



世大控股有限公司

GREAT WORLD COMPANY HOLDINGS LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8003)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors of Great World Company Holdings Ltd (the “Company”) 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 for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- Revenue was approximately HK\$65,536,000 and HK\$106,372,000 for the three months and six months ended 30 September 2022 respectively, compared with the revenue of approximately HK\$99,215,000 and HK\$224,661,000 for the corresponding periods of last year.
- Loss attributable to owners of the Company was approximately HK\$8,863,000 and HK\$13,527,000 for the three months and six months ended 30 September 2022 respectively, versus the loss attributable to owners of the Company of approximately HK\$4,110,000 and HK\$8,542,000 for the corresponding periods of last year.
- The board of directors (the “Board”) of the Company does not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

Great World Company Holdings Ltd (the “Company”) is a company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited. The Company and its subsidiaries (the “Group”) are principally engaged in the businesses of (i) intelligent advertising and railroad media, (ii) agricultural, forestry and consumer products, (iii) supply-chain and (iv) property. For the three/six months ended 30 September 2022, there were no significant changes in the nature of the Group’s principal activities.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

Intelligent Advertising and Railroad Media Business

– *Intelligent Advertising Business*

According to the MAGNA report, Chinese media owners advertising revenues are growing by 8% this year, following 2021’s strong growth of 16%. This will bring the total ad market size to CNY810 billion, as China remains the second largest market globally behind the United States. China was also one of the most resilient markets during the COVID crisis, but it is below global growth of 9% for the second consecutive year. This is mostly because Chinese digital media owners have been struggling to grow revenues at the same rate as their global counterparts in 2021 due to new government regulations.

– *Railroad Media Business*

International tourism saw a strong rebound in the first five months of 2022, with almost 250 million arrivals recorded, which compares to 77 million arrivals from January to May 2021 and means that the sector has recovered almost half (46%) of pre-pandemic 2019 levels, according to the latest UNWTO World Tourism Barometer. China’s domestic tourism is on track to make a comeback after dipping to an all-time low during the nation’s worst lockdowns, according to official data and analysts. Since the mainland’s biggest lockdown in Shanghai ended in late May 2022, the increase in holiday bookings has indicated that tourism spending would be recovering in the second half of the year, Fitch Ratings said.

Agricultural, Forestry and Consumer Products Business

Strict lockdowns are exacerbating serious shortages of fertiliser, labour and seeds. The restrictions on human and commodity movements have resulted in a big drop in foodservice sales along with supply chain disruptions. Transportation of both raw materials and finished products has been hit. In addition to logistics issues, rising input costs are pressuring China-based producers and processors, who are having difficulty passing on the additional costs to consumers.

Supply-chain Business

COVID-19, Russia's invasion of Ukraine and rising geopolitical risks in Asia have thrown a wrench into global supply chains. That has reinvigorated the push to put key supply links back onshore, particularly those currently located in manufacturing juggernaut China.

China is losing more manufacturing and export market share in key sectors to Asian neighbors, with recent "Zero COVID" policies causing a significant factor leading to further erosion in its long-time dominance of global trade. According to data shared with CNBC by transport economics firm MDS Transmodal, China has lost ground in key consumer categories, including clothing and accessories, footwear, furniture, and travel goods, while also seeing declines in its share of exports from minerals to office technology.

Property Business

New home prices in China fell for the third straight month in September as a mortgage boycott across the country and a slowing economy discouraged potential home buyers, a private survey showed. China's property market crisis worsened this summer, with official data showing home prices, sales and investment all falling in August, adding pressure on the world's second-largest economy. Among the 100 cities, 56 cities posted a fall in monthly prices, compared with 69 in August, the survey showed. In the latest quarterly consumer survey by the People's Bank of China, a record-low percentage of respondents expected housing prices to rise.

BUSINESS REVIEW

Intelligent Advertising and Railroad Media Business

– *Intelligent Advertising Business*

China real estate market is still struggling to recover, with most private developers encountering funding difficulties. Real estate market is cooling down with less new property sales across the country, causing less advertising revenue in this segment.

Acknowledging the sector specific challenge we are focused on diversifying applications of our proprietary Big Data and AI technological platforms in other sectors to find new growth opportunities. Thanks to the powerful data processing capabilities of our AI system, it can be fitted onto a wide range of applications that the Group will be investigating with care such as applying the analytic capabilities in investment decision-making as well as providing AI-driven digital marketing strategy in our other business segments.

Development of such verticals will bring additional growth opportunities and broaden the income sources while creating additional synergies between the Group's various businesses.

– ***Railroad Media Business***

The Group has accumulated extensive expertise and exclusive access to high-speed railroad resources since it started providing railroad media services in 2019 and expanding organically within the high-speed railroad ecosystem to broaden the services provided as well as other travel ecosystems such as civil aviation. Despite limitations imposed by continued COVID restrictions, a significant opportunity has been observed in business travel service market where the recovery and demand is the strongest. The Group is actively looking for suitable investment opportunities in related sectors, especially business travel management.

The Group is focused on building synergies into the travel sector by leveraging its technological capabilities, especially its AI data-processing system and adapting it to sector-specific applications.

For the three months and six months ended 30 September 2022, revenue generated from the provision of intelligent advertising and railroad media services was approximately HK\$49,127,000 and HK\$89,538,000 respectively.

Agricultural, Forestry and Consumer Products Business

Demand for our agricultural and forestry products are decreasing due to sluggish consumer demand in an economic downturn.

For the three months and six months ended 30 September 2022, revenue generated from the sales of agricultural, forestry and consumer products was approximately HK\$16,132,000 and HK\$16,239,000 respectively.

Supply-chain Business

With unfavorable market condition and a global lack of appetite for Chinese manufacturing, the Group is closely observing industries of interest to seize potential investment opportunities in order to diversify its product portfolio further and broaden the income sources.

For the three months and six months ended 30 September 2022, no revenue was generated from the supply-chain business due to persistent unfavorable market condition.

Property Business

The Group owns a property which comprises a residential and commercial development site with a site area of approximately 3,111.96 square meters (“sq.m.”) located at Leshan City, Sichuan Province, the PRC. The property has a gross floor area of approximately 28,251.82 sq.m. (inclusive of a basement floor) and comprises 4 different types of functions, namely residential, commercial, basement car park and facilities.

