



中國萬天控股有限公司

CHINA WANTIAN HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1854

2022
Interim Report



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Hooy Kok Wai (*Chairman*)
Mr. Liu Chi Ching (*Vice-Chairman*)
Mr. Zhong Xueyong (*Chief Executive Officer*)

Independent non-executive Directors

Ms. Lui Choi Yiu Angela
(*appointed on 22 September 2022*)
Mr. Leung Sui Chung
Mr. Siu Chun Pong Raymond
Mr. Ng Ki Man
(*retired on 19 September 2022*)

BOARD COMMITTEES

Audit committee

Ms. Lui Choi Yiu Angela (*Chairman*)
(*appointed on 22 September 2022*)
Mr. Leung Sui Chung
Mr. Siu Chun Pong Raymond
Mr. Ng Ki Man
(*ceased on 19 September 2022*)

Nomination committee

Dr. Hooy Kok Wai (*Chairman*)
Ms. Lui Choi Yiu Angela
(*appointed on 22 September 2022*)
Mr. Leung Sui Chung
Mr. Siu Chun Pong Raymond
Mr. Ng Ki Man
(*ceased on 19 September 2022*)

Remuneration committee

Mr. Leung Sui Chung (*Chairman*)
Mr. Liu Chi Ching
Ms. Lui Choi Yiu Angela
(*appointed on 22 September 2022*)
Mr. Siu Chun Pong Raymond
Mr. Ng Ki Man
(*ceased on 19 September 2022*)

COMPANY SECRETARY

Mr. Lau Yau Chuen Louis

AUTHORISED REPRESENTATIVES

Mr. Liu Chi Ching
Mr. Lau Yau Chuen Louis

AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
25/F, Wing On Centre
111 Connaught Road Central
Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAW

K. B. Chau & Co.
Unit B, 31/F & Unit A2, 32/F, United Centre
No. 95 Queensway, Admiralty
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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Grand Cayman, KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2106A, 21/F
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33 Wang Chiu Road, Kowloon Bay
Hong Kong

PRINCIPAL PLACES OF BUSINESS IN THE PRC

Room 2211, 22/F, T7
One Shenzhen Bay
No. 3008 Zhongxin Road, Nanshan District
Shenzhen, the PRC

Block A, 4/F, Wangu Plaza
No. 10 Xinglong Road, Shagang, East District
Zhongshan, the PRC

PRINCIPAL BANKS

OCBC Wing Hang Bank Limited
Bank of China (Hong Kong) Limited

INVESTORS AND MEDIA RELATIONS

Anli Financial Communications Limited
Room 1901-02, 19/F
Shanghai Industrial Investment Building
48-62 Hennessy Road, Wanchai
Hong Kong

STOCK CODE

1854

COMPANY WEBSITE

<http://chinawantian.etnet.com.hk>



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The board (the "Board") of directors (the "Directors") of China Wantian Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2022, together with the comparative figures for the corresponding period as follows:

