



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 2023**

**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.**

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*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\$22,388,000 and HK\$48,578,000 for the three months and six months ended 30 September 2023 respectively, compared with the revenue of approximately HK\$65,536,000 and HK\$106,372,000 for the corresponding periods of last year.
- Profit/loss attributable to owners of the Company was approximately HK\$636,000 (profit) and HK\$2,367,000 (loss) for the three months and six months ended 30 September 2023 respectively, versus the loss attributable to owners of the Company of approximately HK\$8,863,000 and HK\$13,527,000 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 2023 (six months ended 30 September 2022: 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 2023, 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***

China’s online advertising industry is experiencing significant growth. The digital advertising market in China is projected to reach a market value of RMB450 billion by 2025. The mobile segment plays a crucial role in this growth, with mobile advertising accounting for a substantial portion of the market. China’s evolving digital landscape and the increasing number of internet users contribute to the expansion of the online advertising industry. As more people spend time online, advertisers are shifting their focus towards digital platforms, including digital video, search engine, social media, and influencer advertising. This trend is expected to continue, driving the growth of China’s online advertising market in the coming years.

##### **– *Railroad Media Business***

The China travel and tourism market is expected to experience a strong resurgence in 2023, with significant growth projected in domestic tourism revenue. In the first half of 2023, domestic tourism revenue reached RMB2.3 trillion, marking a positive trend. The outbound and inbound tourism markets have also surpassed the levels observed in 2019, with average expenditures for outbound travelers increasing. With travel restrictions being lifted domestically and internationally, Chinese tourists express a strong desire to travel. The recent removal of quarantine requirements could further fuel the demand for trips abroad. The tourism industry should be prepared for a boom in demand as Chinese tourists are expected to return soon.

#### **Agricultural, Forestry and Consumer Products Business**

The agriculture industry in China is facing several difficulties in 2023, primarily due to climate issues. The country is experiencing extreme weather events, including droughts, floods, and heatwaves, which are adversely affecting agricultural production. These climate shocks and shifting planting conditions pose significant risks to the sector.

The global traditional Chinese medicine market size was RMB1.5 trillion in 2022. It is expected that the market will continue to expand at a CAGR of 7%. The Chinese government has implemented policies to support the development of traditional Chinese medicine, and the market is projected to reach RMB2.2 trillion by 2027.

## **Supply-chain Business**

The disruptions to supply chain operations are expected to continue in 2023, driven by various factors such as geopolitical conflicts, inflationary pressures, recessionary environment and climate change weather events. These challenges have led to nations becoming more skeptical about cooperation and interdependence, resulting in a cautious approach towards the supply chain. There is a growing concern that essential materials may become inaccessible or major trade routes could be shut down if tensions escalate.

In response to these situations, governments and industry leaders are exploring strategies to ensure self-sufficiency in material supply and manufacturing. They are also seeking to establish “friend shoring” relationships, which involve developing trade links with like-minded and geographically close countries. This approach, known as “nearshoring”, aims to enhance the security of the supply of goods.

## **Property Business**

The China real estate market still faces ongoing challenges and uncertainties. The housing sector is experiencing declines in prices, sales and investment, with a potential drop of 10-15% in property sales predicted for this year. Economic uncertainty and low buyer confidence continue to dampen demand, and the debt crisis in the sector remains a significant factor affecting the outlook. The Chinese government has implemented policy stimulus, but it has not had a substantial impact on buyer confidence or generated new demand. While some cities like Beijing and Shanghai have seen price increases, others like Shenzhen and Guangzhou have experienced price drops. Smaller cities are struggling with excess supply and weak demand. Overall, the China real estate market remains challenging, and a recovery in the sector is still uncertain.

## **BUSINESS REVIEW**

### **Intelligent Advertising and Railroad Media Business**

#### **– *Intelligent Advertising Business***

Shenzhen Zhixunpai Information Technology Company Ltd., a subsidiary of the Company, has maintained its industry-leading position by leveraging its intelligent advertising and media services, despite the uncertainties in the real estate sector. Considering the challenges faced by the China real estate market, many players are experiencing cashflow difficulties and significant reductions in their advertising budgets.

