

專業旅運(亞洲)企業有限公司 Travel Expert (Asia) Enterprises Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1235)



專業旅運[®]
Travel **Expert**

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Pages

CONTENTS

02	Corporate Information
03	Financial Highlights
04	Chairman’s Statement
06	Management Discussion and Analysis
12	Other Information
18	Condensed Consolidated Statement of Comprehensive Income
20	Condensed Consolidated Statement of Financial Position
22	Condensed Consolidated Statement of Changes in Equity
23	Condensed Consolidated Statement of Cash Flows
24	Notes to the Condensed Consolidated Interim Financial Statements



CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Ko Wai Ming, Daniel (*Chairman*)
Ms. Cheng Hang Fan
(*Chief Executive Officer*)

Independent Non-executive Directors

Mr. Chau Kwok Wing, Kelvin
Mr. Mak King Sau
Mr. Yung Ha Kuk, Victor

AUDIT COMMITTEE

Mr. Yung Ha Kuk, Victor (*Chairman*)
Mr. Chau Kwok Wing, Kelvin
Mr. Mak King Sau

NOMINATION COMMITTEE

Mr. Chau Kwok Wing, Kelvin (*Chairman*)
Mr. Ko Wai Ming, Daniel
Mr. Mak King Sau
Mr. Yung Ha Kuk, Victor

REMUNERATION COMMITTEE

Mr. Mak King Sau (*Chairman*)
Ms. Cheng Hang Fan
Mr. Chau Kwok Wing, Kelvin
Mr. Yung Ha Kuk, Victor

COMPANY SECRETARY

Ms. Cheng Yin Wah

AUDITOR

BDO Limited

PRINCIPAL BANKER

Hang Seng Bank Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8th Floor, Guangdong Finance Building
88 Connaught Road West
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P. O. Box 1586, Gardenia Court
Camana Bay, Grand Cayman
KY1-1100, Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPANY WEBSITE

www.tegroup.com.hk

STOCK CODE

The Stock Exchange of Hong Kong Limited:
1235

FINANCIAL HIGHLIGHTS

	Notes	Six months ended 30 September		Change
		2022 HK\$'000	2021 HK\$'000	

Profitability

Total customer sales proceeds		48,481	24,277	+99.7%
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Revenue				
– Service income from sales of travel/wedding related products		6,914	3,287	+110.3%
– Sales of package tours		92	390	–76.4%
– Sales of frozen food and groceries		–	187	N/A
– Sales of food and beverage		1,982	–	N/A
		8,988	3,864	+132.6%

Loss attributable to owners of the Company		(3,982)	(7,163)	
Loss per share – Basic (HK cents)	1	(0.8)	(1.4)	

Financial ratio

Return on equity (%)	2	–6.9%	–10.1%
Current ratio (time)	3	2.68	3.46

Notes:

- 1 The calculation of the basic loss per share is based on 509,859,000 (2021: 509,859,000) weighted average number of ordinary shares in issue during the period.
- 2 Return on equity is calculated based on the loss for the period attributable to owners of the Company divided by the equity attributable to owners of the Company at the end of the period and multiplied by 100%.
- 3 Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the period.





CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Travel Expert (Asia) Enterprises Limited (the "Company"), I would like to present to shareholders the interim report of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2022 (the "Period").

During the Period, the Group's business remained mostly impacted by the Coronavirus Disease 2019 ("COVID-19") pandemic. Thanks to the mass vaccination programmes launched by governments all over the world, many countries eased travel restrictions. As the pandemic situation in Hong Kong gradually stabilized, the Hong Kong Government gradually adjusted and relieved relevant border controls and quarantine measures. Hence, the Group's business performance improved and recorded a decrease of 44.4% in loss attributable to owners of the Company for the Period of HK\$4.0 million from HK\$7.2 million for the same period last year. The total revenue for the Period was HK\$9.0 million, representing an increase of 130.8% from HK\$3.9 million for the same period last year.

During the Period, facing the challenging business environment, the management remained to adhere to the principle of prudent financial management so as to conserve working capital to navigate through adversity. The Group continued to implement stringent cost control measures to reduce operating costs and rental expenses. Furthermore, the Group continued to provide professional trip advice and planning to customers. We also introduced different travel products such as staycation packages, local one-day tours to align with the market needs.

Looking forward, the tourism industry is expected to continue to remain under immense pressure amid the challenging operating environment. To strengthen our market position, the Group will continue to enhance our products and services as well as online trading platform. The Group will adopt flexible strategies for business development and branch network. We will actively seek business opportunities for achieving profitability growth.

Recently, the Hong Kong Government adjusted anti-pandemic measures. We are gratified to see that more people have higher travelling intention and start to make travel plans. Hence, there is an improving trend in our sales in travel products. Furthermore, Premium Holidays Limited, focused on the operation of the Group's high-end long haul package tour business, has organized a package tour to Germany on 8 October 2022 after a halt of outbound tour business for more than two years. Several long-haul package tours have been scheduled to be departed in November and December 2022. The Group will identify shops in strategic locations for opening new branches and recruit additional staff in order to position us well for future growth. In addition, the Group will continue to actively promote travel products through the online trading platform. These initiatives will enhance the Group's competitiveness and enable the Group to remain resilient and achieve sustainable growth when the pandemic subsided.

On behalf of the Board, I wish to express my sincere gratitude to shareholders, business partners and customers for their continued support, and to employees for their dedication and hard work.

Ko Wai Ming, Daniel

Chairman and Executive Director

Hong Kong, 29 November 2022





MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW

For the six months ended 30 September 2022 (the “Period”), the business operations and financial performance of the Group continued to be adversely affected by the Coronavirus Disease 2019 (“COVID-19”) pandemic. As many countries in the world has implemented relaxed COVID-19 preventive and control measures, we saw a glimmer of hope that the long-frozen global tourism industry began to a gradually yet slowly recovery. For the Period, the Group’s total customer sales proceeds was HK\$48.5 million, representing an increase of 99.6% as compared with HK\$24.3 million for the corresponding period last year. The total revenue was HK\$9.0 million, representing an increase of 130.8% as compared with HK\$3.9 million for the corresponding period last year. The loss attributable to owners of the Company was HK\$4.0 million (2021: HK\$7.2 million). The loss per share attributable to owners of the Company was HK0.8 cents (2021: HK1.4 cents). The Board has resolved not to declare an interim dividend for the Period (2021: Nil).

