



世大控股有限公司

GREAT WORLD COMPANY HOLDINGS LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8003)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 31 DECEMBER 2021**

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\$66,363,000 and HK\$291,024,000 for the three months and nine months ended 31 December 2021 respectively, compared with the revenue of approximately HK\$125,800,000 and HK\$363,395,000 for the corresponding periods of last year.
- Loss attributable to owners of the Company was approximately HK\$5,692,000 and HK\$14,234,000 for the three months and nine months ended 31 December 2021 respectively, versus the loss attributable to owners of the Company of approximately HK\$1,523,000 and HK\$9,700,000 for the corresponding periods of last year.
- The board of directors (the “Board”) does not recommend the payment of a quarterly dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: Nil).

RESULTS

The board of directors 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 and condensed consolidated statement of profit or loss and other comprehensive income of the Group for the three months and nine months ended 31 December 2021, 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

	Notes	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
		2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue	2	66,363	125,800	291,024	363,395
Cost of sales		(60,274)	(105,457)	(238,614)	(327,716)
Gross profit		6,089	20,343	52,410	35,679
Other gains/(losses)	3	982	(346)	(8,012)	(9,192)
Gain/(loss) arising from changes in fair value less costs to sell of biological assets		648	(4,436)	(6,387)	(4,568)
Selling and distribution costs		(1,482)	(3,479)	(4,198)	(4,561)
Administrative and other operating expenses		(15,332)	(11,201)	(47,384)	(21,230)
Finance costs		(441)	(226)	(829)	(986)
Profit/(loss) before tax	5	(9,536)	655	(14,400)	(4,858)
Income tax	6	10	–	46	(1,500)
Profit/(loss) for the period		(9,526)	655	(14,354)	(6,358)
Profit/(loss) for the period attributable to:					
Owners of the Company		(5,692)	(1,523)	(14,234)	(9,700)
Non-controlling interests		(3,834)	2,178	(120)	3,342
		(9,526)	655	(14,354)	(6,358)
			(Restated)		(Restated)
Basic and diluted loss per share	7	HK(1.72) cents	HK(0.47) cents	HK(4.32) cents	HK(3.05) cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit/(loss) for the period	<u>(9,526)</u>	<u>655</u>	<u>(14,354)</u>	<u>(6,358)</u>
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
– Exchange differences arising on translation of foreign operations during the period	<u>2,220</u>	<u>4,152</u>	<u>4,201</u>	<u>8,808</u>
Other comprehensive income for the period, net of tax	<u>2,220</u>	<u>4,152</u>	<u>4,201</u>	<u>8,808</u>
Total comprehensive income/(loss) for the period	<u><u>(7,306)</u></u>	<u><u>4,807</u></u>	<u><u>(10,153)</u></u>	<u><u>2,450</u></u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	<u>(3,096)</u>	<u>3,602</u>	<u>(9,312)</u>	<u>(1,110)</u>
Non-controlling interests	<u>(4,210)</u>	<u>1,205</u>	<u>(841)</u>	<u>3,560</u>
	<u><u>(7,306)</u></u>	<u><u>4,807</u></u>	<u><u>(10,153)</u></u>	<u><u>2,450</u></u>

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” (“HKSA 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 2021.

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 2021. 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)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Provision of mobile advertising media services	65,726	125,169	269,486	307,063
Sales of agricultural, forestry and consumer products	320	334	20,502	40,755
Sales of industrial, information technology and other products	–	–	4	14,796
Rental income	317	297	1,032	781
	<u>66,363</u>	<u>125,800</u>	<u>291,024</u>	<u>363,395</u>

3. OTHER GAINS/(LOSSES)

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank and other interest income	13	5	89	11
Loss arising from treasury investment	(77)	(55)	74	(55)
Government subsidy	1	265	1	1,050
Inventories written down	–	–	(8,100)	–
Provision for impairment loss reversed/(recognised) in respect of trade and other receivables	1,045	(561)	(76)	(10,198)
	<u>982</u>	<u>(346)</u>	<u>(8,012)</u>	<u>(9,192)</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 and other selected financial information

