



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

**Travel Expert (Asia) Enterprises Limited announces the annual results
for the year ended 31 March 2016**

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		Change
	2016	2015	
	(HK\$ million)	(HK\$ million)	
Total customer sales proceeds	1,903.2	2,027.6	-6.1%
Revenue for the year	387.5	375.6	+3.2%
Profit for the year, excluding the non-controlling interest	31.6	45.4	-30.4%
Earnings per share (HK cents)	6.1	8.8	-30.7%
Total dividends per share for the year (HK cents)	4.2	4.6	-8.7%

(22 June 2016, Hong Kong) **Travel Expert (Asia) Enterprises Limited** (the “Company”) (HKEx stock code: 1235) announced the annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2016 (the “Year”).

The Group’s total customer sales proceeds was HK\$1,903.2 million for the year, representing a decrease of 6.1% as compared with HK\$2,027.6 million for the previous year. The total revenue for the year ended 31 March 2016 slightly increased to HK\$387.5 million (2015: HK\$375.6 million), representing an increase of 3.2% from the previous year. The sluggish economy in both Hong Kong and China market affected the business growth. The dramatic reduction of inbound tourist from China since September 2015 worsened the retail market in Hong Kong and further impacted local economy. Furthermore, the aggressive marketing campaigns and promotion programs launched by online travel agencies in the second half of year caused great pricing pressure and increased the competition intensively. All these negative factors greatly affected the customers’ travelling spending especially on our retail FIT (free independent travellers) business.

In addition, the revaluation loss in our investment property of HK\$1.4 million due to the general downward adjustment in Hong Kong property market and the loss on treasury activities of HK\$0.5 million (2015: gain of HK\$2.2 million) also contributed to the drop in our bottom line. Excluding the non-controlling interests, the profit for the year attributable to owners of the Company had a decrease of 30.4% to HK\$31.6 million (2015: HK\$45.4 million). The total Group's profit for the year was HK\$31.0 million, representing a decrease of 29.4% from HK\$43.9 million in the previous year. Basic earnings per share attributable to owners of the Company for the year was HK6.1 cents, representing a decrease of 30.7% from HK8.8 cents over the previous year. The Board recommend a final dividend of HK2.7 cents (2015: HK3.4 cents) per share.

In view of the economic downturn and intensified online agency competition under the tight profit margins business environment, the coming year will undoubtedly be very challenging. The market situation is most likely to get worsen over the next few months because the economy in Hong Kong and China may not be able to rebound in a short period of time. Facing the challenges ahead, the Group will make all effort to strengthen its foundation and competitive advantages through improvement of services quality and enhancement of product offerings.

Besides, the Group will adopt effective cost control measures. We will leverage our existing experienced and efficient back office team to support new business lines. Regarding the sales channel, we will continue to maintain a widespread branch network in Hong Kong and open new shops in the selected strategic locations with good profit potential. Of course, we will closely monitor our shop portfolio and close inefficient shops if necessary.

In recent years, the Group has been working strenuously in business diversification and set up new business lines i.e. Premium Holidays (尊賞假期), Tailor Made Holidays (度新假期) and Take My Hand (緣動). During the year, these business lines gained a firm foothold in the market with steady growth in the revenue. We will continue to commit significant resources to promote their businesses and enhance the brand awareness. The establishment of these business lines is to accomplish the Group's goal of business diversification and sustainable growth in the long term.

In short, the Group will strive to maintain the sales turnover and profitability in the coming year although all the initiatives to be taken will exert huge pressure on operating costs and profits. We believe that the resilience and adaptability of our capable staff and management team will deliver sustained and satisfying growth to the Company.

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About Travel Expert (Asia) Enterprises Limited

Travel Expert (Asia) Enterprises Limited has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1235) since 2011. Principal activities of the Group are provision of travel and travel/wedding related products and services, property investment and investment in treasury activities. The Group has an extensive retail network of more than 60 shops in Hong Kong providing customers with one-stop travel solution and offering diversified travel products at easily accessible locations.

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