For the six months ended 30 September 2022

	Note	Unaudited Six months ended 30 September	
		2022 HK\$'000	2021 HK\$'000
Revenue	5	68,747	68,242
Cost of sales	7	(53,847)	(57,070)
Gross profit		14,900	11,172
Other income and gain	6	1,626	54
Selling and administrative expenses	7	(19,101)	(11,118)
Share-based payment expenses		(3,829)	–
Impairment losses under expected credit loss model	7	(802)	(911)
Operating loss		(7,206)	(803)
Finance income	8	36	23
Finance costs	8	(347)	(379)
Finance costs – net	8	(311)	(356)
Share of profit/(loss) of a joint venture		9	(74)
Loss before income tax		(7,508)	(1,233)
Income tax expense	9	(584)	(145)
Loss for the period		(8,092)	(1,378)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		154	–
Total comprehensive expense for the period		(7,938)	(1,378)
Loss for the period attributable to:			
– Owners of the Company		(8,092)	(1,375)
– Non-controlling interests		–	(3)
		(8,092)	(1,378)
Total comprehensive expense for the period attributable to:			
– Owners of the Company		(7,938)	(1,375)
– Non-controlling interests		–	(3)
		(7,938)	(1,378)
Basic and diluted loss per share attributable to equity holders of the Company (expressed in HK cents per share)	10	(0.53)	(0.10)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Note	Unaudited As at 30 September 2022 HK\$'000	Audited As at 31 March 2022 HK\$'000
Non-current assets			
Property, plant and equipment	12	34,555	31,199
Right-of-use assets	13	50,733	49,499
Deposits and prepayments	15	9	4
Interest in a joint venture	14	202	193
		85,499	80,895
Current assets			
Inventories		611	386
Trade receivables	15	30,372	21,005
Deposits and prepayments	15	6,742	8,206
Cash and cash equivalents		28,514	44,958
		66,239	74,555
Current liabilities			
Trade payables	18	1,321	2,110
Accruals and other payables	18	1,952	3,393
Borrowings	17	15,040	23,624
Current income tax liabilities		383	–
Lease liabilities	13	2,894	1,562
		21,590	30,689
Non-current liabilities			
Lease liabilities	13	3,785	2,925
Deferred tax liabilities		2,012	1,812
		5,797	4,737
Net current assets			
		44,649	43,866
Net assets			
		124,351	120,024
Capital and reserves			
Share capital	16	15,384	15,120
Share premium		93,005	82,151
Reserves		1,401	100
Retained earnings		14,561	22,653
		124,351	120,024
Equity attributable to equity holders of the Company		124,351	120,024
Non-controlling interests		–	–
Total equity			
		124,351	120,024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to equity holders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserve	Share option reserve	Translation reserve	Retained earnings			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
As at 1 April 2021 (Audited)	12,600	46,971	100	-	-	33,611	93,282	(11)	93,271
Loss for the period	-	-	-	-	-	(1,375)	(1,375)	(3)	(1,378)
Total comprehensive expense	-	-	-	-	-	(1,375)	(1,375)	(3)	(1,378)
Acquisition of additional interest in a subsidiary without change of control	-	-	-	-	-	(3)	(3)	14	11
Issue of new shares	2,520	35,280	-	-	-	-	37,800	-	37,800
Transaction cost on issue of new shares	-	(100)	-	-	-	-	(100)	-	(100)
As at 30 September 2021 (Unaudited)	15,120	82,151	100	-	-	32,233	129,604	-	129,604
As at 1 April 2022 (Audited)	15,120	82,151	100	-	-	22,653	120,024	-	120,024
Loss for the period	-	-	-	-	-	(8,092)	(8,092)	-	(8,092)
Other comprehensive expense:									
Exchange differences arising from translation of foreign operations	-	-	-	-	154	-	154	-	154
Total comprehensive expense	-	-	-	-	154	(8,092)	(7,938)	-	(7,938)
Recognition of equity-settled share-based payments	-	-	-	3,829	-	-	3,829	-	3,829
Issue of new shares upon exercise of share options	264	10,854	-	(2,682)	-	-	8,436	-	8,436
As at 30 September 2022 (Unaudited)	15,384	93,005	100	1,147	154	14,561	124,351	-	124,351

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Unaudited	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Operating activities		
Cash used in operations	(9,508)	(3,575)
Income tax paid	-	(105)
	<hr/>	<hr/>
Net cash used in operating activities	(9,508)	(3,680)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Investing activities		
Purchases of property, plant and equipment	(5,649)	(678)
Prepayments for purchase of property, plant and equipment	-	(647)
Interest received	36	23
	<hr/>	<hr/>
Net cash used in investing activities	(5,613)	(1,302)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Financing activities		
Proceeds from issue of new shares upon placing, net of transaction costs	-	37,700
Repayment of bank borrowings	(8,584)	(2,661)
Repayment of lease liabilities	(1,188)	(10)
Interest paid	(347)	(379)
Proceeds from issue of new shares upon exercise of share options	8,436	-
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(1,683)	34,650
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Net (decrease)/increase in cash and cash equivalents	(16,804)	29,668
Cash and cash equivalents at the beginning of the period	44,958	37,431
Effect of foreign exchange rate changes	360	-
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	28,514	67,099
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at Suite 2106A, 21/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong.

The Company is an investment holding company and its principal subsidiaries are engaged in (i) food supply; (ii) catering; and (iii) environmental protection and technology.

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand (HK\$’000), unless otherwise stated.

2 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2022 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the disclosure requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Hong Kong Companies Ordinance (Cap.622). The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

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

The accounting policies used in preparing the interim financial statements are consistent with those of the previous financial year, except for the amended HKFRSs issued by the Hong Kong Institute of Certified Public Accountants which have become effective in this period as per below:

Standard	Subject of amendment
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements to HKFRSs 2018–2020	Annual improvements

The adoption of the above amended standards does not have significant financial effect to the condensed consolidated financial statements.

3 ESTIMATES

The preparation of the unaudited condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the unaudited condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the year ended 31 March 2022.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. There have been no changes in the risk management policies since the year ended 31 March 2022.