BUSINESS REVIEW

The Group’s retail FIT (free independent travellers) business is operated mainly through Travel Expert Limited (專業旅運有限公司) (“Travel Expert”), which is the core focus of the Group. During the Period, the Hong Kong Government continued to enforce strict border control measures to contain the COVID-19 pandemic, which greatly affected leisure travel sentiment. The business operation and performance of this business line remained adversely impacted by the COVID-19 pandemic. Facing the difficult operating environment, the Group continued to implement stringent cost control measures to reduce operating costs and rental expenses. The Consumption Voucher Scheme launched by the government during the Period encouraged consumer spending and caused a positive impact on the demand for local one-day tours and staycation packages. Thus, the Group provided a wide variety of choices of local hotel packages and one-day tours to cater for customers’ different preferences. With the gradually relaxed travel restrictions and social distance requirements in many countries, we are glad to see that the demand for outbound travel products increased slightly. Coupled with the recent relaxation of the mandatory quarantine requirements imposed by the Hong Kong Government, the performance of this business line was on an improving trend. The management kept monitoring the market conditions and adopted flexible measures to align with the market needs.

The Group’s online business is operated through the online trading platform www.texpert.com that focused on selling travel products like theme park tickets, train and bus tickets, boat tickets and etc. Through this sales channel, the Group also promoted a wide range of staycation packages of local hotels and local one-day local tours to enable customers to enjoy vacations or visiting local attractions amid times of combating the pandemic.

The Group's tour operation is mainly operated by Premium Holidays Limited (尊賞假期有限公司) ("Premium Holidays") with focus on operating high-end long haul tours business. During the Period, this business line continued to be deeply impacted by the COVID-19 pandemic. The outbound package tours of this business line have halted since mid-March 2020. To overcome the effect from COVID-19, the management continued to implement various cost control measures so as to optimize staff structure and enhance operational efficiency. During the Period, many countries have been loosening measures of restriction as they started resuming business and social activities, yet, strict travel restrictions and quarantine measures in Hong Kong were still in force. The management strived to keep the business afloat by offering a wide range of services and activities of local one-day tours with different attractions to enable customers to enjoy domestic leisure experiences. The management will continuously monitor the travel restrictions and traveller quarantine arrangements so as to catch up any opportunities arose in the market.

In addition to the ordinary travel business segment, our investment activities using the Group's surplus funds allocated under the approved investment cap are conducted by Travel Expert Asset Management Limited (專業旅運資產管理有限公司) ("Travel Expert Asset Management"). During the Period, the business recorded a loss on disposal of financial assets/liabilities at fair value through profit or loss of HK\$466,000 (2021: loss of HK\$581,000) and the fair value loss on financial assets/liabilities at fair value through profit or loss was nil (2021: loss of HK\$113,000). We will continue to closely monitor the market situation and make investment decisions prudently in order to help the Group to better utilize its surplus fund and contributed to its bottom line.

During the Period, the performance of the food and beverage business under the brand name of "Café Another" was not satisfactory. The management continued to enhance its service and food variety and quality so as to boost sales. We also adopted flexible measures and strategies to navigate the challenging operating environment.





FINANCIAL REVIEW

Other Income and Gains

Total other income and gains increased by HK\$3.9 million from HK\$3.4 million for the six months ended 30 September 2021 to HK\$7.3 million for the Period. Such increase was mainly attributed to the increase in the government grants from HK\$1.4 million to HK\$2.0 million and the gain on early termination of lease from nil to HK\$4.2 million.

Selling and Distribution Costs

For the Period, selling and distribution costs amounted to HK\$6.1 million, representing an increase of 17.3% from HK\$5.2 million for the corresponding period last year.

The global outbreak of COVID-19 has deeply impacted on the Group's business. However, as many countries eased travel restrictions and lifted compulsory quarantine requirements, the demand for travel products increased and thus the selling and distribution costs increased. During the Period, in view of the impacts of the COVID-19 pandemic, the Group strived to reduce the frontline staff cost, frontline headcounts and sales commission expenses and other staff costs. In response to the challenging operating operation environment caused by COVID-19, the Group continued to carry out strict cost control measures and strived to maintain a reasonable selling and distribution costs level. The Group will also adopt other measures to maintain both the competitiveness and cost effectiveness of its branch network in accordance with market conditions. As at 30 September 2022, the Group operated a total of 5 retail shops in Hong Kong under the brand names of Travel Expert, Premium Holidays and Cafe Another.

Administrative Expenses

For the Period, administrative expenses amounted to HK\$11.1 million, representing an increase of 38.8% from HK\$8.0 million for the corresponding period last year, which was mainly due to the exchange loss of HK\$2.6 million mainly resulted from the depreciation of Renminbi recorded in the period.

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

Finance Cost

Finance cost of the Group for the Period was HK\$110,000, which was related to the interest on lease liabilities (2021: HK\$204,000).

Liquidity, Financial Resources and Capital Resources

The Group generally finances its liquidity requirements through internally generated resources and will only finance with available banking facilities whenever necessary. For the Period, the Group had an operating cash inflow of approximately HK\$1.3 million (2021: cash outflow of HK\$7.2 million) and the net assets value as at 30 September 2022 was HK\$57.7 million (as at 31 March 2022: HK\$61.2 million). Including the time deposits over three months, the Group had total cash and cash equivalents of HK\$64.7 million as at 30 September 2022 (as at 31 March 2022: HK\$68.6 million). The Group had a portfolio of financial assets at fair value through profit or loss of HK\$48,000 as at 30 September 2022 (as at 31 March 2022: HK\$2.2 million).