To adapt to the prevailing market sentiment and address sector-specific challenges, our focus is on diversifying the applications of our proprietary Big Data and AI technological platforms. We are actively exploring new growth opportunities by harnessing the powerful data processing capabilities of our AI system. This includes investigating the application of our analytic capabilities in investment decision-making and providing AI-driven digital marketing strategies across our other business segments. Additionally, drawing on our extensive digital media background, we are exploring potential applications and opportunities in the short video and social media industry.

By developing these verticals, we aim to create additional growth opportunities and expand our sources of income. This strategic approach will also facilitate synergies between our various businesses, fostering further growth and success.

– ***Railroad Media Business***

Since our initiation of railroad media services in 2019, the Group has acquired extensive expertise and gained access to valuable high-speed railroad resources. We have experienced organic growth within the ecosystem.

Borders are gradually reopening, and global travel is resuming. This presents a favorable opportunity for the Group to expand into the recovering travel sector and potentially capitalize on the post-pandemic surge in growth. Therefore, we are actively seeking investment opportunities in related sectors and taking measures to tap into cultural tourism resources and develop unique rural tourism products.

For the three months and six months ended 30 September 2023, revenue generated from the provision of intelligent advertising and railroad media services amounted to approximately HK\$19,576,000 and HK\$45,441,000 respectively.

**Agricultural, Forestry and Consumer Products Business**

Our agricultural and forestry products are experiencing a decline in demand as consumer demand remains sluggish during an economic downturn. However, the Group is actively exploring investment opportunities in the Chinese medicine sector. This strategic move aims to tap into the mass market consumption of traditional Chinese medicine and unlock additional growth potential for the Group.

For the three months and six months ended 30 September 2023, revenue generated from the sales of agricultural, forestry and consumer products amounted to approximately HK\$50,000 and HK\$100,000 respectively.

**Supply-chain Business**

Due to unfavorable market conditions and a decline in global demand for Chinese manufacturing, the Group is actively monitoring various industries to identify potential investment opportunities. This strategic approach aims to diversify the Group's product portfolio and expand its sources of income.

The Group has established international trading channels for its car trading business. Building on this achievement, the Group is now planning to further expand this venture. By establishing a robust global network, the Group has formed valuable partnerships with suppliers and distributors across multiple regions. This expansion has significantly enhanced the Group's supply chain management capabilities, allowing them to deliver high-quality cars to customers worldwide, with a particular focus on emerging markets. The Group is committed to nurturing and expanding this business in the future.

In addition to the car trading business, the Group is actively seeking investment opportunities in the NEV (New Energy Vehicles) industry. This forward-looking approach aligns with the Group's vision to capitalize on the growing demand for eco-friendly transportation solutions.

For the three months and six months ended 30 September 2023, revenue generated from the supply-chain business amounted to approximately HK\$2,506,000 and HK\$2,506,000 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 types of functions, namely residential, commercial, basement car park and facilities.

Due to unfavorable market conditions, the property has experienced a decline in value. Consequently, the Group is actively seeking opportunities to sell the property once market conditions improve. Continual market monitoring and exploration of new avenues are underway to ensure an advantageous sale. Leveraging the Group's expertise in the real estate sector, we maintain an optimistic outlook on the future prospects of this property.

For the three months and six months ended 30 September 2023, revenue derived from short-term leasing of the commercial portion of the property amounted to approximately HK\$256,000 and HK\$531,000 respectively.

### **OUTLOOK**

The global economy is currently facing significant challenges due to various factors such as the pandemic, geopolitical tensions and inflationary pressures. Despite these obstacles, the economy has shown resilience and is slowly recovering. However, the growth rate remains sluggish and uneven, with notable disparities between different countries and regions.

Based on latest projections from IMF, global economic growth is expected to decline from 3.5% in 2022 to 3% in 2023, and further to 2.9% in 2024.

The Group's financial performance and expansion prospects are influenced by the prevailing macroeconomic landscape.

In response, the Group intends to explore investment prospects in robust sectors that offer opportunities for diversification and the establishment of fresh business avenues.

Our present strategy entails bolstering our existing business lines while simultaneously venturing into new sectors and promising high-growth enterprises.