The leasing of the commercial portion of the property has commenced and the Group expects to commence the selling programme of part of the residential portion of the property and the leasing of certain residential portion of the property and/or basement car park area when the property market appears to revive with loose policy environment.

For the three months and six months ended 30 September 2022, revenue derived from short-term leasing of the commercial portion of the property was approximately HK\$277,000 and HK\$595,000 respectively.

OUTLOOK

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with decades-high inflation. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023.

The Group's profitability and business growth are affected by the current macroeconomic conditions.

The Group will seek investment opportunities in resilient sectors that would enable the development of new business lines.

Our current strategy is to strengthen existing business lines as well as investing in new sectors and other high growth potential businesses.

The Group will remain conservative and prudent towards its profitability in the coming months. Nevertheless, we have taken measures to mitigate the impact of an economic downturn and will formulate necessary strategies and take further actions to enhance the long-term profitability and sustainability of the Group.

RISK FACTORS

Market Risk

The economic outlook highly depends on monetary and fiscal policies, the course of the war in Ukraine and growth prospects in China. A key factor slowing global growth is the generalised tightening of monetary policy, driven by the greater-than-expected overshoot of inflation targets. Strict lockdowns in China have also impacted the Chinese and global economy. Shutdowns and property market weakness are slowing China's growth to just 3.2% in 2022. Inflationary pressures are broadening out beyond food and energy almost everywhere, with higher energy, transportation and labour costs.

Natural Risk

The occurrence of severe weather conditions (e.g. floods, droughts, cyclones and windstorms) and natural disasters (e.g. earthquakes, fire, disease, insect infestation and pests) may diminish the supply of plants available for harvesting, or otherwise impede the logging operations or the growth of plants, which in turn may have an adverse effect on the Group's agricultural and forestry products business.

Compliance with Laws and Regulations

Many aspects of the Group's business are subject to laws and regulations, including without limitation, sale of goods and services, trade descriptions, intellectual property, product safety, food safety, data privacy, insurance, dutiable commodities, product eco-responsibility, telecommunications and broadcasting, competition, listing and disclosure, and corporate governance, of China and other countries in the world. Whilst we manage compliance proactively and procure to obtain first-rate independent legal services to ensure the highest standards in compliance, any failure to comply with laws and regulations may result in legal proceedings and expose to liability and sanctions. In any event, dealing with complaints, investigations or legal proceedings, regardless of their outcome, could be costly and time-consuming and could divert management attention. More importantly, the long-term sustainability of our business is largely dependent on a steady and balanced regulatory environment. Unanticipated changes in policies or regulatory practices by the relevant authorities may require us to change our business strategies and practices, and consequently, may cause material effect on our business.

The Board paid attention to the Group's policies and practices on compliance with all significant legal and regulatory requirements essential to its business and would seek professional advice from external legal advisers and consultants, if considered necessary, to ensure that transactions to be performed by the Group are in compliance with applicable environmental policies, laws and regulations. During the period under review, as far as the Board is aware, the Group has complied in all material respects with the laws or regulations that have a significant impact on its operations.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2022, the Group's cash and bank deposits amounted to approximately HK\$8,350,000 which has decreased by approximately 56.82% when comparing with the cash and bank deposits of approximately HK\$19,339,000 as at 31 March 2022.

As at 30 September 2022, the Group had net current liabilities of approximately HK\$14,858,000 (31 March 2022: HK\$5,679,000).

The Group adopted a conservative treasury policy to maintain cash necessary to meet anticipated expenditures plus a reasonable cushion for emergencies. Almost all bank deposits are being kept in Hong Kong dollars, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risk. Any excess cash should be invested in liquid income-producing instruments which should be managed by a qualified investment manager or operated in accordance with advice provided by a qualified investment manager or decision of an investment committee, if formed, comprising at least one executive director, at least one independent non-executive director and at least one individual who must possess appropriate professional qualifications and/or financial and investment expertise and experience.

Most of the trading transactions, assets and liabilities of the Group were currently denominated in Hong Kong dollars, United States Dollars and Renminbi. The Group did not experience any material difficulties on its operations or liquidity as a result of fluctuation in currency exchange rates during the period under review. As at 30 September 2022, the Group had no foreign exchange contracts, interest of currency swaps or other financial derivatives for hedging purpose. The Group is closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should the need arise.

The share capital of the Company as at 30 September 2022 is as follows:

	Number of shares ('000)	Amount (HK\$'000)
Authorised	<u>3,000,000</u>	<u>300,000</u>
Issued and fully paid	<u>330,272</u>	<u>33,027</u>

GEARING RATIO

The Group's gearing ratio, which was defined as the ratio of net debt to equity, was approximately 202% as at 30 September 2022 (31 March 2022: 128%).

The increase in gearing ratio as at 30 September 2022 as compared to that of 31 March 2022 is mainly attributable to the decrease in cash and bank deposits as well as equity.

CONTINGENT LIABILITIES

As at 30 September 2022, the Group did not have any material contingent liabilities (31 March 2022: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2022, the Group had approximately 80 employees (31 March 2022: 85 employees). The Group reviewed employees' remuneration from time to time and salary adjustment was normally made on an annual basis. Special adjustment based on length of service and good performance could be made at any time when warranted. In addition to salaries, the Group provided employees' benefits such as medical insurance and provident fund. Share options and bonuses were also available to employees of the Group at the discretion of the directors of the Company (the "Directors") and depending upon the financial performance of the Group.

RESULTS OF OPERATIONS

For the six months ended 30 September 2022, the Group recorded a total revenue of approximately HK\$106,372,000, representing a decrease of approximately 52.65% as compared with a total revenue of approximately HK\$224,661,000 for the corresponding period of last year, mainly attributable to the decrease in revenue generated from the intelligent advertising business due to haze in China's real estate sector.

Administrative and other operating expenses for the six months ended 30 September 2022 amounted to approximately HK\$15,876,000, representing a decrease of approximately 50.47% as compared with the administrative and other operating expenses of approximately HK\$32,052,000 for the corresponding period of last year, mainly attributable to the decrease in research and development expenses incurred for intelligent advertising business.