As at 30 September 2022, the Group did not have any outstanding bank borrowing (as at 31 March 2022: Nil)

Contingent Liabilities

The Group did not have any contingent liabilities as at 30 September 2022.

Capital Commitments

As at 30 September 2022, the Group had commitment in respect of capital expenditure were contracted but not provided for the acquisition of property, plant and equipment of HK\$415,000 (as at 31 March 2022: HK\$172,000).

Pledge of Assets

As at 30 September 2022, the Group's bank deposits of HK\$7.6 million were pledged to a broker and banks to secure derivative financial instruments and banking facilities granted to the Group (as at 31 March 2022: HK\$5.0 million).





Foreign Exchange Risks and Treasury Policies

The Group has foreign currency exposures that mainly arise from the balance of assets and liabilities in currencies other than in Hong Kong dollar, the Group's functional currency. The Group's policy requires the management to monitor the Group's foreign exchange exposure by closely monitoring the movement of foreign currency rates. The management may purchase foreign currency at spot rate, when and where appropriate for the purpose of meeting the Group's future payment obligation in foreign currency. With the setup of Travel Expert Asset Management together with the extension of investment scope, the Group may use more financial tools such as foreign exchange forward contracts and currency futures etc. to manage the foreign exchange risks. For the Period, the Group recorded an exchange loss of approximately HK\$2.6 million, which was mainly due to depreciation of Renminbi (2021: an exchange gain of approximately HK\$238,000).

Human Resources and Employee's Remuneration

As at 30 September 2022, the Group had a total workforce of 90 (as at 31 March 2022: 92), of which about 46.7% were frontline staff. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. Other benefits include contributions to mandatory provident fund and medical insurance coverage. In addition, the Group has adopted a share option scheme (the "Share Option Scheme") on 6 September 2011 to recognize the contributions of our staff and to provide them with incentives to stay with the Group. Share options were granted to certain eligible persons and Directors of the Company. The Share Option Scheme was terminated on 29 September 2021 and the options granted prior to the termination remain valid for exercise. The remuneration policy will be reviewed by the Board from time to time. Emoluments of Directors are determined by the Remuneration Committee after considering the Group's operating results, individual performance and comparing with market conditions.

OUTLOOK

Looking ahead, though the global economy has continued to recover, the operating environment of the tourism sector is expected to remain difficult as the volatile pandemic situation remains uncertainty. However, the relaxation of travel restrictions and border control measures is pivotal to the recovery of tourism industry. It is gratifying to see that eased travel restrictions in many countries coupled with the gradual relaxation of pandemic control measures in Hong Kong stimulated more and more customers to have a higher intent to travel around and start making travelling plans. The sale of FIT products, such as air tickets and hotel accommodations, is on an improving trend. Having halted for more than two years, the first package tour of Premium Holidays has departed on 8 October 2022 to Germany. Several long-haul package tours have been departed in November 2022 and some will be departed in December 2022.

The Group will continue to take proactive measures and strategies to enable the Group to reach sustainable profitability despite the current challenging operating environment. The management is of the view that the Group has sufficient working capital to support the Group's operation needs. We are well-positioned in the market on providing quality services and products and will continue to strength our competitiveness. The Group remains focused on delivering long term value for stakeholders. The Group will continue to impose prudent business policy and financial management so as to overcome the challenges ahead and regain the leading market position.

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

During the six months ended 30 September 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the Period, the Company has complied with all the code provisions set out in the Corporate Governance Code in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed and discussed with the management the interim results for the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Having made specific enquiry of all Directors, the Directors of the Company confirmed that they have complied with the required standard set out in the Model Code during the Period.





OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARE CAPITAL

At 30 September 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code were as follows:

(a) Long position in ordinary shares of the Company

Name of Director	Number of shares of HK\$0.01 each in the Company (the "Shares")				Approximate percentage of the issued share capital
	Personal interests	Family interests	Corporate interests	Total interests	
Mr. Ko Wai Ming, Daniel ("Mr. Ko")	4,240,000	8,370,000 (Note a)	356,715,000 (Note b)	369,325,000	72.44%
Ms. Cheng Hang Fan ("Mrs. Ko")	8,370,000	4,240,000 (Note a)	356,715,000 (Note b)	369,325,000	72.44%

Notes:

- Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the Shares owned by Mrs. Ko and Mrs. Ko is deemed to be interested in the Shares owned by Mr. Ko.
- These Shares are owned by Colvin & Horne Holdings Limited ("CHHL"), which is owned as to 60% and 40% by Mr. Ko and Mrs. Ko respectively.

(b) Long position in share options of the Company

Name of Director	Number of share options held			Approximate percentage of the issued share capital
	Beneficial owner	Family interest (Note b)	Total	
Mr. Ko	500,000	500,000	1,000,000	0.196%
Mrs. Ko	500,000	500,000	1,000,000	0.196%

Notes:

- (a) The share options were granted under the share option scheme adopted by the Company on 6 September 2011 (the "Share Option Scheme"), which was expired on 29 September 2021. The options granted prior to the expiration remain valid for exercise.
- (b) Each of Mr. Ko and Mrs. Ko was granted options under the Share Option Scheme to subscribe for 500,000 Shares. Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the share options granted to Mrs. Ko and Mrs. Ko is deemed to be interested in the share options granted to Mr. Ko.

(c) Long position in shares and underlying shares of associated corporation

Name of Director	Name of associated corporation	Beneficial owner	Family interest (Note)	Total number of shares held	Approximate percentage of the issued share capital
Mr. Ko	CHHL	3	2	5	100%
Mrs. Ko	CHHL	2	3	5	100%

Note: Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the shares of CHHL owned by Mrs. Ko and Mrs. Ko is deemed to be interested in the shares of CHHL owned by Mr. Ko.

Save as disclosed above, as at 30 September 2022, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of SFO) which are required, pursuant to Section 352 of the SFO, to be entered in the registers referred to therein or are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.





SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 6 September 2011. The purpose of the Share Option Scheme is to enable the Board to grant options to selected eligible persons as incentives or rewards for their contribution or potential contribution to the Group and/or to recruit and retain high caliber eligible persons and to attract human resources that are valuable to the Group.