Despite the cautious approach we will adopt towards profitability in the upcoming months, we have implemented measures to mitigate potential economic downturns. Additionally, we will formulate necessary strategies and take proactive actions to fortify the Group's long-term profitability and sustainability.

## **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 of directors of the Company (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 2023, the Group's cash and bank deposits amounted to approximately HK\$6,485,000 which has decreased by approximately 40.41% when comparing with the cash and bank deposits of approximately HK\$10,882,000 as at 31 March 2023.

As at 30 September 2023, the Group had net current liabilities of approximately HK\$67,659,000 (31 March 2023: HK\$60,840,000).

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 2023, 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 2023 is as follows:

	<b>Number of shares ( '000)</b>	<b>Amount (HK\$'000)</b>
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 -321% as at 30 September 2023 (31 March 2023: -475%).

## CONTINGENT LIABILITIES

As at 30 September 2023, the Group did not have any material contingent liabilities (31 March 2023: Nil).



## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 September 2023, the Group had approximately 76 employees (31 March 2023: 65 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 2023, the Group recorded a total revenue of approximately HK\$48,578,000, representing a decrease of approximately 54.33% as compared with a total revenue of approximately HK\$106,372,000 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 2023 amounted to approximately HK\$11,135,000, representing a decrease of approximately 29.86% as compared with the administrative and other operating expenses of approximately HK\$15,876,000 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\$2,367,000 for the six months ended 30 September 2023, which was approximately 82.5% lower than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$13,527,000, mainly attributable to the gain arising from changes in fair value less costs to sell of biological assets and the decrease in administrative and other operating expenses.

## **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 2023 and the condensed consolidated statement of financial position of the Group as at 30 September 2023, 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

		(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	2	22,388	65,536	48,578	106,372
Cost of sales		<u>(15,618)</u>	<u>(60,481)</u>	<u>(37,305)</u>	<u>(98,263)</u>
Gross profit		6,770	5,055	11,273	8,109
Other gains/(losses)	3	(251)	2,221	(2,904)	(34)
Gain/(loss) arising from changes in fair value less costs to sell of biological assets		1,955	(5,104)	2,996	(1,684)
Selling and distribution costs		(476)	(566)	(868)	(1,053)
Administrative and other operating expenses		(6,135)	(6,804)	(11,135)	(15,876)
Finance costs		<u>(79)</u>	<u>(64)</u>	<u>(131)</u>	<u>(134)</u>
Profit/(loss) before tax	5	1,784	(5,262)	(769)	(10,672)
Income tax credit/(expense)	6	<u>282</u>	<u>(230)</u>	<u>307</u>	<u>21</u>
<b>Profit/(loss) for the period</b>		<b><u>2,066</u></b>	<b><u>(5,492)</u></b>	<b><u>(462)</u></b>	<b><u>(10,651)</u></b>
<b>Profit/(loss) for the period attributable to:</b>					
Owners of the Company		636	(8,863)	(2,367)	(13,527)
Non-controlling interests		<u>1,430</u>	<u>3,371</u>	<u>1,905</u>	<u>2,876</u>
		<b><u>2,066</u></b>	<b><u>(5,492)</u></b>	<b><u>(462)</u></b>	<b><u>(10,651)</u></b>
<b>Basic profit/(loss) per share (HK cents)</b>	7	0.19	(2.68)	(0.72)	(4.10)
<b>Diluted profit/(loss) per share (HK cents)</b>	7	<u>0.18</u>	<u>(2.68)</u>	<u>(0.72)</u>	<u>(4.10)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the period	<u>2,066</u>	<u>(5,492)</u>	<u>(462)</u>	<u>(10,651)</u>
Other comprehensive loss:				
Items that may be reclassified subsequently to profit or loss				
– Exchange differences arising on translation of foreign operations	<u>(395)</u>	<u>(9,277)</u>	<u>(6,776)</u>	<u>(16,017)</u>
Other comprehensive loss for the period, net of tax	<u>(395)</u>	<u>(9,277)</u>	<u>(6,776)</u>	<u>(16,017)</u>
Total comprehensive income/(loss) for the period	<u><u>1,671</u></u>	<u><u>(14,769)</u></u>	<u><u>(7,238)</u></u>	<u><u>(26,668)</u></u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	264	(11,004)	(8,385)	(16,237)
Non-controlling interests	<u>1,407</u>	<u>(3,765)</u>	<u>1,147</u>	<u>(10,431)</u>
	<u><u>1,671</u></u>	<u><u>(14,769)</u></u>	<u><u>(7,238)</u></u>	<u><u>(26,668)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) 30 September 2023 <i>HK\$'000</i>	(Audited) 31 March 2023 <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Right-of-use assets	9	8,047	6,282
Property, plant and equipment	10	131	138
Investment property	11	45,810	48,639
Biological assets	12	30,677	28,934
		84,665	83,993
<b>Current assets</b>			
Properties held for sale	13	67,273	71,427
Inventories	14	3,959	1,820
Biological assets	12	916	–
Trade and other receivables	15	52,334	60,177
Financial assets at fair value through profit or loss	16	915	1,622
Cash and bank deposits	17	6,485	10,882
		131,882	145,928
<b>Current liabilities</b>			
Trade and other payables	18	(64,240)	(63,443)
Contract liabilities	19	(2,800)	(8,452)
Lease liabilities	20	(1,194)	(1,132)
Amounts due to directors	21	(9,685)	(8,957)
Amounts due to related companies	21	(51,176)	(54,338)
Amounts due to non-controlling interests	21	(1,032)	(1,032)
Amount due to a shareholder	21	(69,414)	(69,414)
		(199,541)	(206,768)
<b>Net current liabilities</b>		(67,659)	(60,840)
<b>Non-current liabilities</b>			
Lease liabilities	20	(2,079)	(105)
Convertible note	22	(3,244)	(3,162)
Deferred tax liabilities		(15,447)	(16,412)
		(20,770)	(19,679)
<b>Net assets/(liabilities)</b>		(3,764)	3,474
<b>Capital and reserves</b>			
Share capital	23	33,027	33,027
Reserves		(54,657)	(46,272)
Equity attributable to owners of the Company		(21,630)	(13,245)
Non-controlling Interests		17,866	16,719
<b>Total equity/(deficit)</b>		(3,764)	3,474