4.2 Fair value estimation

As at 30 September 2022 and 31 March 2022, the Group did not have any financial assets or financial liabilities that are measured at fair value.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in amortised costs in the unaudited condensed consolidated financial statements approximate their fair values.

5 SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Directors that make strategic decisions.

In the previous period, the Group operated in a single operating segment and was principally engaged in the sourcing, processing and supplying of food ingredients in Hong Kong. During the period, this operating segment was grouped in "food supply". In addition, the Group commenced engaging in businesses in catering and environmental protection and technology in the People's Republic of China ("PRC"), and these businesses are considered to be new operating and reportable segments by the chief operating decision-maker.

Specifically, the Group has 3 reportable segments, namely (i) food supply; (ii) catering; and (iii) environmental protection and technology.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments for the six months ended 30 September 2022 and 2021, respectively:

	Food supply		Catering		Environmental protection and technology		Total	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Segment revenue								
Revenue from external customers	67,931	68,242	672	-	144	-	68,747	68,242
Segment profit/(loss)	7,217	(527)	(1,734)	-	(331)	-	5,152	(527)
Unallocated corporate income							22	-
Unallocated corporate expenses							(8,551)	(276)
Share-based payment expenses							(3,829)	-
Finance costs – net							(311)	(356)
Share of profit/(loss) of a joint venture							9	(74)
Loss before income tax							(7,508)	(1,233)
Income tax expense							(584)	(145)
Loss for the period							(8,092)	(1,378)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during these periods.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Revenue and expenses are allocated to the reportable segments with reference to the revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment results represented the profit earned or loss incurred by each segment without allocation of central administration expenses and income, including directors' emoluments, other income and finance costs. This is the measure reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments as at 30 September 2022 and 31 March 2022, respectively:

	Food supply		Catering		Environmental protection and technology		Total	
	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000
Segment assets	130,371	149,470	6,867	-	710	-	137,948	149,470
Unallocated							13,790	5,980
Consolidated assets							151,738	155,450
Segment liabilities	1,608	5,505	2,457	-	259	-	4,324	5,505
Unallocated							23,063	29,921
Consolidated liabilities							27,387	35,426

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments except for certain assets which are managed on a group basis. All liabilities are allocated to reportable segments except for certain financial liabilities which are managed on a group basis.

(c) Information about major customers

No customer individually contributed over 10% of the Group's revenue for the six months ended 30 September 2022.

Revenue from a customer of the Group amounting to HK\$7,302,000 contributed over 10% of the Group's revenue for the six months ended 30 September 2021.

(d) Geographical information

The Group's operations are located in both Hong Kong and the PRC.

The following is a geographical analysis of the Group's revenue from external customers (based on where the goods are sold and the services are provided) and non-current assets (based on the geographical location of the assets):

	Revenue from external customers		Non-current assets	
	Six months ended 30 September 2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Hong Kong	67,931	68,242	79,354	80,895
The PRC	816	–	6,145	–
	68,747	68,242	85,499	80,895

6 OTHER INCOME

	Unaudited Six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Government grants (Note)	1,338	–
Sundry income	288	54
	1,626	54

Note: The amount represented government grants received from the Employment Support Scheme and other programmes under the Anti-Epidemic Fund in relation to the outbreak of novel coronavirus ("COVID-19"). There are no unfulfilled conditions or other contingents attached to the grants.

7 EXPENSES BY NATURE

	Unaudited Six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Cost of inventories	39,713	43,948
Employee benefit expenses – including Directors' emoluments	12,139	8,732
Commission	168	230
Auditor's remuneration	68	480
Depreciation of property, plant and equipment (Note 12)	2,071	1,784
Depreciation on right-of-use assets (Note 13)	2,161	905
Operating leases (short-term lease)	313	101
Transportation expenses	6,579	5,371
Impairment losses under expected credit loss model	802	911
Professional and consulting fees	1,106	2,551
Other expenses	8,630	4,086

8 FINANCE COSTS – NET

	Unaudited Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Interest expense on bank borrowings	187	378
Interest expense on lease liabilities	160	1
	<hr/>	
Finance costs	347	379
	<hr style="border-top: 1px dashed black;"/>	
Interest income	(36)	(23)
	<hr style="border-top: 1px dashed black;"/>	
Finance costs – net	311	356

9 INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

The Hong Kong Profits Tax is calculated at the rate of 16.5% (six months ended 30 September 2021: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of qualified entity's assessable profits is calculated at 8.25%, which is in accordance with the two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