On 27 September 2021, a total of 31,000,000 share options (the "Share Options") were granted to certain Company's employees (including Directors and their associate) and a consultant of Café Another (the "Consultant") to subscribe for a total of 31,000,000 Shares in accordance with the Share Option Scheme. Prior to the said grant of Share Options, there was no outstanding option. The Share Option Scheme was expired on 29 September 2021. The options granted prior to the expiration remain valid for exercise and no further option under the Share Option Scheme would be granted.

The Share Options are exercisable in accordance with the following vesting schedule:

- (i) 30% of the Share Options shall be exercisable from 27 March 2023 to 26 September 2026 (both dates inclusive);
- (ii) 30% of the Share Options shall be exercisable from 27 March 2024 to 26 September 2026 (both dates inclusive); and
- (iii) 40% of the Share Options shall be exercisable from 27 March 2025 to 26 September 2026 (both dates inclusive).


Details of the Share Options granted under Share Option Scheme during the six months ended 30 September 2022 are as follows:

Grantee	Exercisable period	Number of Share Options			Balance as at 30 September 2022	Exercise price per Share (HK\$)
		Balance as at 1 April 2022	Exercised during the Period	Forfeited during the Period		
Director						
Mr. Ko	27/03/2023 to 26/09/2026	150,000	–	–	150,000	0.194
	27/03/2024 to 26/09/2026	150,000	–	–	150,000	0.194
	27/03/2025 to 26/09/2026	200,000	–	–	200,000	0.194
		<u>500,000</u>	<u>–</u>	<u>–</u>	<u>500,000</u>	

Grantee	Exercisable period	Number of Share Options			Balance as at 30 September 2022	Exercise price per Share (HK\$)
		Balance as at 1 April 2022	Exercised during the Period	Forfeited during the Period		
Mrs. Ko	27/03/2023 to 26/09/2026	150,000	–	–	150,000	0.194
	27/03/2024 to 26/09/2026	150,000	–	–	150,000	0.194
	27/03/2025 to 26/09/2026	<u>200,000</u>	<u>–</u>	<u>–</u>	<u>200,000</u>	0.194
		<u>500,000</u>	<u>–</u>	<u>–</u>	<u>500,000</u>	
Associate of Directors (Note)	27/03/2023 to 26/09/2026	150,000	–	–	150,000	0.194
	27/03/2024 to 26/09/2026	150,000	–	–	150,000	0.194
	27/03/2025 to 26/09/2026	<u>200,000</u>	<u>–</u>	<u>–</u>	<u>200,000</u>	0.194
		<u>500,000</u>	<u>–</u>	<u>–</u>	<u>500,000</u>	
Consultant	27/03/2023 to 26/09/2026	600,000	–	–	600,000	0.194
	27/03/2024 to 26/09/2026	600,000	–	–	600,000	0.194
	27/03/2025 to 26/09/2026	<u>800,000</u>	<u>–</u>	<u>–</u>	<u>800,000</u>	0.194
		<u>2,000,000</u>	<u>–</u>	<u>–</u>	<u>2,000,000</u>	
Employees (in aggregate)	27/03/2023 to 26/09/2026	8,130,000	–	(450,000)	7,680,000	0.194
	27/03/2024 to 26/09/2026	8,130,000	–	(450,000)	7,680,000	0.194
	27/03/2025 to 26/09/2026	<u>10,840,000</u>	<u>–</u>	<u>(600,000)</u>	<u>10,240,000</u>	0.194
		<u>27,100,000</u>	<u>–</u>	<u>(1,500,000)</u>	<u>25,600,000</u>	
		<u>30,600,000</u>	<u>–</u>	<u>(1,500,000)</u>	<u>29,100,000</u>	

Note: Being Share Options granted to Mr. Ko Chun Wang, Kelvin, a son of Mr. Ko and Mrs. Ko and a director of various subsidiaries of the Company.





Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

As at 30 September 2022, shareholders (not being Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or otherwise notified to the Company are set out below:

Name of Shareholders	Nature of interests			Approximate percentage of the issued share capital
	Beneficial owner	Family interest	Total number of shares held	
CHHL (Note a)	356,715,000	–	356,715,000	69.96%
Mr. Chu Hung Kwan ("Mr. Chu") (Note b)	17,400,000	11,500,000	28,900,000	5.67%
Ms. Tai Kan Yuet ("Mrs. Chu") (Note b)	11,500,000	17,400,000	28,900,000	5.67%

Notes:

- (a) CHHL is owned as to 60% and 40% by Mr. Ko and Mrs. Ko respectively.
- (b) Mr. Chu and Mrs. Chu are spouses. Pursuant to the Part XV of the SFO, Mr. Chu is deemed to be interested in the shares of the Company owned by Mrs. Chu and Mrs. Chu is deemed to be interested in the shares of the Company owned by Mr. Chu.

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any person (not being a Director or chief executive of the Company) who, as at 30 September 2022, had an interest or a short position in the shares or underlying shares of the Company which are recorded in the registers required to be kept under Section 336 of the SFO or notified to the company pursuant to the SFO.

CHANGE IN INFORMATION OF DIRECTORS

There is no change in the information of the Directors, save as otherwise set out in this report, required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.

INVESTMENT ACTIVITIES

For the six months ended 30 September 2022, the Group engaged in certain investment activities. All the funds used in such investment activities were the Group's surplus funds allocated under the investment cap.

As approved by the Board at the meeting on 30 March 2022, the investment cap decreased from HK\$50 million to HK\$45 million or an amount equivalent to the Group's balance of the surplus funds (whichever is lower).