Loss attributable to owners of the Company was approximately HK\$13,527,000 for the six months ended 30 September 2022, which was approximately 58.36% higher than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$8,542,000.

RESULTS

The board of directors (the "Board") of Great World Company Holdings Ltd (the "Company") presents the financial information of the Company and its subsidiaries (the "Group"), comprising the condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group for the three months and six months ended 30 September 2022 and the condensed consolidated statement of financial position of the Group as at 30 September 2022, all of which are unaudited and in condensed format, (collectively referred to as the "Unaudited Condensed Financial Statements") along with selected explanatory notes and comparative information as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	(Unaudited)		(Unaudited)	
		Three months ended		Six months ended	
		30 September		30 September	
		2022	2021	2022	2021
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2	65,536	99,215	106,372	224,661
Cost of sales		<u>(60,481)</u>	<u>(77,705)</u>	<u>(98,263)</u>	<u>(178,340)</u>
Gross profit		5,055	21,510	8,109	46,321
Other gains/(losses)	3	2,221	1,271	(34)	(8,994)
Loss arising from changes in fair value less costs to sell of biological assets		(5,104)	(6,658)	(1,684)	(7,035)
Selling and distribution costs		(566)	(1,432)	(1,053)	(2,716)
Administrative and other operating expenses		(6,804)	(20,122)	(15,876)	(32,052)
Finance costs		<u>(64)</u>	<u>(359)</u>	<u>(134)</u>	<u>(388)</u>
Loss before tax	5	(5,262)	(5,790)	(10,672)	(4,864)
Income tax	6	<u>(230)</u>	<u>76</u>	<u>21</u>	<u>36</u>
Loss for the period		<u>(5,492)</u>	<u>(5,714)</u>	<u>(10,651)</u>	<u>(4,828)</u>
Loss for the period attributable to:					
Owners of the Company		(8,863)	(4,110)	(13,527)	(8,542)
Non-controlling interests		<u>3,371</u>	<u>(1,604)</u>	<u>2,876</u>	<u>3,714</u>
		<u>(5,492)</u>	<u>(5,714)</u>	<u>(10,651)</u>	<u>(4,828)</u>
Basic and diluted loss per share	7	<u>HK(2.68)</u> <u>cents</u>	<u>HK(1.24)</u> <u>cents</u>	<u>HK(4.10)</u> <u>cents</u>	<u>HK(2.60)</u> <u>cents</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period	<u>(5,492)</u>	<u>(5,714)</u>	<u>(10,651)</u>	<u>(4,828)</u>
Other comprehensive income/(loss):				
Items that may be reclassified				
subsequently to profit or loss				
– Exchange differences arising on				
translation of foreign operations	<u>(9,277)</u>	<u>2,358</u>	<u>(16,017)</u>	<u>1,981</u>
Other comprehensive income/(loss)				
for the period, net of tax	<u>(9,277)</u>	<u>2,358</u>	<u>(16,017)</u>	<u>1,981</u>
Total comprehensive loss for the period	<u>(14,769)</u>	<u>(3,356)</u>	<u>(26,668)</u>	<u>(2,847)</u>
Total comprehensive income/(loss)				
attributable to:				
Owners of the Company	<u>(11,004)</u>	<u>(1,594)</u>	<u>(16,237)</u>	<u>(6,216)</u>
Non-controlling interests	<u>(3,765)</u>	<u>4,950</u>	<u>(10,431)</u>	<u>3,369</u>
	<u>(14,769)</u>	<u>(3,356)</u>	<u>(26,668)</u>	<u>(2,847)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) 30 September 2022 HK\$'000	(Audited) 31 March 2022 HK\$'000
Non-current assets			
Right-of-use assets	9	6,850	8,333
Property, plant and equipment	10	174	230
Investment property	11	56,261	62,995
Biological assets	12	28,137	34,808
		91,422	106,366
Current assets			
Properties held for sale	13	82,828	92,741
Inventories	14	210	394
Biological assets	12	1,732	–
Trade and other receivables	15	86,392	106,209
Financial assets at fair value through profit or loss	16	2,118	8,309
Cash and bank deposits	17	8,350	19,339
		181,630	226,992
Current liabilities			
Trade and other payables	18	(51,414)	(69,042)
Contract liabilities	19	(13,036)	(22,112)
Financial liabilities at fair value through profit or loss	16	–	(3,556)
Lease liabilities	20	(1,534)	(1,617)
Amounts due to directors	21	(7,653)	(7,172)
Amounts due to related companies	21	(52,461)	(58,743)
Amounts due to non-controlling interests	21	(976)	(1,015)
Amount due to a shareholder	21	(69,414)	(69,414)
		(196,488)	(232,671)
Net current liabilities		(14,858)	(5,679)
Non-current liabilities			
Lease liabilities	20	(500)	(1,267)
Convertible note	22	(3,083)	(3,007)
Deferred tax liabilities		(18,185)	(20,365)
		(21,768)	(24,639)
Net assets		54,796	76,048
Capital and reserves			
Share capital	23	33,027	33,027
Reserves		(278)	10,543
		32,749	43,570
Equity attributable to owners of the Company		32,749	43,570
Non-controlling Interests		22,047	32,478
		54,796	76,048
Total equity		54,796	76,048