The amount of income tax expense charged to the unaudited condensed consolidated statement of comprehensive income represents:

	Unaudited Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Current income tax		
– Current period	383	–
Deferred income tax	201	145
	<hr/>	
Income tax expense	584	145

10 LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

Basic loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Unaudited	
	Six months ended 30 September	
	2022	2021
Loss for the period attributable to equity holders of the Company (in thousand HK\$)	(8,092)	(1,375)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (in thousand)	1,520,934	1,321,967
Loss per share (expressed in HK cents per share)	(0.53)	(0.10)

For the six months ended 30 September 2022, the computation of diluted loss per share does not assume the exercise of the Company's share options since their assumed exercise would result in a decrease in loss per share.

Diluted loss per share and the basic loss per share for the six months ended 30 September 2022 and 2021 were the same as there were no potential dilutive ordinary shares in both periods.

11 DIVIDENDS

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

12 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Unaudited					
Six months ended 30 September 2022					
Net book value as at 1 April 2022	17,429	9,481	2,038	2,251	31,199
Additions	-	4,720	929	-	5,649
Depreciation (Note 7)	(317)	(705)	(555)	(494)	(2,071)
Exchange alignment	-	(191)	(31)	-	(222)
Net book value as at 30 September 2022	17,112	13,305	2,381	1,757	34,555
Audited					
Year ended 31 March 2022					
Net book value as at 1 April 2021	17,164	10,420	2,886	2,043	32,513
Additions	888	-	222	1,246	2,356
Depreciation	(623)	(939)	(1,070)	(1,038)	(3,670)
Net book value as at 31 March 2022	17,429	9,481	2,038	2,251	31,199

13 LEASES

(a) Amounts recognised in the condensed consolidated statement of financial position

The condensed consolidated statement of financial position shows the following amounts relating to leases:

	Unaudited As at 30 September 2022 HK\$'000	Audited As at 31 March 2022 HK\$'000
Right-of-use assets		
Leasehold lands	44,277	45,174
Buildings	6,456	4,325
	<hr/> 50,733	<hr/> 49,499
Lease liabilities		
Current	2,894	1,562
Non-current	3,785	2,925
	<hr/> 6,679	<hr/> 4,487

During the six months ended 30 September 2022, additions to the right-of-use assets were approximately HK\$3,899,000 (six months ended 30 September 2021: Nil).

(b) Amounts recognised in the condensed consolidated statement of comprehensive income

The statement shows the following amounts relating to leases:

	Unaudited Six months ended 30 September 2022 HK\$'000	2021 HK\$'000
Depreciation charge of right-of-use assets		
Leasehold lands	896	896
Buildings	1,265	9
	<hr/> 2,161	<hr/> 905
Interest expenses (included in finance costs)	160	1
Expense relating to short-term leases (included in cost of sales and selling and administrative expenses)	313	101
	<hr/> 479	<hr/> 102

The total cash outflow of leases for the six months ended 30 September 2022 was approximately HK\$1,188,000 (six months ended 30 September 2021: approximately HK\$10,000).

14 INTEREST IN A JOINT VENTURE

HK\$'000

Unaudited

Six months ended 30 September 2022

At 1 April 2022

Share of profit for the period

193
9

At 30 September 2022

202

Audited

Year ended 31 March 2022

At 1 April 2021

Share of loss for the year

275
(82)

At 31 March 2022

193

The following shows the details of the investment in a joint venture as at 30 September 2022.

Name of company	Place of incorporation and operation	% of ownership interest	Principal activity	Measurement method
China Bright International Investment Limited	Hong Kong	50%	Manufacturing of bakery products	Equity

China Bright International Investment Limited is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's investment in a joint venture, and there are no contingent liabilities of the joint venture itself as at 30 September 2022 and 31 March 2022.

15 TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited As at 30 September 2022 HK\$'000	Audited As at 31 March 2022 HK\$'000
Trade receivables (Note (a))		
– Related parties	26	49
– Third parties	30,346	20,956
	30,372	21,005
Other prepayments	4,377	7,043
Other receivables and deposits	2,374	1,167
	6,751	8,210
Less: non-current portion: deposits and prepayments	(9)	(4)
Deposits and prepayments included in current assets	6,742	8,206

Note:

(a) Trade receivables

	Unaudited As at 30 September 2022 HK\$'000	Audited As at 31 March 2022 HK\$'000
Trade receivables	42,494	32,325
Less: loss allowance	(12,122)	(11,320)
	30,372	21,005

The carrying amounts of trade receivables approximate their fair values and are denominated in HK\$.