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non- controlling interests	Total	
	Share capital	Share premium	Convertible notes equity reserve	Share options reserve	Translation reserve	Accumulated losses			Total
	<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 2023 (audited)	33,027	284,988	413	5,416	(1,554)	(335,535)	(13,245)	16,719	3,474
Total comprehensive income/(loss) for the period (unaudited)	-	-	-	-	(6,018)	(2,367)	(8,385)	1,147	(7,238)
At 30 September 2023 (unaudited)	<u>33,027</u>	<u>284,988</u>	<u>413</u>	<u>5,416</u>	<u>(7,572)</u>	<u>(337,902)</u>	<u>(21,630)</u>	<u>17,866</u>	<u>(3,764)</u>
At 1 April 2022 (audited)	33,027	284,988	413	2,303	2,513	(279,674)	43,570	32,478	76,048
Total comprehensive 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>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Net cash used in operating activities	<b>(2,711)</b>	(17,938)
Net cash used in investing activities	<b>(26)</b>	(5)
Net cash used in financing activities	<b>(126)</b>	(3,408)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	<b>(2,863)</b>	(21,351)
Cash and cash equivalents at 1 April	<b>10,882</b>	19,339
Effect of foreign exchange rate changes	<b>(1,534)</b>	10,362
	<hr/>	<hr/>
Cash and cash equivalents at 30 September	<b><u>6,485</u></b>	<u>8,350</u>
	<hr/>	<hr/>
Analysis of cash and cash equivalents at 30 September:		
Cash and bank deposits	<b><u>6,485</u></b>	<u>8,350</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” (“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 2023.