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Total	Non-controlling interests	Total
	Share capital	Share premium	Convertible notes equity reserve	Share options reserve	Translation reserve	Accumulated losses			
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April 2022 (audited)	33,027	284,988	413	2,303	2,513	(279,674)	43,570	32,478	76,048
Total comprehensive income/(loss) for the period (unaudited)	-	-	-	-	(8,462)	(7,775)	(16,237)	(10,431)	(26,668)
Grant of new share options (unaudited)	-	-	-	5,416	-	-	5,416	-	5,416
Lapse of share options (unaudited)	-	-	-	(2,303)	-	2,303	-	-	-
At 30 September 2022 (unaudited)	<u>33,027</u>	<u>284,988</u>	<u>413</u>	<u>5,416</u>	<u>(5,949)</u>	<u>(285,146)</u>	<u>32,749</u>	<u>22,047</u>	<u>54,796</u>
At 1 April 2021 (audited)	32,527	280,678	-	2,303	(1,495)	(238,592)	75,421	38,256	113,677
Total comprehensive income/(loss) for the period (unaudited)	-	-	-	-	2,326	(8,542)	(6,216)	3,369	(2,847)
Placing of new shares (unaudited)	500	4,500	-	-	-	-	5,000	-	5,000
Increase in ownership interests in a subsidiary (unaudited)	-	-	-	-	-	(206)	(206)	206	-
At 30 September 2021 (unaudited)	<u>33,027</u>	<u>285,178</u>	<u>-</u>	<u>2,303</u>	<u>831</u>	<u>(247,340)</u>	<u>73,999</u>	<u>41,831</u>	<u>115,830</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)	
	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
Net cash generated from/(used in) operating activities	(17,938)	3,179
Net cash generated from/(used in) investing activities	(5)	53
Net cash generated from/(used in) financing activities	(3,408)	6,105
	<hr/>	<hr/>
Net increase in cash and cash equivalents	(21,351)	9,337
Cash and cash equivalents at 1 April	19,339	12,439
Effect of foreign exchange rate changes	10,362	3,376
	<hr/>	<hr/>
Cash and cash equivalents at 30 September	8,350	25,152
	<hr/> <hr/>	<hr/> <hr/>
Analysis of cash and cash equivalents at 30 September:		
Cash and bank deposits	8,350	25,152
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in compliance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and in accordance with the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation adopted in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those applied for the Group’s annual financial statements for the year ended 31 March 2022.

The preparation of the Unaudited Condensed Consolidated Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2022. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies and results reported for the current or prior accounting periods.

The Group has not applied the new and revised HKFRSs, which have been issued and are not yet effective, but is in the process of assessing their impact on the Group’s results of operations and financial position.

The financial information are unaudited but have been reviewed by the Company’s audit committee.

2. REVENUE

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2022	2021	2022	2021
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Provision of mobile advertising media services	49,127	79,425	89,538	203,760
Sales of goods	16,132	19,421	16,239	20,186
Rental income	277	369	595	715
	65,536	99,215	106,372	224,661

3. OTHER GAINS/(LOSSES)

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Bank and other interest income	5	72	11	76
Gain/(loss) arising from treasury investment	1,197	137	(631)	151
Gain on disposal of subsidiary	1	–	1	–
Government subsidy	92	–	137	–
Inventories written down	–	–	–	(8,100)
Provision for impairment loss reversed/(recognised) in respect of trade and other receivables	(74)	1,062	(552)	(1,121)
Research and development income	1,000	–	1,000	–
	<u>2,221</u>	<u>1,271</u>	<u>(34)</u>	<u>(8,994)</u>

4. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior management for the purpose of resource allocation and performance assessment, the Group has presented the following four reportable segments.

The Group's operations and reportable segments are as follows:

Intelligent advertising and railroad media business	Provision of mobile advertising media services for intelligent advertising and property market customers in the PRC, railroad magazine distribution and e-commerce platform management, advertising and product sales services
Agricultural, forestry and consumer products business	Cultivation of forestry and wood material products, Chinese herbal medicine ingredients and specialty agricultural by-products, sales of processed and pre-packaged food/consumer products
Supply-chain business	Sales of industrial, information technology and other products as well as related R&D and product manufacturing activities
Property business	Property investment and development, operating and managing residential and commercial properties

Management monitors the results of the Group's operating segments separately, for the purpose of making decisions about resource allocation and assessment of the Group's performance. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that unallocated income, finance costs and expenses are excluded from such measurement.

All assets are allocated to reportable segments other than goodwill and unallocated corporate assets.

All liabilities are allocated to reportable segments other than income tax payable, deferred tax liabilities and unallocated corporate liabilities.

These segments are managed separately as they belong to different industries and require different operating systems and strategies. There were no sales or other transactions between those reportable segments. Information regarding the Group's reportable segments is presented below:

(a) Segment revenue, profit or loss, assets, liabilities and other selected financial information

	(Unaudited) Three months ended 30 September 2022				(Unaudited) Six months ended 30 September 2022			
	Intelligent advertising and railroad media business HK\$'000	Agricultural, forestry and consumer products business HK\$'000	Property business HK\$'000	Total HK\$'000	Intelligent advertising and railroad media business HK\$'000	Agricultural, forestry and consumer products business HK\$'000	Property business HK\$'000	Total HK\$'000
Revenue from external customers	49,127	16,132	277	65,536	89,538	16,239	595	106,372
Bank interest income	4	1	1	6	9	1	1	11
Depreciation of property, plant and equipment	(16)	(2)	(1)	(19)	(32)	(5)	(2)	(39)
Depreciation of right-of-use assets	(182)	-	-	(182)	(371)	-	-	(371)
Loss arising from changes in fair value less costs to sell of biological assets	-	(5,104)	-	(5,104)	-	(1,684)	-	(1,684)
Provision for impairment loss recognised in respect of trade and other receivables	-	(24)	-	(24)	-	(288)	-	(288)
Total profit/(loss) before tax of reportable segments	1,016	(5,855)	43	(4,796)	1,825	(3,276)	98	(1,353)
Total assets of reportable segments	76,931	52,213	139,629	268,773	76,931	52,213	139,629	268,773
Total liabilities of reportable segments	(53,393)	(1,866)	(73,891)	(129,150)	(53,393)	(1,866)	(73,891)	(129,150)