The Group normally grants credit terms to its customers ranging from 0 to 120 days (31 March 2022: 0 to 120 days). The ageing analysis of the trade receivables based on invoice dates is as follows:

	Unaudited As at 30 September 2022 HK\$'000	Audited As at 31 March 2022 HK\$'000
1 to 30 days	11,200	4,984
31 to 60 days	7,253	2,670
61 to 90 days	2,582	2,482
91 to 120 days	2,366	3,441
Over 120 days	19,093	18,748
Total	42,494	32,325

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the ageing from billing.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables mentioned above. The Group does not hold any collateral as security.

16 SHARE CAPITAL

	Number of shares (in thousand)	Nominal amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2022 and 30 September 2022	2,000,000	20,000
Issued and fully paid:		
At 31 March 2022	1,512,000	15,120
Issue of new shares upon exercise of share options	26,360	264
At 30 September 2022	1,538,360	15,384

17 BORROWINGS

	Unaudited As at 30 September 2022 HK\$'000	Audited As at 31 March 2022 HK\$'000
Current, secured		
Bank borrowings due for repayment within 1 year which contain a repayment on demand clause (Note)	3,698	10,400
Bank borrowings due for repayment after 1 year which contain a repayment on demand clause (Note)	11,342	13,224
Total borrowings	15,040	23,624

All borrowings, including the bank loans which contain a repayable on demand clause, are carried at amortised cost.

Note:

As at 30 September 2022, bank borrowings of approximately HK\$15,040,000 (31 March 2022: approximately HK\$23,624,000) are secured/guaranteed by:

- (i) corporate guarantee provided by the Company (31 March 2022: same); and
- (ii) buildings and right-of-use assets amounting to approximately HK\$6,197,000 (31 March 2022: approximately HK\$6,321,000) and approximately HK\$37,853,000 (31 March 2022: approximately HK\$38,618,000) respectively held by the Group.

18 TRADE PAYABLES AND OTHER PAYABLES

	Unaudited As at 30 September 2022 HK\$'000	Audited As at 31 March 2022 HK\$'000
Trade payables (Note (a))		
– Related parties	–	5
– Third parties	1,321	2,105
	1,321	2,110
Other payables and accruals		
– Accruals for staff costs	1,323	1,971
– Commission payables	–	8
– Other accruals and other payables	629	1,414
	1,952	3,393
	3,273	5,503

Note:

(a) Trade payables

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

	Unaudited As at 30 September 2022 HK\$'000	Audited As at 31 March 2022 HK\$'000
0 to 30 days	934	1,634
31 to 60 days	30	402
61 to 90 days	357	74
	1,321	2,110

The carrying amounts of the Group's trade payables approximate their fair values.

19 COMMITMENTS

The Group has no material commitments as at 30 September 2022 and 31 March 2022.

20 SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to the resolutions passed on 26 September 2016 so as to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

Under the Share Option Scheme, the Board may, at its absolute discretion and subject to the terms of the Share Option Scheme, grant any employee (full-time or part-time), Director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe for the shares. The basis of eligibility of any participant to the grant of any option shall be determined by the Board from time to time on the basis of his/her contribution or potential contribution to the development and growth of the Group.

The maximum number of shares issuable upon exercise of all options to be granted under the Share Option Scheme is 128,000,000 shares, representing 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by obtaining approval of the Company's shareholders in general meeting provided that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue as at the date of approval of the refreshed limit. The aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in the limit being exceeded.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the shares in issue. Where any further grant of options in excess of such limit, such further grant must be separately approved by shareholders of the Company in general meeting with such grantee and his/her close associates abstaining from voting.

Options granted to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee). Where any options granted to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares in issue and having an aggregate value in excess of HK\$5 million must be approved by the Company's shareholders at a general meeting of the Company, with voting to be taken by way of poll.

An offer for the grant of options must be accepted in writing within 7 days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

The subscription price shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of the share on the date of grant of the option.

The Share Option Scheme does not set out any performance targets that must be achieved before an option may be exercised. However, the Board may at its absolute discretion determine to include conditions of the exercise of the options such as fixing a minimum period for holding the options and setting specific performance targets. The Share Option Scheme will remain in force for a period of ten years commencing on 26 September 2016 and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders at a general meeting of the Company.