	(Unaudited) Three months ended 31 December 2021					(Unaudited) Nine months ended 31 December 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	65,726	320	-	317	66,363	269,486	20,502	4	1,032	291,024
Bank and other interest income	13	-	-	-	13	76	12	-	1	89
Depreciation of property, plant and equipment	(5)	(4)	-	-	(9)	(15)	(9)	-	(2)	(26)
Depreciation of right-of-use assets	(250)	-	-	-	(250)	(657)	-	-	-	(657)
Loss arising from changes in fair value less costs to sell of biological assets	-	648	-	-	648	-	(6,387)	-	-	(6,387)
Inventories written down	-	-	-	-	-	-	(8,100)	-	-	(8,100)
Provision for impairment loss reversed/ (recognised) in respect of trade and other receivables	963	3	45	-	1,011	(103)	-	27	-	(76)
Research and development expenses	(8,464)	-	-	-	(8,464)	(27,429)	-	-	-	(27,429)
Total profit/(loss) of reportable segments	(4,677)	326	(301)	(11)	(4,663)	8,677	(15,665)	(419)	85	(7,322)
Income tax	(11)	-	-	21	10	(8)	-	-	54	46
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(Unaudited) Three months ended 31 December 2020					(Unaudited) Nine months ended 31 December 2020				
	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	125,169	334	-	297	125,800	307,063	40,755	14,796	781	363,395
Bank and other interest income	4	-	-	-	4	9	-	-	-	9
Depreciation of property, plant and equipment	(4)	(1)	-	-	(5)	(13)	(8)	-	(2)	(23)
Depreciation of right-of-use assets	(197)	-	-	-	(197)	(570)	-	-	-	(570)
Loss arising from changes in fair value less costs to sell of biological assets	-	(4,436)	-	-	(4,436)	-	(4,568)	-	-	(4,568)
Provision for impairment loss reversed/ (recognised) in respect of trade and other receivables	(575)	-	14	-	(561)	(783)	(9,383)	(32)	-	(10,198)
Research and development expenses	(7,693)	-	-	-	(7,693)	(7,693)	-	-	-	(7,693)
Total profit/(loss) of reportable segments	6,610	(435)	(205)	83	6,053	12,079	(10,324)	127	184	2,066
Income tax	-	-	-	-	-	(1,500)	-	-	-	(1,500)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue				
Total revenue for reportable segments	<u>66,363</u>	<u>125,800</u>	<u>291,024</u>	<u>363,395</u>
Consolidated revenue	<u>66,363</u>	<u>125,800</u>	<u>291,024</u>	<u>363,395</u>
Profit or loss before tax				
Total profit/(loss) for reportable segments:	(4,663)	6,053	(7,322)	2,066
Unallocated corporate income	–	215	74	1,006
Unallocated corporate expenses	<u>(4,873)</u>	<u>(5,613)</u>	<u>(7,152)</u>	<u>(7,930)</u>
Consolidated profit/(loss) before tax	<u>(9,536)</u>	<u>655</u>	<u>(14,400)</u>	<u>(4,858)</u>

5. PROFIT/LOSS BEFORE TAX

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit/loss before tax has been arrived at after charging:				
Staff costs (including directors' remuneration)	5,786	3,482	15,802	11,250
Cost of inventories sold	60,274	105,457	238,614	327,716
Depreciation of property, plant and equipment	24	571	913	1,660
Depreciation of right-of-use assets	519	458	1,241	1,352
Research and development expenses	8,464	7,693	27,429	7,693
Short-term lease payments	<u>287</u>	<u>256</u>	<u>674</u>	<u>726</u>

6. INCOME TAX

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Current tax:				
Hong Kong Profits Tax	–	–	–	–
PRC Enterprise Income Tax	<u>10</u>	–	<u>46</u>	<u>(1,500)</u>
	10	–	46	(1,500)
Deferred tax	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Income tax credit/(expense) for the period	<u>10</u>	<u>–</u>	<u>46</u>	<u>(1,500)</u>

Hong Kong Profits Tax is calculated at the rate of 16.5% (three months and nine months ended 31 December 2020; 16.5%) on the estimated assessable profit for the three months and nine months ended 31 December 2021.