The details of the financial assets or liabilities purchased under the investment cap stated at fair value as at 30 September 2022 were as follows:

Investment by Categories	30 September 2022 (unaudited) HK\$'000	31 March 2022 (audited) HK\$'000
Equity securities listed in		
– Hong Kong	–	1,285
– overseas	–	907
Hang Seng Index future and option contracts	(48)	4
Nasdaq – 100 Index future contracts	48	4
Total Value	–	2,200





CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2022

		Six months ended 30 September	
		2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
	Notes		
Revenue	5	8,988	3,864
Cost of sales		<u>(2,453)</u>	<u>(491)</u>
Gross profit		6,535	3,373
Other income and gains	5	7,287	3,383
Selling and distribution costs		(6,119)	(5,237)
Administrative expenses		(11,110)	(7,998)
Loss on disposal of financial assets/liabilities at fair value through profit or loss		(466)	(581)
Fair value loss on financial assets/liabilities at fair value through profit or loss		<u>–</u>	<u>(113)</u>
Loss from operations	6	(3,873)	(7,173)
Finance costs	7	<u>(110)</u>	<u>(204)</u>
Loss before income tax		(3,983)	(7,377)
Income tax credit	8	<u>–</u>	<u>213</u>
Loss for the period		<u>(3,983)</u>	<u>(7,164)</u>

	Six months ended	
	30 September	
	2022	2021
	(unaudited)	(unaudited)
Notes	HK\$'000	HK\$'000
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of financial statements of overseas subsidiary	<u>(48)</u>	<u>6</u>
Other comprehensive income for the period, net of tax	<u>(48)</u>	<u>6</u>
Total comprehensive income for the period	<u>(4,031)</u>	<u>(7,158)</u>
Loss for the period attributable to:		
Owners of the Company	(3,982)	(7,163)
Non-controlling interests	<u>(1)</u>	<u>(1)</u>
	<u>(3,983)</u>	<u>(7,164)</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	(4,030)	(7,157)
Non-controlling interests	<u>(1)</u>	<u>(1)</u>
	<u>(4,031)</u>	<u>(7,158)</u>
Loss per share attributable to owners of the Company		
	9	
– Basic	HK (0.8) cents	HK (1.4) cents
– Diluted	N/A	N/A





CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		30 September 2022 (unaudited) HK\$'000	31 March 2022 (audited) HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	4,524	2,582
Prepayments and deposits		1,898	1,920
		6,422	4,502
Current assets			
Inventories		2,284	2,266
Trade receivables	12	24	253
Prepayments, deposits and other receivables		11,047	7,108
Financial assets at fair value through profit or loss	13	48	2,200
Pledged deposits		7,562	5,014
Times deposits over three months	14	8,913	2,400
Cash and cash equivalents	14	55,798	66,244
		85,676	85,485

		30 September 2022 (unaudited) HK\$'000	31 March 2022 (audited) HK\$'000
	Notes		
Current liabilities			
Trade payables	15	8,606	4,332
Accrued charges and other payables		11,139	10,483
Contract liabilities		8,741	4,404
Financial liabilities at fair value through profit or loss	13	48	–
Lease liabilities		3,410	5,564
Provision for tax		4	4
		31,948	24,787
Net current assets		53,728	60,698
Total assets less current liabilities		60,150	65,200
Non-current liabilities			
Lease liabilities		2,488	4,042
		2,488	4,042
Net assets		57,662	61,158
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	5,099	5,099
Reserves		52,388	55,883
		57,487	60,982
Non-controlling interests		175	176
Total equity		57,662	61,158



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company									Non-controlling interests HK\$'000	Total Equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Share redemption reserve HK\$'000	Merger reserve HK\$'000	Foreign exchange reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2021	5,099	55,629	-	37	(9,000)	(265)	(6,046)	32,825	78,279	178	78,457
Loss for the period	-	-	-	-	-	-	-	(7,163)	(7,163)	(1)	(7,164)
Other comprehensive income:											
Exchange alignment	-	-	-	-	-	6	-	-	6	-	6
Total comprehensive income for the period	-	-	-	-	-	6	-	(7,163)	(7,157)	(1)	(7,158)
Recognition of share-based payment	-	-	13	-	-	-	-	-	13	-	13
At 30 September 2021 (unaudited)	<u>5,099</u>	<u>55,629</u>	<u>13</u>	<u>37</u>	<u>(9,000)</u>	<u>(259)</u>	<u>(6,046)</u>	<u>25,662</u>	<u>71,135</u>	<u>177</u>	<u>71,312</u>

	Attributable to owners of the Company									Non-controlling interests HK\$'000	Total Equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Share redemption reserve HK\$'000	Merger reserve HK\$'000	Foreign exchange reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2022	5,099	55,629	607	37	(9,000)	(248)	(6,046)	14,904	60,982	176	61,158
Loss for the period	-	-	-	-	-	-	-	(3,982)	(3,982)	(1)	(3,983)
Other comprehensive income:											
Exchange alignment	-	-	-	-	-	(48)	-	-	(48)	-	(48)
Total comprehensive income for the period	-	-	-	-	-	(48)	-	(3,982)	(4,030)	(1)	(4,031)
Share-based payments	-	-	535	-	-	-	-	-	535	-	535
At 30 September 2022 (unaudited)	<u>5,099</u>	<u>55,629</u>	<u>1,142</u>	<u>37</u>	<u>(9,000)</u>	<u>(296)</u>	<u>(6,046)</u>	<u>10,922</u>	<u>57,487</u>	<u>175</u>	<u>57,662</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September 2022		2021
	(unaudited) HK\$'000	(unaudited)	HK\$'000
Cash generated from/(used in) operations	1,294	(7,157)	
Net cash generated from/(used in) operating activities	1,294	(7,157)	
Cash flows from investing activities			
Purchase of property, plant and equipment	(274)	(724)	
Proceeds from disposal of property, plant and equipment	–	210	
Prepayments for acquisition of property, plant and equipment	–	(1,158)	
Placement of pledged deposits	(2,597)	–	
Withdrawal of pledged deposits	49	8,067	
Placement of deposits with an original maturity of more than three months	(6,513)	–	
Withdrawal of deposits with an original maturity of more than three months	–	18,983	
Interest received	527	510	
Net cash (used in)/generated from investing activities	(8,808)	25,888	
Cash flows from financing activities			
Settlement of lease liabilities	(2,774)	(4,644)	
Interest paid	(110)	(204)	
Net cash used in financing activities	(2,884)	(4,848)	
Net (decrease)/increase in cash and cash equivalents	(10,398)	13,883	
Cash and cash equivalents at beginning of period	66,244	51,549	
Effect of foreign exchange rate changes	(48)	6	
Cash and cash equivalents at end of period	55,798	65,438	





NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

1. GENERAL INFORMATION

Travel Expert (Asia) Enterprises Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company and its subsidiaries (the “Group”) is located at 8/F, Guangdong Finance Building, 88 Connaught Road West, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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

The condensed consolidated interim financial statements for the six months ended 30 September 2022 were approved and authorised for issue by the board of directors on 29 November 2022.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2022.