On 13 April 2022, there were 79,100,000 share options granted to eligible participants under the Share Option Scheme. A summary of the movements in the share options granted under the Share Option Scheme during the six months ended 30 September 2022 is as follows:

Name or category of participants	Date of grant	Exercise price (HK\$)	Exercisable period	As at 1 April 2022	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	As at 30 September 2022
Directors								
Dr. Hooy Kok Wai ¹ ("Dr. Hooy")	13/04/2022	0.320	01/07/2022 to 30/06/2025	-	45,000,000	(15,000,000)	-	30,000,000
Mr. Zhong Xueyong ¹ ("Mr. Zhong")	13/04/2022	0.320	01/07/2022 to 30/06/2025	-	23,000,000	(7,660,000)	-	15,340,000
Other employees²								
	13/04/2022	0.320	13/04/2022 to 12/04/2025	-	11,100,000	(3,700,000)	-	7,400,000
Total				-	79,100,000	(26,360,000)	-	52,740,000
Exercisable at the end of the period				-	-	-	-	-
Weighted average exercise price				N/A	0.320	0.320	N/A	0.320
Weighted average share price at dates of exercise				N/A	N/A	0.326	N/A	N/A

Notes:

- These share options were conditionally granted to Dr. Hooy and Mr. Zhong, who are executive Directors and substantial shareholders of the Company, on 13 April 2022 and approved at the extraordinary general meeting of the Company held on 8 June 2022. They are vested and exercisable as (i) the first one third from 1 July 2022 to 30 June 2025 without subject to any performance target being met; (ii) the next one third from 1 July 2023 to 30 June 2025 only if the audited revenue of the Group for the year ending 31 March 2023 is no less than 120% of the audited revenue of the Group for the year ended 31 March 2022; and (iii) the remaining one third from 1 July 2024 to 30 June 2025 only if the audited revenue of the Group for the year ending 31 March 2024 is no less than 140% of the audited revenue of the Group for the year ended 31 March 2022.
- These share options are vested and exercisable without subject to any performance target being met as (i) the first one third from 13 April 2022 to 12 April 2025; (ii) the next one third from 13 April 2023 to 12 April 2025; and (iii) the remaining one third from 13 April 2024 to 12 April 2025.
- The closing price per share immediately before the date on which the share options were granted on 13 April 2022 was HK\$0.305.
- The weighted average closing price per share immediately before the respective dates on which the shares options were exercised was approximately HK\$0.312.

The estimated fair values of the share options granted are approximately HK\$8,233,000, which were calculated using the Binominal model. The inputs into the model were as follows:

	Directors	Other employees
Number of share options	68,000,000	11,100,000
Exercise price (HK\$)	0.320	0.320
Option life (Year)	3.1	3.0
Expected volatility (%)	53.87	53.79
Dividend yield (%)	–	–
Risk-free interest rate (%)	2.06	1.92

Expected volatility used in the valuation of options was determined by using the annualised historical daily volatility of the Company's share price as at the measurement date. Expected dividend yield was based on the annualised historical dividend yield of the Company. Risk-free rate was determined with reference to the interpolated Hong Kong Government Bond yield.

The Binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

During the period ended 30 September 2022, the Group recognised total expenses of approximately HK\$ 3,829,000 (six months ended 30 September 2021: HK\$ Nil) in relation to the share options granted by the Company.

21 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Unaudited	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Sales of goods to a related company		
– Winning Tender Limited (Note (i))	262	329
Purchase of goods from related parties		
– Au Kit Ying (Note (ii))	–	10
– Zhongshan Wangu Sky Farm Co., Ltd. (Note (iii))	126	–
Rental fees and property management services fees paid and payable to related companies		
– Zhongshan Wangu Business Management Co., Ltd. (Note (iii))	246	–
– Zhongshan Wangu Property Management Co., Ltd. (Note (iii))	212	–
– Zhongshan Wangu Real Estate Investment and Development Co., Ltd. (Note (iii))	204	–
Service fee paid to a related company		
– WG International Group Limited (Note (iii))	184	–

Notes:

- (i) Mr. Liu Chi Ching ("**Mr. Liu**"), who is an executive Director and a substantial shareholder of the Company, has a beneficial interest in this company.
- (ii) Ms. Au Kit Ying, who is an owner of the business, is a related person to Mr. Liu.
- (iii) These related companies are controlled by Dr. Hooy and Mr. Zhong, who are executive Directors and substantial shareholders of the Company.