No provision for current tax in respect of Hong Kong Profits Tax has been made for the three months and nine months ended 31 December 2021 and 2020 as the Group would have no assessable profit subject to Hong Kong Profits Tax.

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% (three months and nine months ended 31 December 2020: 25%).

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 31 December		(Unaudited) Nine months ended 31 December	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
(i) Loss for the period attributable to owners of the Company	<u>(5,692)</u>	<u>(1,523)</u>	<u>(14,234)</u>	<u>(9,700)</u>
	'000	(Restated)* '000	'000	(Restated)* '000
(ii) Weighted average number of ordinary shares	<u>330,272</u>	<u>325,272</u>	<u>329,526</u>	<u>318,380</u>

* The weighted average number of ordinary shares for the corresponding period of last year was restated as a result of the Share Consolidation as defined on page 21.

Diluted loss per share in respect of loss attributable to the owners of the Company for the three months and nine months ended 31 December 2021 and 2020 are 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 of the Company as they had an anti-dilutive effect to the basic loss per share.

8. RESERVES AND NON-CONTROLLING INTERESTS

	Reserves attributable to owners of the Company					Non-controlling interests	Total
	Share premium	Share options reserve	Translation reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2020 (audited)	275,467	10,362	(9,849)	(224,552)	51,428	43,904	95,332
Total comprehensive loss for the period (unaudited)	-	-	8,590	(9,700)	(1,110)	3,560	2,450
Lapse of share options (unaudited)	-	(8,059)	-	8,059	-	-	-
Subscription of new shares (unaudited)	5,211	-	-	-	5,211	-	5,211
At 31 December 2020 (unaudited)	<u>280,678</u>	<u>2,303</u>	<u>(1,259)</u>	<u>(226,193)</u>	<u>55,529</u>	<u>47,464</u>	<u>102,993</u>
	Reserves attributable to owners of the Company					Non-controlling interests	Total
	Share premium	Share options reserve	Translation reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2021 (audited)	280,678	2,303	(1,495)	(238,592)	42,894	38,256	81,150
Total comprehensive loss for the period (unaudited)	-	-	4,922	(14,234)	(9,312)	(841)	(10,153)
Placing of new shares (unaudited)	4,500	-	-	-	4,500	-	4,500
Increase in ownership interest in a subsidiary (unaudited)	-	-	-	(206)	(206)	206	-
At 31 December 2021 (unaudited)	<u>285,178</u>	<u>2,303</u>	<u>3,427</u>	<u>(253,032)</u>	<u>37,876</u>	<u>37,621</u>	<u>75,497</u>

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 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.

9. RELATED PARTY TRANSACTIONS

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		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Fees, salaries and other benefits	614	611	1,834	1,834

10. DIVIDEND

The board of directors of the Company does not recommend the payment of a dividend for the three months and nine months ended 31 December 2021 (three months and nine months ended 31 December 2020: Nil).

11. PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 7 April 2021, the Company entered into a conditional placing agreement pursuant to which the Company had agreed to issue and allot 50,000,000 new shares (before the Share Consolidation as defined on page 9) at the placing price of HK\$0.10 per placing share (the "Placing of Shares"). The Placing of Shares was completed on 12 May 2021 and generated a net proceeds of approximately HK\$4,810,000 to be used as general working capital.

MANAGEMENT DISCUSSION AND ANALYSIS

Results of operations

For the nine months ended 31 December 2021, the Group recorded a total revenue of approximately HK\$291,024,000, representing a decrease of approximately 19.9% as compared with a total revenue of approximately HK\$363,395,000 for the corresponding period of last year.