Since 2020, precautionary and control measures against Coronavirus Disease 2019 (“COVID-19”) have been implemented in various countries. These measures include border restrictions and quarantine measures over international travel and have created unprecedented pressure for travel industry. As a result, the Group recorded a loss of approximately HK\$3,983,000 for the six months ended 30 September 2022.

2. BASIS OF PREPARATION (Cont'd)

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

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

For the purpose of assessing the appropriateness of the use of the going concern basis, the Directors have reviewed the Group's cash flow projections prepared by the management covering a period of not less than twelve months from 30 September 2022. Based on the different possible outcomes of the evolution of the COVID-19 pandemic and future development of the travel agency industry, management has prepared the projections that include key assumptions with regard to the anticipated cash flows from the Group's operations and capital expenditures. The Directors, after making due enquiries and considering the basis of management's projections described above, believe that the Group will have sufficient financial resources to operate as a going concern notwithstanding that the assessment of going concern basis of accounting is dependent upon certain assumptions and judgements, such as the timing of uplifting the border restrictions and quarantine measures, vaccination requirements, and the successful implementation of the aforementioned measures on liquidity. Accordingly, the Directors consider that it is appropriate to prepare the Group's condensed consolidated interim financial statements on a going concern basis.

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





3. ACCOUNTING POLICIES

The accounting policies and methods of computation that have been used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the financial statements for the year ended 31 March 2022, except for the adoption of the new and amended Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations effective for the first time for annual periods beginning on 1 April 2022.

During the interim period, the Group has adopted all the new and amended HKFRSs which are first effective for the reporting period and relevant to the Group. The adoption of these new and amended HKFRSs did not have any material impact on the Group’s accounting policies and the Directors considered that the changes are not material to the Group’s results of operations or financial position.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2022 annual financial statements.

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION

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

	Six months ended 30 September	
	2022	2021
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Provision of services relating to sales of travel/wedding related products (note (a))	6,914	3,287
Sales of package tours (note (a))	92	390
Sales of frozen food and groceries (note (a))	–	187
Sales of food and beverage (note (a))	1,982	–
	8,988	3,864
Other income and gains		
Interest income on deposits in banks and financial institutions stated at amortised cost	527	510
Sponsorship and joint advertising income	1	70
Exchange gain	–	238
Dividend income from listed securities	–	6
Government grants (note (b))	1,996	1,383
COVID-19 related rent concession	–	456
Gain on disposal of property, plant and equipment	–	210
Gain on early termination of lease	4,167	–
Sundry income	596	510
	7,287	3,383
Total revenue, other income and gains	16,275	7,247



5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Notes:

(a) Customer sales proceeds

	Six months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Gross sales proceeds related to provision of service relating to sales of travel/wedding related products*	46,407	23,700
Sales of package tours	92	390
Sales of frozen food and groceries	-	187
Sales of food and beverage	1,982	-
	48,481	24,277

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

(b) Government grants

Included in profit or loss for the six months ended 30 September 2022 was approximately HK\$1,294,000 (2021: Nil) of government grants obtained from Employment Support Scheme ("ESS") under the Anti-epidemic Fund launched by the Hong Kong SAR Government supporting the payroll of the Group's employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group does not have other unfulfilled obligations relating to this program.

During the six months ended 30 September 2022, approximately HK\$702,000 (2021: HK\$1,300,000) of government grants relating to one-off subsidy for the purpose of giving immediate financial support and cash incentives for travel agents are included in profit or loss.

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (audited) HK\$'000
Trade receivables (note 12)	24	253
Contract liabilities	8,741	4,404

The Group has applied the practical expedient to its service contracts and therefore it does not disclose about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for provision of services relating to sales of travel and wedding related products and package tours that had an original expected duration of one year or less.

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by geographical markets, major service lines and timing of revenue recognition.

	Travel and travel/ wedding related business		Food and beverage business		Others		Total	
	Six months ended		Six months ended		Six months ended		Six months ended	
	30 September		30 September		30 September		30 September	
	2022	2021	2022	2021	2022	2021	2022	2021
(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Geographical markets								
Hong Kong	7,005	3,672	1,982	-	-	187	8,987	3,859
The People's Republic of China (the "PRC") excluding Hong Kong	1	5	-	-	-	-	1	5
	<u>7,006</u>	<u>3,677</u>	<u>1,982</u>	<u>-</u>	<u>-</u>	<u>187</u>	<u>8,988</u>	<u>3,864</u>
Major service lines								
Provision of services relating sales of travel/wedding related products	6,914	3,287	-	-	-	-	6,914	3,287
Sales of package tours	92	390	-	-	-	-	92	390
Sales of frozen food and groceries	-	-	-	-	-	187	-	187
Sales of food and beverage	-	-	1,982	-	-	-	1,982	-
	<u>7,006</u>	<u>3,677</u>	<u>1,982</u>	<u>-</u>	<u>-</u>	<u>187</u>	<u>8,988</u>	<u>3,864</u>
Timing of revenue recognition								
At a point in time	6,914	3,287	1,982	-	-	187	8,896	3,474
Transferred over time	92	390	-	-	-	-	92	390
	<u>7,006</u>	<u>3,677</u>	<u>1,982</u>	<u>-</u>	<u>-</u>	<u>187</u>	<u>8,988</u>	<u>3,864</u>