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 2023. 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

	<b>(Unaudited)</b> <b>Three months ended</b> <b>30 September</b>		<b>(Unaudited)</b> <b>Six months ended</b> <b>30 September</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>	<b>HK\$’000</b>	<b>HK\$’000</b>
Provision of mobile advertising media services	<b>19,576</b>	49,127	<b>45,441</b>	89,538
Sales of goods	<b>2,556</b>	16,132	<b>2,606</b>	16,239
Rental income	<b>256</b>	277	<b>531</b>	595
	<b>22,388</b>	65,536	<b>48,578</b>	106,372

### 3. OTHER GAINS/(LOSSES)

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Bank and other interest income	7	5	13	11
Gain/(loss) arising from treasury investment	(258)	1,197	(741)	(631)
Gain on disposal of subsidiary	–	1	–	1
Government subsidy	–	92	–	137
Provision for impairment loss recognised in respect of trade and other receivables	–	(74)	(2,176)	(552)
Research and development income	–	1,000	–	1,000
	<u>(251)</u>	<u>2,221</u>	<u>(2,904)</u>	<u>(34)</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 People's Republic of China, 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 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, convertible notes, 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)					(Unaudited)				
	Three months ended 30 September 2023					Six months ended 30 September 2023				
	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	19,576	50	2,506	256	22,388	45,441	100	2,506	531	48,578
Bank interest income	3	-	1	-	4	8	-	1	-	9
Depreciation of property, plant and equipment	(13)	-	-	(1)	(14)	(24)	(1)	-	(2)	(27)
Depreciation of right-of-use assets	(177)	-	-	-	(177)	(354)	-	-	-	(354)
Gain arising from changes in fair value less costs to sell of biological assets	-	1,955	-	-	1,955	-	2,996	-	-	2,996
Provision for impairment loss recognised in respect of trade and other receivables	-	-	-	-	-	-	(2,176)	-	-	(2,176)
Total profit before tax of reportable segments	728	1,895	940	32	3,595	1,304	692	937	114	3,047
Total assets of reportable segments	57,303	37,376	3,719	113,420	211,818	57,303	37,376	3,719	113,420	211,818
Total liabilities of reportable segments	(52,923)	(13,864)	(2,782)	(69,654)	(139,223)	(52,923)	(13,864)	(2,782)	(69,654)	(139,223)

	(Unaudited)					(Unaudited)				
	Three months ended 30 September 2022					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)		

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

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue				
Total revenue for reportable segments	<u>22,388</u>	<u>65,536</u>	<u>48,578</u>	<u>106,372</u>
Consolidated revenue	<u><b>22,388</b></u>	<u><b>65,536</b></u>	<u><b>48,578</b></u>	<u><b>106,372</b></u>
Profit/(loss) before tax				
Total profit/(loss) for reportable segments	<u>3,595</u>	<u>(4,796)</u>	<u>3,047</u>	<u>(1,353)</u>
Unallocated corporate expenses	<u>(1,811)</u>	<u>(973)</u>	<u>(3,816)</u>	<u>(9,826)</u>
Consolidated profit/(loss) before tax	<u><b>1,784</b></u>	<u><b>(5,262)</b></u>	<u><b>(769)</b></u>	<u><b>(10,672)</b></u>
			(Unaudited) 30 September 2023 HK\$'000	(Audited) 31 March 2023 HK\$'000
Assets				
Total assets for reportable segments			<u>211,818</u>	<u>229,781</u>
Unallocated corporate assets			<u>4,729</u>	<u>140</u>
Consolidated total assets			<u><b>216,547</b></u>	<u><b>229,921</b></u>
Liabilities				
Total liabilities for reportable segments			<u>(139,223)</u>	<u>(134,792)</u>
Unallocated corporate liabilities			<u>(81,088)</u>	<u>(91,655)</u>
Consolidated total liabilities			<u><b>(220,311)</b></u>	<u><b>(226,447)</b></u>

## 5. PROFIT/(LOSS) BEFORE TAX

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Profit/(loss) before tax has been arrived at after charging:				
Staff costs (including directors' remuneration)				
– fees, salaries, wages, other benefits and contributions to retirement plans	2,590	2,850	4,888	5,679
– equity settled share-based payment expenses	–	–	–	5,416
	<u>2,590</u>	<u>2,850</u>	<u>4,888</u>	<u>11,095</u>
Cost of inventories sold	15,618	60,481	37,305	98,263
Depreciation of property, plant and equipment	17	23	32	47
Depreciation of rights-of-use assets	359	388	719	759
Short-term lease payments	104	146	234	312
	<u>15,618</u>	<u>60,481</u>	<u>37,305</u>	<u>98,263</u>