(b) **Key management compensation**

Key management includes executive Directors. The compensation paid or payable to key management for employee services is disclosed as follows:

	Unaudited	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Wages, salaries and allowances	1,724	1,612
Retirement benefit costs	18	18
Share-based payments	3,270	–
	5,012	1,630

22 APPROVAL OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The unaudited condensed interim financial statements were approved and authorised for issue by the Board on 18 November 2022.

23 EVENTS AFTER THE REPORTING PERIOD

On 7 November 2022, Great Point Limited (the “**Purchaser**”), a direct wholly-owned subsidiary of the Company, entered into a share purchase agreement (the “**Share Purchase Agreement**”) with Mr. Kwong Ping Man (the “**Vendor**”), pursuant to which, among other things, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell all the issued shares of Champion Point Limited, for a total consideration of HK\$44.0 million. The total consideration shall be satisfied by the Purchaser procuring the Company to allot and issue 91,660,000 new shares of the Company in three tranches to the Vendor at the issue price of HK\$0.48 per share subject to the terms and conditions of the Share Purchase Agreement (the “**Acquisition**”).

All of the conditions precedent as stated in the Share Purchase Agreement have been satisfied. Pursuant to the Share Purchase Agreement, completion of the Acquisition will take place on the fifth business day after the satisfaction of all the conditions precedent. Details of the Acquisition are set out in the announcement of the Company dated 7 November 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the sourcing, processing and supplying of food ingredients, with a focus on the provision of vegetables and fruit to food service operators in Hong Kong. It supplies food ingredients to over 480 customer outlets and offers more than 1,300 types of food ingredients to its customers. After completion of the general offer in August 2021, the Group has officially stepped towards a new milestone by setting up its business operation points in Shenzhen and Zhongshan, and later opening two restaurants in Zhongshan as an extension of its downstream business to enhance the overall profit margin through a one-stop industry chain. At the same time, the Group has also been actively supporting national policies to realise the vision of net-zero carbon emission by establishing a department dedicated to promoting modern agriculture and green education in primary and secondary schools and enterprises in the Greater Bay Area, with an aim of promoting a green and environmentally-friendly lifestyle and making the world a greener place.

The Group recorded a net loss of approximately HK\$8.1 million for the six months ended 30 September 2022 (the "**Reporting Period**") as compared to a net loss of approximately HK\$1.4 million for the six months ended 30 September 2021. Such increase in the net loss was mainly attributable to (i) the increase in operating expenses incurred following the establishment of the Group's headquarters in the Greater Bay Area and as part of its business expansion in the Greater Bay Area; and (ii) the recognition of the share-based payment expenses of approximately HK\$3.8 million arising from the share options granted during the Reporting Period. Despite the recorded net loss, the revenue from the Group's existing business remained stable during the Reporting Period and the business expansion in the Greater Bay Area will help the Group to further strengthen its existing business. In addition, the share option expenses, which were recognised purely due to the accounting standards, did not involve any cash outlay. As such, there would be no adverse effect on the Group's operating cash flows and operation.

OUTLOOK

The year 2022 marks a new chapter for the Group. With the establishment of the headquarters in the Greater Bay Area and the fifth wave of the COVID-19 outbreak gradually under control in the middle of the year, the Group has officially expanded its businesses into catering and environmental protection and technology in the Greater Bay Area. Looking ahead, leveraging on the extensive business experience of management and their well-established business network in the PRC, the Group will continue to identify potential business opportunities. By adhering to the business philosophy of "People-Oriented, Pragmatism, Creativity and Honest and Responsible", the Group will set up a one-stop food industry chain system covering from the source of cultivation to the food supply chain and the catering businesses, with a view to becoming a leading service provider for good life in the PRC and a premier green brand in the Greater Bay Area.

FINANCIAL REVIEW

During the Reporting Period, the Group has expanded its food supply business to related upstream and downstream businesses in the PRC and introduced two additional segments, namely (i) catering; and (ii) environmental protection and technology.

Revenue

The Group's revenue for the Reporting Period was approximately HK\$68.7 million, which slightly increased by 0.7% from approximately HK\$68.2 million for the six months ended 30 September 2021.

Revenue attributable to the food supply business for the Reporting Period remained quite stable at approximately HK\$67.9 million, which accounted for 98.8% of the Group's revenue, representing a slight decrease of approximately 0.5% from approximately HK\$68.2 million for the six months ended 30 September 2021.

Revenue generated from the businesses of catering and environmental protection and technology were approximately HK\$0.7 million and HK\$0.1 million, respectively, which accounted for 1.2% of the Group's revenue. The contributions from these two new businesses are expected to gradually increase, which will further strengthen the Group's performance.