5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Segment information

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

	Travel and travel/ wedding related business		Food and beverage business		Treasury activities		Others		Total	
	Six months ended		Six months ended		Six months ended		Six months ended		Six months ended	
	30 September		30 September		30 September		30 September		30 September	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	7,006	3,677	1,982	-	-	-	-	187	8,988	3,864
Reportable segment revenue	7,006	3,677	1,982	-	-	-	-	187	8,988	3,864
Reportable segment profit/(loss)	734	(5,275)	(868)	-	(2,678)	(867)	-	(558)	(2,812)	(6,700)
Interest income	19	178	-	-	376	313	-	-	395	491
Finance costs	(59)	(193)	(51)	-	-	-	-	(11)	(110)	(204)
Dividend income	-	-	-	-	-	6	-	-	-	6
Depreciation on property, plant and equipment	(587)	(38)	(1,089)	-	-	-	-	(176)	(1,676)	(214)
Impairment loss on property, plant and equipment	-	(34)	-	-	-	-	-	-	-	(34)
Fair value loss on financial assets/ liabilities at fair value through profit or loss	-	-	-	-	-	(113)	-	-	-	(113)
Loss on disposal of financial assets/ liabilities at fair value through profit or loss	-	-	-	-	(466)	(581)	-	-	(466)	(581)

	Travel and travel/ wedding related business		Food and beverage business		Treasury activities		Others		Total	
	At	At	At	At	At	At	At	At	At	At
	30 September	31 March	30 September	31 March	30 September	31 March	30 September	31 March	30 September	31 March
	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022
	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	26,743	16,764	2,479	3,324	36,275	46,696	-	133	65,497	66,917
Additions to non-current segment assets during the period/year	1,708	751	104	6,441	-	-	-	-	1,812	7,192
Reportable segment liabilities	31,224	24,899	3,090	3,819	57	19	-	22	34,371	28,759

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

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

	Six months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Reportable segment revenue	8,988	3,864
Group revenue	8,988	3,864
Reportable segment loss	(2,812)	(6,700)
Other corporate expenses	(1,171)	(677)
Loss before income tax	(3,983)	(7,377)

	At 30 September 2022 (unaudited) HK\$'000	At 31 March 2022 (audited) HK\$'000
Reportable segment assets	65,497	66,917
Other corporate assets	26,601	23,070
Group assets	92,098	89,987
Reportable segment liabilities	34,371	28,759
Other corporate liabilities	65	70
Group liabilities	34,436	28,829



5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

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

	Revenue from external customers		Non-current assets	
	Six months ended 30 September 2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	At 30 September 2022 (unaudited) HK\$'000	At 31 March 2022 (audited) HK\$'000
Hong Kong (domicile)	8,987	3,859	5,653	3,098
The PRC excluding Hong Kong	1	5	-	-
	<u>8,988</u>	<u>3,864</u>	<u>5,653</u>	<u>3,098</u>

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

Most of the revenue of the Group are derived from Hong Kong. The Group has a large number of customers, and no significant revenue was derived from specific external customers for the periods.

6. LOSS FROM OPERATIONS

	Six months ended 30 September	
	2022	2021
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Loss from operations is arrived at after charging/(crediting):		
Depreciation expenses of:		
– owned property, plant and equipment*	493	95
– right-of-use assets included within:**		
– properties leased for own use	<u>1,183</u>	<u>119</u>
	<u>1,676</u>	<u>214</u>
Loss/(gain) on disposal of:		
– owned property, plant and equipment	<u>11</u>	<u>(210)</u>
	<u>11</u>	<u>(210)</u>
(Reversal of impairment)/impairment loss on:		
– owned property, plant and equipment	–	363
– right-of-use assets included within properties leased for own use	<u>–</u>	<u>(329)</u>
	<u>–</u>	<u>34</u>
Net foreign exchange loss/(gain)	2,551	(238)
Short term leases expenses	204	165
Variable lease payments not included in the measurement of lease liabilities	64	5
Staff costs (including directors' remuneration)		
– Salaries	8,078	6,939
– Retirement scheme contribution	306	285
– share-based payment expenses	<u>535</u>	<u>13</u>
	<u>8,919</u>	<u>7,237</u>





6. LOSS FROM OPERATIONS (Cont'd)

- * Depreciation expenses of owned property, plant and equipment have been included in:
- cost of sales of approximately HK\$371,000 for the six months ended 30 September 2022 (2021: Nil);
 - selling and distribution costs of approximately HK\$3,000 for the six months ended 30 September 2022 (2021: HK\$55,000); and
 - administrative expenses of approximately HK\$119,000 for the six months ended 30 September 2022 (2021: HK\$40,000).
- ** All depreciation expenses of right-of-use assets have been included in administrative expenses for the periods.

7. FINANCE COSTS

	Six months ended 30 September	
	2022	2021
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Interest on lease liabilities	<u>110</u>	<u>204</u>
	110	204

8. INCOME TAX CREDIT

	Six months ended 30 September	
	2022	2021
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Current tax – Hong Kong		
Tax for the period	<u>–</u>	<u>(213)</u>
	–	(213)

8. INCOME TAX CREDIT (Cont'd)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any taxation under the jurisdiction of the Cayman Islands and the BVI during the six months ended 30 September 2021 and 2022 respectively.

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for the six months ended 30 September 2021 and 2022, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime and is calculated at 8.25% on the first HK\$2 million of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK\$2 million. No Hong Kong profits tax has been provided for the six months ended 30 September 2022 as there is no assessable profits arising in Hong Kong for the period.

Subsidiaries of the Company established in the PRC is subjected to PRC enterprise income tax at the rate of 25%. No PRC enterprise income tax has been provided as there is no assessable profit arising in the PRC for the period.

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$3,982,000 (six months ended 30 September 2021: HK\$7,163,000) and the weighted average number of ordinary shares in issue of 509,859,000 (six months ended 30 September 2021: 509,859,000) during the period.

