordinary shares held by non-controlling interests
				by Company directly	by Company indirectly	
WWPKG Management Company Limited	British Virgin Island, limited liability company	Investment holding in Hong Kong	1 ordinary share	100%	–	–
Package Tours (Hong Kong) Limited	Hong Kong, limited liability company	Provision of package tour services in Hong Kong	100,000 ordinary shares	–	98.71%	1.29%
Worldwide Package Travel Service Limited	Hong Kong, limited liability company	Acting as a travel agent for sales of package tours, FIT products and ancillary travel related products and services in Hong Kong	15,000 ordinary shares	–	100%	–
Firepower Technology Limited	Hong Kong, limited liability company	Engagement in the process of gaining cryptocurrencies by solving cryptographic equations through blockchain technologies in Hong Kong	3,000,000 ordinary shares	–	80%	20%
Infinite Perfection Asia Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	1 ordinary share	100%	–	–
Darren Trading Company Limited	Hong Kong, limited liability company	Engagement in the sales of lifestyle and healthcare products and services via retail stores and/or e-commerce	10,000 ordinary shares	–	65%	35%
Lotso Bear Trading Limited	Hong Kong, limited liability company	Engagement in the sales of lifestyle and healthcare products and services via retail stores and/or e-commerce	10,000 ordinary shares	–	65%	35%
Sampi International Limited	Hong Kong, limited liability company	Engagement in the sales of lifestyle and healthcare products and services via retail stores and/or e-commerce	10,000 ordinary shares	–	65%	35%
Guyguide Limited	Hong Kong, limited liability company	Engagement in the provision of travel related products and services as a travel agent in Hong Kong	500,000 ordinary shares	–	65%	35%
Awesome Catering Holdings Company Limited	British Virgin Island, limited liability company	Investment holding in Hong Kong	100 ordinary shares	100%	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



39 SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held		Proportion of ordinary shares held by non-controlling interests
				by Company directly	by Company indirectly	
Awesome Management Services Company Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	10,000 ordinary shares	–	100%	–
Well Fed International Limited	Hong Kong, limited liability company	Engagement in catering business of selling food and drinks in Hong Kong and any other business ancillary thereto	10,000 ordinary shares	–	51%	49%
WWPKG Concept (BVI) Limited	British Virgin Island, limited liability company	Investment holding in Hong Kong	100 ordinary shares	100%	–	–
WWPKG Concept Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	500,000 ordinary shares	–	100%	–

40 EVENTS AFTER THE REPORTING PERIOD

The Company completed its placing of 112,500,000 Shares (“Fourth Placing Shares”) to not less than six placees at the placing price of HK\$0.160 per Fourth Placing Share on 2 June 2023. The placing price of HK\$0.160 per Fourth 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 Fourth Placing Shares amounted to approximately HK\$17.6 million, representing a net issue price of HK\$0.157 per Fourth 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.

On 11 February 2022, the Hong Kong SAR government published the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022, the main feature of which is that the Mandatory Provident Fund (“MPF”) offsetting mechanism will be abolished on 1 May 2025, stopping employers from using the accrued benefits of their mandatory contributions under the MPF Scheme to offset any severance payment and long service payment payable to employees. Currently, the Group is allowed to offset severance payments and long service payments against its employees’ MPF benefits derived from the Group’s MPF contributions as the employer. As at the date of this report, an estimate of the financial effect on the Group as a result of the abolition of the MPF offsetting mechanism cannot be made as the exact implementation details concerning such mechanism have not been announced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (a) STATEMENT OF FINANCIAL POSITION OF THE COMPANY AS AT 31 MARCH 2023

	Note	2023 HK\$'000	2022 HK\$'000
ASSETS AND LIABILITIES			
Non-current asset			
Investment in subsidiaries		2	–
		2	–
Current assets			
Prepayments, deposits and other receivables		187	184
Due from subsidiaries		28,591	8,377
Cash and cash equivalents		5,728	4,249
		34,506	12,810
Current liabilities			
Due to a subsidiary		1	–
Accruals and other payables		468	10
		469	10
Net current assets		34,037	12,800
Total assets less current liabilities		34,039	12,800
Non current liability			
Loans from a shareholder		–	11,503
Net assets		34,039	1,297
EQUITY			
Equity attributable to owners of the Company			
Share capital	41(b)	5,681	4,000
Reserves	41(b)	28,358	(2,703)
Total equity		34,039	1,297

The statement of financial position of the Company was approved by the Board of Directors on 20 June 2023 and was signed on its behalf.

Yuen Chun Ning
Director

Shawlain Ahmin
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



41 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(b) STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2022	4,000	56,667	633	(60,003)	1,297
Loss for the year	-	-	-	(7,592)	(7,592)
Total comprehensive loss for the year	-	-	-	(7,592)	(7,592)
Issue of Shares upon placing	1,681	35,775	-	-	37,456
Transaction costs on placing of Shares	-	(1,746)	-	-	(1,746)
Deemed capital contribution arising from loans from a shareholder	-	-	4,624	-	4,624
As at 31 March 2023	5,681	90,696	5,257	(67,595)	34,039
At 1 April 2021	4,000	56,667	-	(43,602)	17,065
Loss for the year	-	-	-	(16,401)	(16,401)
Total comprehensive loss for the year	-	-	-	(16,401)	(16,401)
Deemed capital contribution arising from loans from a shareholder	-	-	633	-	633
At 31 March 2022	4,000	56,667	633	(60,003)	1,297

FINANCIAL HIGHLIGHTS

A summary of the results and of the assets, liabilities and equities of the Group for the last five financial years is as follows.

	Year ended 31 March				
	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000
Results					
Revenue	158,604	2,841	2,564	254,915	322,600
Loss before income tax	(7,672)	(16,098)	(16,609)	(26,098)	(32,673)
Income tax expense	-	-	-	-	(724)
Loss for the year	(7,672)	(16,098)	(16,609)	(26,098)	(33,397)
	As at 31 March				
	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000
Assets and liabilities					
Current assets	87,254	18,741	27,920	41,991	86,021
Non-current assets	45,442	20,237	12,671	17,081	21,905
Total assets	132,696	38,978	40,591	59,072	107,926
Current liabilities	(79,869)	(11,934)	(15,712)	(14,597)	(39,913)
Non-current liabilities	(10,818)	(17,391)	(361)	(3,348)	(653)
Total liabilities	(90,687)	(29,325)	(16,073)	(17,945)	(40,566)
EQUITY					
Equity attributable to owners of the Company	42,009	9,653	24,518	41,127	67,360