## 6. INCOME TAX

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Current tax:				
Hong Kong Profits Tax	–	–	–	–
PRC Enterprise Income Tax credit/(charge)	282	(230)	307	21
Income tax credit/(charge) for the period	<u>282</u>	<u>(230)</u>	<u>307</u>	<u>21</u>

Hong Kong Profits Tax is calculated at the rate of 16.5% on the estimated assessable profit.

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 2023 as the Group had no assessable profit.

PRC Enterprise Income Tax for the three months and six months ended 30 September 2023 represented the amount charged/paid net of the amount refunded during the period.

## 7. BASIC AND DILUTED PROFIT/(LOSS) PER SHARE

The calculation of basic and diluted profit/(loss) per share is based on the following:

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(loss) for the purpose of calculating basic profit/(loss) per share	636	(8,863)	(2,367)	(13,527)
Add: Imputed interest on convertible note	41			
Profit/(loss) for the purpose of calculating diluted profit/(loss) per share	677	(8,863)	(2,367)	(13,527)

Three months ended  
30 September  
2023

### Number of shares

Weighted average number of ordinary shares used in basic profit/(loss) per share calculation	330,272,000
Effect of dilutive potential ordinary shares arising from:	
(1) outstanding share options	23,000,000
(2) outstanding convertible note	3,500,000
Weighted average number of ordinary shares used in diluted profit/(loss) per share calculation	356,772,000

Diluted loss per share for loss attributable to the owners of the Company for the six months ended 30 September 2023 and for the three months and six months ended 30 September 2022 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 2023 (six months ended 30 September 2022: Nil).

## 9. RIGHT-OF-USE ASSETS

	<b>Land use right</b> <i>HK\$'000</i>	<b>Office premises</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
At 1 April 2023 (audited)			
Carrying amount	5,235	1,047	6,282
At 30 September 2023 (unaudited)			
Carrying amount	4,892	3,155	8,047
For the six months ended 30 September 2023 (unaudited)			
Depreciation charges	(39)	(762)	(801)
Exchange alignment	(304)	169	(135)
Expense relating to short-term leases (unaudited)			50
Total cash outflows for leases (unaudited)			770
Additions to right-of-use assets (unaudited)			2,701

The land use right of the Group is located in the PRC with a remaining period of 58 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

	<i>HK\$'000</i>
Cost:	
At 1 April 2023 (audited)	789
Additions (unaudited)	40
Exchange alignment (unaudited)	(24)
	<hr/>
At 30 September 2023 (unaudited)	805
	<hr/>
Accumulated depreciation and impairment loss:	
At 1 April 2023 (audited)	651
Depreciation charged for the period (unaudited)	32
Exchange alignment (unaudited)	(9)
	<hr/>
At 30 September 2023 (unaudited)	674
	<hr/>
Carrying amounts:	
At 30 September 2023 (unaudited)	131
	<hr/> <hr/>
At 31 March 2023 (audited)	138
	<hr/> <hr/>

## 11. INVESTMENT PROPERTY

	<i>HK\$'000</i>
Fair value:	
At 1 April 2023 (audited)	48,639
Exchange alignment (unaudited)	<u>(2,829)</u>
At 30 September 2023 (unaudited)	<u><u>45,810</u></u>

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 2023. The direct operating expenses for the investment property are approximately HK\$140,000 and HK\$283,000 for the three months and six months ended 30 September 2023 (three months and six months ended 30 September 2022: HK\$176,000 and HK\$357,000) respectively and the rental income generated from the investment property are approximately of HK\$256,000 and HK\$531,000 for the three months and six months ended 30 September 2023 (three months and six months ended 30 September 2022: HK\$277,000 and HK\$595,000) respectively.