	(Unaudited) Three months ended 30 September 2021				(Unaudited) Six months ended 30 September 2021					
	Intelligent advertising and railroad media business HK\$'000	Agricultural, forestry and consumer products business HK\$'000	Supply- chain business HK\$'000	Property business HK\$'000	Total HK\$'000	Intelligent advertising and railroad media business HK\$'000	Agricultural, forestry and consumer products business HK\$'000	Supply- chain business HK\$'000	Property business HK\$'000	Total HK\$'000
Revenue from external customers	79,425	19,421	-	369	99,215	203,760	20,182	4	715	224,661
Bank interest income	60	12	-	1	73	63	12	-	1	76
Depreciation of property, plant and equipment	-	(2)	-	(2)	(4)	(10)	(5)	-	(2)	(17)
Depreciation of right-of-use assets	(203)	-	-	-	(203)	(407)	-	-	-	(407)
Loss arising from changes in fair value less costs to sell of biological assets	-	(6,658)	-	-	(6,658)	-	(7,035)	-	-	(7,035)
Inventories written down	-	-	-	-	-	-	(8,100)	-	-	(8,100)
Provision for impairment loss reversed/(recognised) in respect of trade and other receivables	3,262	3	5	-	3,270	(1,066)	(3)	(18)	-	(1,087)
Total profit/(loss) before tax of reportable segments	1,675	(7,458)	(61)	(56)	(5,900)	13,354	(15,991)	(118)	96	(2,659)
Total assets of reportable segments	125,172	70,735	427	152,864	349,198	125,172	70,735	427	152,864	349,198
Total liabilities of reportable segments	(79,227)	(62,942)	(8)	(80,956)	(223,133)	(79,227)	(62,942)	(8)	(80,956)	(223,133)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue				
Total revenue for reportable segments	<u>65,536</u>	<u>99,215</u>	<u>106,372</u>	<u>224,661</u>
Consolidated revenue	<u><u>65,536</u></u>	<u><u>99,215</u></u>	<u><u>106,372</u></u>	<u><u>224,661</u></u>
Loss before tax				
Total loss for reportable segments	<u>(4,796)</u>	<u>(5,900)</u>	<u>(1,353)</u>	<u>(2,659)</u>
Unallocated corporate income	<u>507</u>	<u>137</u>	<u>507</u>	<u>151</u>
Unallocated corporate expenses	<u>(973)</u>	<u>(27)</u>	<u>(9,826)</u>	<u>(2,356)</u>
Consolidated loss before tax	<u><u>(5,262)</u></u>	<u><u>(5,790)</u></u>	<u><u>(10,672)</u></u>	<u><u>(4,864)</u></u>
			(Unaudited) 30 September 2022 <i>HK\$'000</i>	(Audited) 31 March 2022 <i>HK\$'000</i>
Assets				
Total assets for reportable segments			<u>268,773</u>	<u>322,870</u>
Unallocated corporate assets			<u>4,279</u>	<u>10,488</u>
Consolidated total assets			<u><u>273,052</u></u>	<u><u>333,358</u></u>
Liabilities				
Total liabilities for reportable segments			<u>(129,150)</u>	<u>(152,203)</u>
Unallocated corporate liabilities			<u>(89,106)</u>	<u>(105,107)</u>
Consolidated total liabilities			<u><u>(218,256)</u></u>	<u><u>(257,310)</u></u>

5. LOSS BEFORE TAX

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Loss before tax has been arrived at after charging:				
Staff costs (including directors' remuneration)				
– fees, salaries, wages, other benefits and contributions to retirement plans	2,850	5,229	5,679	10,016
– equity settled share-based payment expenses	–	–	5,416	–
Cost of inventories sold	60,481	77,705	98,263	178,340
Depreciation of property, plant and equipment	23	442	47	889
Depreciation of rights-of-use assets	388	297	759	722
Short-term lease payments	146	184	312	387
	<u>2,850</u>	<u>5,229</u>	<u>5,679</u>	<u>10,016</u>

6. INCOME TAX

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Current tax:				
Hong Kong Profits Tax	–	–	–	–
PRC Enterprise Income Tax	(230)	76	21	36
	<u>(230)</u>	<u>76</u>	<u>21</u>	<u>36</u>
Deferred tax	–	–	–	–
Income tax (charge)/credit for the period	<u>(230)</u>	<u>76</u>	<u>21</u>	<u>36</u>

Hong Kong Profits Tax is calculated at the rate of 16.5% on the estimated assessable profit for the three months and six months ended 30 September 2022 and 2021.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate applicable to the PRC subsidiaries is 25%.

No provision for Hong Kong Profits Tax had been made for the three months and six months ended 30 September 2022 as the Group had no assessable profit.

PRC Enterprise Income Tax for the three months and six months ended 30 September 2022 represented the amount charged/paid net of the amount refunded during the period.

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(i) Loss for the period attributable to owners of the Company	<u>(8,863)</u>	<u>(4,110)</u>	<u>(13,527)</u>	<u>(8,542)</u>
	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>
(ii) Weighted average number of ordinary shares	<u>330,272</u>	<u>330,271</u>	<u>330,272</u>	<u>329,151</u>

Diluted loss per share for loss attributable to the owners of the Company for the three months and six months ended 30 September 2022 and 2021 were the same as basic loss per share because the calculation of diluted loss per share does not assume the exercise of the outstanding share options and the conversion of convertible note of the Company as they had an anti-dilutive effect to the basic loss per share.

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

9. RIGHT-OF-USE ASSETS

	Land use right <i>HK\$'000</i>	Office premises <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2022 (audited) Carrying amount	5,747	2,586	8,333
At 30 September 2022 (unaudited) Carrying amount	5,093	1,757	6,850
For the six months ended 30 September 2022 (unaudited)			
Depreciation charges	(41)	(718)	(759)
Exchange alignment	(613)	(111)	(724)
Expense relating to short-term leases (unaudited)			312
Total cash outflows for leases (unaudited)			793
Additions to right-of-use assets (unaudited)			–

The land use right of the Group is located in the PRC with the remaining period of 59 years.

The Group leases various offices premises for its operations. Lease contracts are entered into for fixed term of one year to four years, but may have extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

10. PROPERTY, PLANT AND EQUIPMENT

HK\$'000

Cost:

At 1 April 2022 (audited)	595
Additions (unaudited)	16
Exchange alignment (unaudited)	(64)
	<hr/>

At 30 September 2022 (unaudited)	547
	<hr/>

Accumulated depreciation and impairment loss:

At 1 April 2022 (audited)	365
Depreciation charged for the period (unaudited)	47
Exchange alignment (unaudited)	(39)
	<hr/>

At 30 September 2022 (unaudited)	373
	<hr/>

Carrying amounts:

At 30 September 2022 (unaudited)	174
	<hr/> <hr/>

At 31 March 2022 (audited)	230
	<hr/> <hr/>

11. INVESTMENT PROPERTY

HK\$'000

Fair value:

At 1 April 2022 (audited)	62,995
Exchange alignment (unaudited)	(6,734)
	<hr/>

At 30 September 2022 (unaudited)	56,261
	<hr/> <hr/>

Investment property, which comprises the portions of commercial, basement car park and facilities of a property located in the People's Republic of China held under medium-term lease to earn rentals or for capital appreciation purpose, is measured using the fair value model.