No diluted loss per share is presented for six months ended 30 September 2021 and 2022 as the adjusted exercise price of the Company's share options was higher than the average market price for shares during the periods when those options are outstanding.

10. INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).





11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2022, the Group incurred capital expenditures of approximately HK\$225,000 (six months ended 30 September 2021: HK\$10,000) in leasehold improvements, approximately HK\$49,000 (six months ended 30 September 2021: HK\$64,000) in office equipment, and nil (six months ended 30 September 2021: HK\$650,000) in motor vehicle.

During the six months ended 30 September 2022, right-of-use assets included within a property newly leased for own use amounted to approximately HK\$1,538,000 has been recognised (six months ended 30 September 2021: HK\$4,289,000) and lease modifications resulted from extension of leases amounted to approximately HK\$1,817,000 has been recognised. During the six months ended 30 September 2022, a gain resulted from an early termination of lease amounted to approximately HK\$4,167,000 (six months ended 30 September 2021: nil) has been recognised.

During the six months ended 30 September 2021, losses on travel and travel/wedding related business segment caused the Group to assess the recoverable amount of the property, plant and equipment. Based on the assessment, an impairment loss of approximately HK\$34,000 was recognised and charged to the condensed consolidated statement of comprehensive income for six months ended 30 September 2021. The recoverable amounts of these property, plant and equipment using value in use calculation were determined by the discounted cash flows generated from these travel and travel related and wedding related business based on a management budget plan and a pre-tax discount rate of 14%.

12. TRADE RECEIVABLES

The ageing analysis of trade receivables, based on the invoice dates, is as follows:

	30 September 2022 (unaudited) HK\$'000	31 March 2022 (audited) HK\$'000
0 - 30 days	24	169
31 - 90 days	-	22
Over 90 days	-	62
	24	253

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

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AND FAIR VALUE MEASUREMENT

	30 September 2022 (unaudited) HK\$'000	31 March 2022 (audited) HK\$'000
Financial assets at fair value through profit or loss:		
Equity securities listed in		
– Hong Kong	–	1,285
– overseas	–	907
Derivative financial instruments		
– Hang Seng Index future contract	–	4
– Nasdaq-100 Index future contract	48	4
	48	2,200
Financial liabilities at fair value through profit or loss:		
Derivative financial instruments		
– Hang Seng index option	48	–

Changes in fair values of financial assets/liabilities at fair value through profit or loss are recorded as net gain/loss in the condensed consolidated statement of comprehensive income.

Fair values of these investments have been determined by reference to their quoted bid prices at the reporting date.





13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AND FAIR VALUE MEASUREMENT (Cont'd)

The following table presents financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial assets and liabilities are categorised in their entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets and liabilities measured at fair value are grouped into the fair value hierarchy as follows:

	30 September 2022			
	Level 1 HK\$'000 (unaudited)	Level 2 HK\$'000 (unaudited)	Level 3 HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Financial assets at fair value through profit or loss				
- Derivatives	48	-	-	48
Financial liabilities at fair value through profit or loss				
- Derivatives	48	-	-	48

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AND FAIR VALUE MEASUREMENT (Cont'd)

	31 March 2022			Total HK\$'000 (audited)
	Level 1 HK\$'000 (audited)	Level 2 HK\$'000 (audited)	Level 3 HK\$'000 (audited)	
Financial assets at fair value through profit or loss				
– Listed equity investments	2,192	–	–	2,192
– Derivatives	8	–	–	8
	<u>2,200</u>	<u>–</u>	<u>–</u>	<u>2,200</u>

There were no transfers between levels during the period.

Financial instruments not measured at fair value include trade receivables, deposits and other receivables, pledged deposits, time deposits over three months, cash and cash equivalents, and trade and other payables. The carrying amounts of these financial instruments carried at amortised cost are not materially different from their fair values as at 30 September 2022 and 31 March 2022.

14. TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

	30 September 2022 (unaudited) HK\$'000	31 March 2022 (audited) HK\$'000
Cash deposits in banks and financial institutions	21,079	12,200
Short-term deposits in banks	<u>43,632</u>	<u>56,444</u>
	64,711	68,644
Time deposits with an original maturity of more than three months	<u>(8,913)</u>	<u>(2,400)</u>
Cash and cash equivalents	<u>55,798</u>	<u>66,244</u>





15. TRADE PAYABLES

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

	30 September 2022 (unaudited) HK\$'000	31 March 2022 (audited) HK\$'000
0 - 30 days	3,131	841
31 - 90 days	2,075	137
Over 90 days	3,400	3,354
	8,606	4,332

16. SHARE CAPITAL

	30 September 2022		31 March 2022	
	Number of shares (unaudited) '000	Amount (unaudited) HK\$'000	Number of shares (audited) '000	Amount (audited) HK\$'000

Authorised:

Ordinary shares of HK\$0.01 each	2,000,000	20,000	2,000,000	20,000
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Issued and fully paid:

Ordinary shares of HK\$0.01 each At 1 April 2021, 31 March 2022, 1 April 2022 and 30 September 2022	509,859	5,099	509,859	5,099
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17. CAPITAL COMMITMENTS

The Group's commitments in respect of capital expenditure contracted but not provided were as follows:

	At 30 September 2022 (unaudited) HK\$'000	At 31 March 2022 (audited) HK\$'000
Property, plant and equipment	<u>415</u>	<u>172</u>

18. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the condensed consolidated interim financial statements, the following transactions were carried out by the Group with related parties during the periods.

(a) Significant related party transactions

	Six months ended 30 September 2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Lease payments to a related company	<u>810</u>	<u>160</u>

Notes:

The terms of the above transactions are mutually agreed by the Group and the related company. The Directors are of the opinion that the terms were made in the ordinary course of business on normal commercial basis.





18. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Compensation of key management personnel

Total remuneration of the Group's directors and other members of key management personnel during the periods were as follows:

	Six months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Short term employee benefits	587	315
Retirement scheme contribution	16	6
Share-based payment expenses	22	1
	<u>625</u>	<u>322</u>