## 12. BIOLOGICAL ASSETS

	<i>HK\$'000</i>
At 1 April 2023 (audited)	28,934
Increase due to plantation (unaudited)	542
Gain arising from changes in fair value less costs to sell (unaudited)	3,806
Exchange alignment (unaudited)	<u>(1,689)</u>
At 30 September 2023 (unaudited)	<u><u>31,593</u></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:

	<b>(Unaudited)</b> <b>30 September</b> <b>2023</b> <b>HK\$'000</b>	(Audited) 31 March 2023 HK\$'000
Non-current portion	<b>30,677</b>	28,934
Current portion	<b>916</b>	–
	<u><b>31,593</b></u>	<u>28,934</u>

### 13. PROPERTIES HELD FOR SALE

	<i>HK\$'000</i>
At 1 April 2023 (audited)	71,427
Exchange alignment (unaudited)	<u>(4,154)</u>
At 30 September 2023 (unaudited)	<u><u>67,273</u></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

	<b>(Unaudited)</b> <b>30 September</b> <b>2023</b> <i>HK\$'000</i>	<b>(Audited)</b> <b>31 March</b> <b>2023</b> <i>HK\$'000</i>
Finished goods (for sale)	<u><u>3,959</u></u>	<u><u>1,820</u></u>

### 15. TRADE AND OTHER RECEIVABLES

	<b>(Unaudited)</b> <b>30 September</b> <b>2023</b> <i>HK\$'000</i>	<b>(Audited)</b> <b>31 March</b> <b>2023</b> <i>HK\$'000</i>
Trade receivables	<b>46,035</b>	49,627
Allowance for expected credit losses	<u><b>(32,543)</b></u>	<u>(30,366)</u>
	<b>13,492</b>	19,261
Other receivables	<b>662</b>	745
Prepayments	<b>37,550</b>	39,519
Deposits	<u><b>630</b></u>	<u>652</u>
	<u><u><b>52,334</b></u></u>	<u><u>60,177</u></u>

*Notes:*

- (i) 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.
- (ii) Deposits as at 30 September 2023 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 2023 <i>HK\$'000</i>	(Audited) 31 March 2023 <i>HK\$'000</i>
Not yet past due	6,029	4,291
1 to 3 months past due	1,804	4,841
3 to 6 months past due	2,737	3,657
Over 6 months past due	2,922	6,472
	<u>13,492</u>	<u>19,261</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 ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 September 2023 <i>HK\$'000</i>	(Audited) 31 March 2023 <i>HK\$'000</i>
Equity securities listed in Hong Kong	<u>915</u>	<u>1,622</u>

#### 17. CASH AND BANK DEPOSITS

	(Unaudited) 30 September 2023 <i>HK\$'000</i>	(Audited) 31 March 2023 <i>HK\$'000</i>
Cash at banks and cash on hand		
Hong Kong Dollar (“HK\$”)	2,448	1,093
Renminbi (“RMB”)	4,037	9,789
	<u>6,485</u>	<u>10,882</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 People’s Republic of China (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 2023 HK\$'000	(Audited) 31 March 2023 HK\$'000
Trade payables	40,053	43,958
Other payables	9,290	7,899
Deposit received	10,376	8,249
Accruals	4,521	3,337
	<u>64,240</u>	<u>63,443</u>

An aging analysis of the trade payables based on the date of signing the agreement of the advance or the relevant invoices is presented as follows:

Within 3 months	2	10,966
3 months to 12 months	13,995	3,415
Over 12 months	26,056	29,577
	<u>40,053</u>	<u>43,958</u>

*Notes:*

- (a) Other payables as at 30 September 2023 include an 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.
- (b) Deposit received as at 30 September 2023 represents deposit received from a third party for a project which is unsecured and interest-free.