No material fair value change on the investment property was recognised in profit or loss for the three months and six months ended 30 September 2022. The direct operating expenses for the investment property are approximately HK\$176,000 and HK\$357,000 for the three months and six months ended 30 September 2022 (three months and six months ended 30 September 2021: HK\$183,000 and HK\$364,000) respectively and the rental income generated from the investment property are approximately of HK\$277,000 and HK\$595,000 for the three months and six months ended 30 September 2022 (three months and six months ended 30 September 2021: HK\$369,000 and HK\$715,000) respectively.

12. BIOLOGICAL ASSETS

	<i>HK\$'000</i>
At 1 April 2022 (audited)	34,808
Increase due to plantation (unaudited)	684
Loss arising from changes in fair value less costs to sell (unaudited)	(1,684)
Exchange alignment (unaudited)	(3,939)
	<hr/>
At 30 September 2022 (unaudited)	<u>29,869</u>

Biological assets represent living plants and produce growing for sale, measured at fair value less costs to sell by income approach based on discounted cash flow model and analysed into:

	(Unaudited) 30 September 2022 <i>HK\$'000</i>	(Audited) 31 March 2022 <i>HK\$'000</i>
Non-current portion	28,137	34,808
Current portion	1,732	–
	<hr/> 29,869 <hr/>	<hr/> 34,808 <hr/>

13. PROPERTIES HELD FOR SALE

	<i>HK\$'000</i>
At 1 April 2022 (audited)	92,741
Exchange alignment (unaudited)	(9,913)
	<hr/>
At 30 September 2022 (unaudited)	<u>82,828</u>

Properties held for sale represent the residential portion of a property located in the People's Republic of China held under medium-term lease.

14. INVENTORIES

	(Unaudited) 30 September 2022 <i>HK\$'000</i>	(Audited) 31 March 2022 <i>HK\$'000</i>
Finished goods (for sale)	210	394
	<hr/> 210 <hr/>	<hr/> 394 <hr/>

15. TRADE AND OTHER RECEIVABLES

	(Unaudited) 30 September 2022 HK\$'000	(Audited) 31 March 2022 HK\$'000
Trade receivables	60,524	69,708
Allowance for expected credit losses	(23,456)	(23,383)
	<u>37,068</u>	<u>46,325</u>
Other receivables	15,230	4,622
Prepayments	33,305	54,393
Deposits	789	869
	<u>86,392</u>	<u>106,209</u>

Notes:

- (i) Other receivables as at 30 September 2022 mainly include amounts due by ex-subsidiaries of the Company of approximately HK\$6,646,000, which are non-trade nature, unsecured, interest-free and regarded as repayable on demand since there are no fixed repayment terms, and warranty payment of approximately HK\$4,265,000 under an advertising service agreement and the supplemental advertising service agreement entered into between Beijing Tencent Cultural Media Company Limited and the Group.
- (ii) Prepayments mainly include the amounts paid to suppliers for the procurement of services and products in the ordinary course of business. These amounts are classified as current because the Group expects the balances to be settled in normal operating cycle within 12 months.
- (iii) Deposits as at 30 September 2022 are mainly rental deposit.

The following is an aging analysis of trade receivables, net of allowance for expected credit losses, presented based on the past due dates, which approximate the respective revenue recognition dates:

	(Unaudited) 30 September 2022 HK\$'000	(Audited) 31 March 2022 HK\$'000
Not yet past due	16,140	16,127
1 to 3 months past due	10,502	3,938
3 to 6 months past due	860	13,048
Over 6 months past due	9,566	13,212
	<u>37,068</u>	<u>46,325</u>

The average credit period granted to customers is 6 months after an invoice has been sent out.

In determining the recoverability of receivables, the Group considers if there is any change in the credit quality of each receivable from the date when credit was initially granted up to the end of the reporting period. Impairment was recognised on receivables when there was indication of significant change on their credit quality.

16. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 September 2022 HK\$'000	(Audited) 31 March 2022 HK\$'000
Financial assets at FVTPL		
Equity securities listed in Hong Kong	2,118	2,309
Equity securities listed outside Hong Kong	–	6,000
	<u>2,118</u>	<u>8,309</u>
Financial liabilities at FVTPL		
Equity securities listed outside Hong Kong sold short	–	3,556
	<u>–</u>	<u>3,556</u>

The Group may short sell securities. Short sales or borrowed stocks are classified as financial liabilities and are measured at fair value through profit or loss.

When the Group sells securities it does not possess, it has to cover this short position by acquiring securities at a later date and is therefore exposed to price risk of those securities sold short. The sales agreement is usually settled by delivering borrowed securities.

17. CASH AND BANK DEPOSITS

	(Unaudited) 30 September 2022 HK\$'000	(Audited) 31 March 2022 HK\$'000
Cash at banks and cash on hand		
Hong Kong Dollar (“HK\$”)	897	3,835
United States Dollar (“USD”)	–	4,662
Renminbi (“RMB”)	7,453	10,842
	<u>8,350</u>	<u>19,339</u>

RMB is currently not a freely convertible currency in the international market. The conversion of RMB into foreign currencies and remittance of RMB out of the PRC are subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

18. TRADE AND OTHER PAYABLES

	(Unaudited) 30 September 2022 HK\$'000	(Audited) 31 March 2022 HK\$'000
Trade payables	35,961	43,574
Other payables	10,000	11,669
Deposit received	–	10,109
Accruals	5,453	3,690
	<u>51,414</u>	<u>69,042</u>

An aging analysis of the trade payables is as follows:

Within 3 months	5,095	3,823
3 months to 12 months	1,170	4,100
Over 12 months	29,696	35,651
	<u>35,961</u>	<u>43,574</u>

Notes:

Other payables as at 30 September 2022 mainly include:

- (a) amount due to an ex-director of the Company of approximately HK\$2,500,000, which has no fixed repayment terms and is unsecured and interest-free; and
- (b) advance from a third party of approximately HK\$2,714,000, which has no fixed repayment terms and is unsecured and interest-free.