Loss attributable to owners of the Company was approximately HK\$14,234,000 for the nine months ended 31 December 2021, which was approximately 46.8% higher than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$9,700,000 mainly due to, among others, the increase in administrative and operating expenses, in particular the artificial intelligence research and development expenses incurred during the nine months ended 31 December 2021.

Business Review

Great World Company Holdings Ltd (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. There were no significant changes in the nature of the Group’s principal activities during the nine months ended 31 December 2021.

Intelligent Advertising and Railroad Media Business

– Intelligent Advertising Business

Shenzhen Zhixunpai Information Technology Company Ltd. (“Shenzhen Zhixunpai”), a subsidiary of the Company, maintains an industry-leading position thanks to the intelligent advertising and media services it has rendered, despite uncertainties in the real estate industry. With government curbs on borrowing in China’s property sector and a number of property developers falling into default, and especially with contracted sales dropping sharply in the last few months of 2021, causing most property developers to miss their annual sales target, our traditional key customers have seen their advertising budget reduced significantly. Given the general sentiment of the market due to the fallout of COVID-19 impact and sector specific challenges, we are more than ever focused on diversifying applications of our ever-evolving proprietary Big Data and AI technological platforms. 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 is actively exploring new opportunities to provide on-board services such as supply of food and beverage as well as development of on-board shopping capabilities in combination of its experience of intelligent advertising capabilities.

The Group will keep improving its technological capabilities to apply its AI system to the data traffic generated by the growing number of high-speed railroad passengers. The Group will also expand organically into new business segments by harnessing the technological capabilities that have been developed.

For the three and nine months ended 31 December 2021, revenue generated from the provision of intelligent advertising and railroad media services was approximately HK\$65,726,000 and HK\$269,486,000 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. The Group is exploring opportunities to grow other species of high demand produces that are suited for mass-market consumption and offer opportunities to create branded products down the line.

The Group is gradually shifting its focus from growing agricultural and forestry produces to building its brand on various online selling platforms on a growing portfolio of own-brand products.

For the three months and nine months ended 30 December 2021, revenue generated from the sales of agricultural, forestry and consumer products was approximately HK\$320,000 and HK\$20,502,000 respectively.

Supply-chain Business

The Group provides a one-stop supply-chain solution for the market-driven customers, providing them with the most cost-effective solutions to meet their procurement needs. The Group offers a wide range of bespoke services and solutions, including product bundle optimization, ordering and sourcing, customs clearance and logistics management, to help the customers to seek the finest procurable options in the market based on the customers' own specifications.

The Group will maintain a high standard for supply-chain risk management, closely observing industries of interest to seize potential investment opportunities in order to diversify its product portfolio further and broaden the income sources. The Group is extending its focus to include the supply chain of mass market consumption products and raw materials.

Our management is looking into new investment opportunities in key areas of various industries. The Group is aiming for a breakthrough by diversifying successfully in high growth product categories through acquisition of intellectual property and in house development capabilities.

For the three and nine months ended 31 December 2021 which was in a transitional period in shifting product lines, revenue generated from the supply-chain was approximately nil and HK\$4,000 respectively.

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 People's Republic of China. The property has a gross floor area of approximately 28,251.82 sq.m. (inclusive of a basement floor) and comprises 4 portions with different 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 and nine months ended 31 December 2021, revenue derived from short-term leasing of the commercial portion of the property was approximately HK\$317,000 and HK\$1,032,000 respectively.

OUTLOOK

The global economy is recovering slower than previously expected. As the new Omicron variant spreads, mobility restrictions have been reimposed. Rising energy cost and supply disruptions caused higher inflation than anticipated. The ongoing slump in China's real estate sector and slower-than-expected recovery of consumption have limited growth prospects.

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

The Group will seek to broaden the application of its AI technology platform to other verticals such as investment and high data traffic processing for digital marketing to create new growth opportunities.