## 19. CONTRACT LIABILITIES

	(Unaudited) 30 September 2023 HK\$'000	(Audited) 31 March 2023 HK\$'000
Provision of mobile advertising media services	<u>2,800</u>	<u>8,452</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 2023		(Audited) 31 March 2023	
	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	1,194	1,342	1,132	1,157
After one year but within five years	2,079	2,253	105	106
	<u>3,273</u>	<u>3,595</u>	<u>1,237</u>	<u>1,263</u>
Total future interest expenses		<u>(322)</u>		<u>(26)</u>
Present value of lease liabilities		3,273		1,237
Amount due for settlement within 12 months (shown under current liabilities)		<u>(1,194)</u>		<u>(1,132)</u>
Amount due for settlement after 12 months (shown under non-current liabilities)		<u>2,079</u>		<u>105</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

	<b>(Unaudited)</b> <b>30 September</b> <b>2023</b> <i>HK\$'000</i>		<b>(Audited)</b> <b>31 March</b> <b>2023</b> <i>HK\$'000</i>	
Carrying amount	<u><b>3,244</b></u>		<u><b>3,162</b></u>	
	<b>(Unaudited)</b> <b>Three months ended</b> <b>30 September</b> <b>2023</b> <i>HK\$'000</i>		<b>(Unaudited)</b> <b>Six months ended</b> <b>30 September</b> <b>2023</b> <i>HK\$'000</i>	
	<b>2022</b> <i>HK\$'000</i>	<b>2022</b> <i>HK\$'000</i>	<b>2022</b> <i>HK\$'000</i>	<b>2022</b> <i>HK\$'000</i>
Imputed interests recognised as finance costs	<u><b>41</b></u>	<u><b>39</b></u>	<u><b>81</b></u>	<u><b>76</b></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 2023 and 31 March 2023.

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

	<b>Number of shares</b>		<b>Amount</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2023</b> <i>'000</i>	<b>(Audited)</b> <b>31 March</b> <b>2023</b> <i>'000</i>	<b>(Unaudited)</b> <b>30 September</b> <b>2023</b> <i>HK\$'000</i>	<b>(Audited)</b> <b>31 March</b> <b>2023</b> <i>HK\$'000</i>
Ordinary shares of HK\$0.1 each				
Authorised	<u><b>3,000,000</b></u>	<u><b>3,000,000</b></u>	<u><b>300,000</b></u>	<u><b>300,000</b></u>
Issued and fully paid	<u><b>330,272</b></u>	<u><b>330,272</b></u>	<u><b>33,027</b></u>	<u><b>33,027</b></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:

	<b>(Unaudited)</b> <b>Three months ended</b> <b>30 September</b>		<b>(Unaudited)</b> <b>Six months ended</b> <b>30 September</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Fees, salaries and other benefits	<b><u>635</u></b>	<b><u>735</u></b>	<b><u>1,272</u></b>	<b><u>1,406</u></b>

- (b) Amounts due to directors/related companies/non-controlling interests/a shareholder of the Company as at 30 September 2023 and 31 March 2023 are disclosed in the condensed consolidated statement of financial position; other details are disclosed in note 21.

## OTHER INFORMATION

### SHARE OPTION SCHEME

Great World Company Holdings Ltd (the “Company”) had adopted a share option scheme at the annual general meeting of the Company held on 3 August 2012 (the “2012 Share Option Scheme”), which was valid and effective for a period of 10 years commencing on 3 August 2012, under which 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.

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 2023
				As at 1 April 2023	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
Employees	13 May 2022	13 May 2022 – 13 May 2025	HK\$1.00	23,000,000	-	-	-	-	23,000,000

During the six months ended 30 September 2023, no share option was granted, exercised, cancelled or lapsed 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 six months ended 30 September 2023.

## **BOARD OF DIRECTORS**

The Board comprised three executive Directors, namely Mr. Zhang Yanqiang, Mr. Gu Zhonghai and Mr. Zhao Xinyan (chairman of the Board), one non-executive Director, namely Ms. Ng Mui King, Joky (resigned on 9 October 2023), 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 2023, 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 (resigned on 9 October 2023)	–	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 2023, 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 2023 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 2023, 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 resigned on 9 October 2023.
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 2023.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company had not redeemed any of its shares during the six months ended 30 September 2023. 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 2023.

## **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 2023.

By order of the Board  
**Great World Company Holdings Ltd**  
**Zhao Xinyan**  
*Chairman*

Hong Kong, 14 November 2023

*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; and (ii) three independent non-executive Directors, namely Mr. Chung Koon Yan, Ms. Zhao Yongmei and Mr. Jing Baoli.*