19. CONTRACT LIABILITIES

	(Unaudited) 30 September 2022 HK\$'000	(Audited) 31 March 2022 HK\$'000
Provision of mobile advertising media services	<u>13,036</u>	<u>22,112</u>

When the Group receives deposit before providing advertising display services, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives a deposit on acceptance of a contract.

These contract liabilities are classified as current because the Group expects them to be settled in normal operating cycle within 12 months.

20. LEASE LIABILITIES

	(Unaudited) 30 September 2022		(Audited) 31 March 2022	
	Present value of the minimum lease payments <i>HK\$'000</i>	Total minimum lease payments <i>HK\$'000</i>	Present value of the minimum lease payments <i>HK\$'000</i>	Total minimum lease payments <i>HK\$'000</i>
Within one year	1,534	1,592	1,617	1,719
After one year but within two years	500	506	1,267	1,293
	<u>2,034</u>	<u>2,098</u>	<u>2,884</u>	<u>3,012</u>
Total future interest expenses		<u>(64)</u>		<u>(128)</u>
Present value of lease liabilities		2,034		2,884
Amount due for settlement within 12 months (shown under current liabilities)		<u>(1,534)</u>		<u>(1,617)</u>
Amount due for settlement after 12 months (shown under non-current liabilities)		<u>500</u>		<u>1,267</u>

21. AMOUNTS DUE TO DIRECTORS/RELATED COMPANIES/NON-CONTROLLING INTERESTS/ A SHAREHOLDER

The amounts due to directors/related companies/non-controlling interests/a shareholder are non-trade nature, unsecured, interest-free and regarded as repayable on demand since there are no fixed repayment terms.

22. CONVERTIBLE NOTE

	(Unaudited) 30 September 2022 HK\$'000		(Audited) 31 March 2022 HK\$'000	
Carrying amount	<u>3,083</u>		<u>3,007</u>	
	(Unaudited) Three months ended 30 September 2022 HK\$'000		(Unaudited) Six months ended 30 September 2022 HK\$'000	
	2021 HK\$'000		2021 HK\$'000	
Imputed interests recognised as finance costs	<u>39</u>	<u>–</u>	<u>76</u>	<u>–</u>

The Company issued zero-coupon convertible note with principal amount of HK\$3,500,000 to an independent third party (the “Noteholder”) on 28 March 2022. The convertible note is unsecured and repayable upon maturity which is on the third anniversary of the date of issue. The Noteholder entitled to convert the whole or any portion of the outstanding principal amount of convertible note into ordinary shares of the Company (the “Shares”) at the Noteholder’s election at any time before the maturity at HK\$1.00 per share (subject to adjustment as detailed in the Company’s announcement dated 9 March 2022). The convertible note is denominated in HK\$ and are shown under non-current liabilities at 30 September 2022 and 31 March 2022.

Convertible notes are compound financial instruments containing two components, liability and equity elements. The fair value of the liability component with carrying amount of HK\$3,006,000 at initial recognition was calculated using the discounted cash flows method at a market interest rate for the equivalent non-convertible note. The effective interest rate of the liability component on initial recognition is approximately 5.1%. The equity component with carrying amount of HK\$494,000 at initial recognition was stated at its fair value using the Binomial Tree Pricing Model and included under the heading “Convertible notes equity reserve”.

23. SHARE CAPITAL

	Number of shares		Amount	
	(Unaudited) 30 September 2022 '000	(Audited) 31 March 2022 '000	(Unaudited) 30 September 2022 HK\$'000	(Audited) 31 March 2022 HK\$'000
Ordinary shares of HK\$0.1 each				
Authorised	<u>3,000,000</u>	<u>3,000,000</u>	<u>300,000</u>	<u>300,000</u>
Issued and fully paid	<u>330,272</u>	<u>330,272</u>	<u>33,027</u>	<u>33,027</u>

24. RESERVES

The share premium account of the Company is distributable to the owners of the Company under the Companies Law (2013 Revision) of the Cayman Islands subject to the provisions of the Company's memorandum and articles of association and provided that the Company will be in a position to payoff its debts as they fall due in the ordinary course of business immediately following the date on which the dividend is proposed to be distributed.

The convertible notes equity reserve represents the value of the equity component of unexercised convertible notes issued by the Company with related deferred tax recognised. Items included in convertible notes equity reserve will not be reclassified subsequently to profit or loss.

The share options reserve represents the fair value of the unexercised share options recognised in accordance with the accounting policy adopted for share-based payments.

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

25. RELATED PARTY TRANSACTIONS

- (a) Remuneration for key management personnel of the Group, including the Company's directors and certain senior management staff, is as follows:

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Fees, salaries and other benefits	735	611	1,406	1,220

- (b) Amounts due to directors/related companies/non-controlling interests/a shareholder of the Company as at 30 September 2022 and 31 March 2022 are disclosed in the condensed consolidated statement of financial position; other details are disclosed in note 21.

OTHER INFORMATION

SHARE OPTION SCHEME

The share option scheme adopted at the annual general meeting of the Company held on 3 August 2012 (the “2012 Share Option Scheme”) was valid and effective for a period of 10 years commencing on 3 August 2012, selected persons, such as the directors, employees, customers or any individual business or entity providing goods or services, might take up options to subscribe for shares in the Company subject to the terms and conditions stipulated in the 2012 Share Option Scheme. The maximum number of shares which could be granted under the 2012 Share Option Scheme might not exceed 10% of the issued share capital of the Company at the time of adoption of the option or at the date of approval by the shareholders in subsequent general meeting where the limit was refreshed.

On 13 May 2022, the Company granted options under the 2012 Share Option Scheme to certain eligible persons to subscribe for a total of 23,000,000 ordinary shares in the share capital of the Company at the exercise price of HK\$1 per share.