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.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2021, the Group's cash and bank deposits amounted to approximately HK\$22,509,000 which has increased by approximately 80.96% when comparing with the cash and bank deposits of approximately HK\$12,439,000 as at 31 March 2021. As at 31 December 2021, the Group had net current assets of approximately HK\$27,299,000 (31 March 2021: HK\$27,822,000).

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 31 December 2021, 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 31 December 2021 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>

On 5 May 2021, the board of directors of the Company proposed to implement a share consolidation on the basis that every ten issued and unissued existing shares of HK\$0.01 each in the share capital of the Company be consolidated into one consolidated share of HK\$0.1 each (the “Share Consolidation”), further details of which are disclosed in the Company’s announcement dated 5 May 2021. The Share Consolidation, which was approved by shareholders of the Company at an extraordinary general meeting held on 17 June 2021, became effective on 21 June 2021.

On 12 May 2021, 50,000,000 new shares of HK\$0.01 each (before the Share Consolidation) were issued and allotted at the placing price of HK\$0.10 per placing share pursuant to a conditional placing agreement entered into by the Company on 7 April 2021 (the “Placing of Shares”). Details of the Placing of Shares have been disclosed in the Company’s announcements dated 7 April 2021 and 30 April 2021.

DEBT-TO-EQUITY RATIO

The Group’s debt-to-equity ratio, which was defined as the ratio of net debt (borrowings less cash and cash equivalents) to equity, was approximately 71% as at 31 December 2021 (31 March 2021: 78%). The decrease in debt-to-equity ratio as at 31 December 2021 as compared to that of 31 March 2021 is mainly attributable to the increase in cash and bank deposits and decrease in equity attributable to owners of the Company.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any material contingent liabilities (31 March 2021: Nil).

SHARE OPTION SCHEME

The Company has adopted a new share option scheme at the annual general meeting of the Company held on 3 August 2012 (the “2012 Share Option Scheme”) which is valid and effective for a period of 10 years commencing on 3 August 2012, upon the termination of the share option scheme adopted at the annual general meeting of the Company held on 2 August 2002 (the “2002 Share Option Scheme”), under which selected persons, such as the directors, employees, suppliers of goods or services, customers or distributors of the Group and any invested entity of the Group, may 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 can be granted under the 2012 Share Option Scheme may 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 is refreshed.

No option was granted under the 2012 Share Option Scheme during the nine months ended 31 December 2021.

Movements in the number of share options, granted under the 2012 Share Option Scheme, outstanding and their related weighted average exercise price are as follows:

Participants	Date of grant	Exercisable period	Exercise price per share (Adjusted)*	No. of underlying shares comprised in option					As at 31 December 2021
				As 1 April 2021 (Restated)*	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

* The exercise price per share was adjusted and the number of underlying shares comprised in option as at 1 April 2021 was restated as a result of the Share Consolidation as defined on page 13.

Other than 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”).

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 nine months ended 31 December 2021.

BOARD OF DIRECTORS

The board of directors (the “Board”) of the Company comprised three executive Directors (after Ms. Yang Wei resigned on 5 November 2021), 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 (appointed on 13 August 2021 when Dr. Yang Fuyu resigned on the same day).

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 (appointed on 13 August 2021 when Dr. Yang Fuyu resigned on the same day). 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 (appointed on 13 August 2021 when Dr. Yang Fuyu resigned on the same day). 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 (appointed on 13 August 2021 when Dr. Yang Fuyu resigned on the same day). The Remuneration Committee reviews and determines the policy for the remuneration of directors and senior management of the Group.

INTERESTS OF DIRECTORS

As at 31 December 2021, 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 share 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 31 December 2021, 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 nine months ended 31 December 2021 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 31 December 2021, 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 nine months ended 31 December 2021.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the nine months ended 31 December 2021. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the nine months ended 31 December 2021.

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 nine months ended 31 December 2021.

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

Hong Kong, 14 February 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.