Movements in the number of share options granted under the 2012 Share Option Scheme are as follows:

Participants	Date of grant	Exercisable period	Exercise price per share	No. of underlying shares comprised in option					As at 30 September 2022
				As at 1 April 2022	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
Employees and others (in aggregate)	4 February 2016	4 February 2016 – 6 January 2026	HK\$2.64	2,240,000	-	-	(2,240,000)	-	-
Employees and others (in aggregate)	13 May 2022	13 May 2022 – 13 May 2025	HK\$1.00	-	23,000,000	-	-	-	23,000,000

Save as disclosed above, no other share option was granted, exercised, lapsed or cancelled pursuant to the 2012 Share Option Scheme and none of the Directors or chief executive of the Company or their respective spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations within the meaning of the Securities and Future Ordinance (“SFO”) during the six months ended 30 September 2022.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles in and complied with the requirements of the Corporate Governance Code (“CG Code”) as set out in Appendix 15 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) throughout the six months ended 30 September 2022.

BOARD OF DIRECTORS

The Board comprised three executive Directors, namely Mr. Zhang Yanqiang, Mr. Gu Zhonghai and Mr. Zhao Xinyan, one non-executive Director, namely Ms. Ng Mui King, Joky (chairman of the Board), and three independent non-executive Directors, namely, Mr. Chung Koon Yan, Ms. Zhao Yongmei and Mr. Jing Baoli.

The Board is responsible for reviewing, evaluating and finalising the Company's strategies and policies, annual budgets, business plans and performance, and has full access to adequate, reliable and timely information on the Group so as to enable them to make a timely decision. The Board also has the collective responsibility for leadership and control of, and for promoting the success of, the Group by directing and supervising the Group's affairs.

BOARD COMMITTEES

The Board has established three committees in accordance with the CG Code, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. These committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice when appropriate and upon request.

Audit Committee

The Audit Committee comprised three independent non-executive Directors, namely Mr. Chung Koon Yan (chairman of the Audit Committee), Ms. Zhao Yongmei and Mr. Jing Baoli. The Audit Committee meets with the Group's senior management regularly to review the effectiveness of the internal control system and the quarterly, interim and annual reports of the Group.

Nomination Committee

The Nomination Committee comprised one executive Director, namely Mr. Zhang Yanqiang (chairman of the Nomination Committee), and two independent non-executive Directors, namely Ms. Zhao Yongmei and Mr. Jing Baoli. The Nomination Committee reviews the composition of the Board and nominates suitably qualified candidates to the Board, if necessary.

Remuneration Committee

The Remuneration Committee comprised one executive Director, namely Mr. Zhao Xinyan, and two independent non-executive Directors, namely Ms. Zhao Yongmei (chairman of the Remuneration Committee) and Mr. Jing Baoli. The Remuneration Committee reviews and determines the policy for the remuneration of directors and senior management of the Group.

INTERESTS OF DIRECTORS

As at 30 September 2022, the interests and short positions of the Directors or chief executive of the Company in the shares, the underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were required 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 the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long Position in Shares and Underlying Shares of the Company

Name of Director	Number of ordinary shares of HK\$0.10 each and the underlying shares			Approximate percentage of the issued share capital of the Company
	Personal interest	Corporate interest	Total number of shares	
Mr. Zhao Xinyan	1,750,000	47,378,000 (Note 1)	49,128,000	14.88%
Ms. Ng Mui King, Joky	–	33,792,000 (Note 2)	33,792,000	10.23%

Notes:

1. These shares are held by Win Bless Limited of which Mr. Zhao Xinyan is the beneficial owner.
2. These shares are held by Gold City Assets Holdings Ltd. of which Ms. Ng Mui King, Joky is the beneficial owner.

Save as disclosed above, as at 30 September 2022, none of the Directors and chief executive of the Company had interests and short positions in the shares, the underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which were required 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 the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 September 2022 was any of the Company or its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTEREST OF SUBSTANTIAL SHAREHOLDERS AND OTHER SHAREHOLDERS

As at 30 September 2022, save as disclosed below, so far is known to the Directors and chief executives of the Company, no person (other than a Director or a chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or, who is directly or indirectly, interested in 5% or more of the issued share capital of the Company.

Long Position in Shares of the Company

Name of shareholder	Capacity/Nature of interest	Total number of ordinary shares of HK\$0.10 each	Approximate percentage of the issued share capital of the Company
Win Bless Limited	Beneficial owner/Corporate	47,378,000 (Note 1)	14.35%
Mr. Zhao Xinyan	Interest in a controlled corporation	47,378,000 (Note 1)	14.35%
	Beneficial owner/Personal	1,750,000	0.53%
Gold City Assets Holdings Ltd.	Beneficial owner/Corporate	33,792,000 (Note 2)	10.23%
Ms. Ng Mui King, Joky	Interest in a controlled corporation	33,792,000 (Note 2)	10.23%
Ms. Lin Shunping	Beneficial owner/Personal	19,900,000 (Note 3)	6.03%

Notes:

1. These shares are held by Win Bless Limited, a company incorporated in Hong Kong of which the issued share capital is beneficially owned by Mr. Zhao Xinyan, an executive director of the Company.
2. These shares are held by Gold City Assets Holdings Ltd., a company incorporated in the British Virgin Islands of which the issued share capital is beneficially owned by Ms. Ng Mui King, Joky, a non-executive director of the Company.
3. The shares were issued to Ms. Lin Shunping on 27 March 2020, pursuant to the convertible notes issued by the Company on 30 March 2015.

COMPETING INTEREST

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company (as defined in the GEM Listing Rules) nor any of their respective close associates that competes or may compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person has or may have with the Group during the six months ended 30 September 2022.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the six months ended 30 September 2022. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the six months ended 30 September 2022.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding the directors' transaction in securities of the Company. Having made specific enquiry of all Directors, each of the Directors has confirmed that he/she has complied with the required standard of dealings as set out in the adopted code of conduct regarding the directors' securities transaction throughout the six months ended 30 September 2022.

By order of the Board
Great World Company Holdings Ltd
Ng Mui King, Joky
Chairman

Hong Kong, 14 November 2022

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Zhang Yanqiang, Mr. Gu Zhonghai and Mr. Zhao Xinyan; (ii) one non-executive Director, namely Ms. Ng Mui King, Joky; and (iii) three independent non-executive Directors, namely Mr. Chung Koon Yan, Ms. Zhao Yongmei and Mr. Jing Baoli.