Gross profit and gross profit margin

The Group's gross profit for the Reporting Period was approximately HK\$14.9 million, which grew by approximately 33.4% from approximately HK\$11.2 million for the six months ended 30 September 2021. The Group's gross profit margin for the Reporting Period was approximately 21.7% as compared to approximately 16.4% for the six months ended 30 September 2021. The improvement in both the gross profit and the gross profit margin was mainly driven by the food supply business, which contributed approximately HK\$14.6 million or approximately 98.0%, to the Group's gross profit. Gross profit margin of food supply business also increased by approximately 5.1 percentage points to approximately 21.5%, reflecting an improvement in the product mix.

Other income

The Group's other income for the Reporting Period was approximately HK\$1.6 million as compared to approximately HK\$54,000 for the six months ended 30 September 2021. Such increase was primarily attributable to the receipt of non-recurring government grants of approximately HK\$1.3 million from the Employment Support Scheme and other programmes under the Anti-Epidemic Fund during the Reporting Period, which were absent for the six months ended 30 September 2021.

Selling and administrative expenses

The Group's selling and administrative expenses for the Reporting Period were approximately HK\$19.1 million, representing an increase of approximately 71.8% from approximately HK\$11.1 million for the six months ended 30 September 2021, which was primarily due to the increase in administrative and payroll expenses incurred following the establishment of the Group's Greater Bay Area headquarters and as part of its business expansion in the Greater Bay Area.

Share-based payment expenses

The share-based payment expenses for the Reporting Period were approximately HK\$3.8 million (six months ended 30 September 2021: Nil), which represented the fair value of the share options granted on 13 April 2022 over the vesting periods.

Loss for the Reporting Period

On account of the above-mentioned factors, the Group's loss for the Reporting Period increased to approximately HK\$8.1 million as compared to a net loss of approximately HK\$1.4 million for the six months ended 30 September 2021.

USE OF NET PROCEEDS FROM SHARE SUBSCRIPTION

On 16 August 2021, the Company completed the share subscription to allot and issue 252,000,000 new shares to Ace Source Holdings Limited ("**Ace Source**") and raised net proceeds of approximately HK\$37.7 million. Details of the share subscription were set out in the joint announcements of the Company and Ace Source dated 6 July 2021 and 16 August 2021, and the circular of the Company dated 28 July 2021 (the "**Circular**").

As at 30 September 2022, approximately HK\$15.7 million out of the net proceeds from the share subscription had not been utilised. The remaining net proceeds are expected to be utilised on or before 31 December 2023. The utilisation of the net proceeds from the share subscription is summarised as follows:

	Planned use of net proceeds as shown in the Circular HK\$ million	Actual use of net proceeds up to 30 September 2022 HK\$ million	Unutilised net proceeds up to 30 September 2022 HK\$ million
Repayment of bank loans	22.0	22.0	–
Establishment of two retail outlets	10.0	–	10.0
General working capital	5.7	–	5.7
Total	37.7	22.0	15.7

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the Reporting Period and up to the date of this report. The capital of the Group only comprises ordinary shares.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has funded the liquidity and capital requirements principally from cash generated from operations and bank borrowings.

As at 30 September 2022, the Group had bank borrowings of approximately HK\$15.0 million, which were denominated in Hong Kong dollars (31 March 2022: approximately HK\$23.6 million). The Group's bank borrowings were primarily obtained at variable rates and used in financing the working capital requirement for its operations and the purchase of the existing premises.

As at 30 September 2022, the Group had approximately HK\$28.5 million in bank balance (31 March 2022: approximately HK\$45.0 million). The Group had no bank overdraft as at 30 September 2022 (31 March 2022: Nil). The Directors believe that the Group is in a healthy financial position to expand its core business and to achieve its business objectives.

As at 30 September 2022, total assets, which included current assets of approximately HK\$66.2 million (31 March 2022: approximately HK\$74.6 million) and non-current assets of approximately HK\$85.5 million (31 March 2022: approximately HK\$80.9 million), decreased by 2.4% to approximately HK\$151.7 million (31 March 2021: approximately HK\$155.5 million), which was primarily attributable to the decrease in bank balance.

As at 30 September 2022, total liabilities, which included current liabilities of approximately HK\$21.6 million (31 March 2022: HK\$30.7 million) and non-current liabilities of approximately HK\$5.8 million (31 March 2022: HK\$4.7 million), decreased by 22.7% to approximately HK\$27.4 million (31 March 2022: HK\$35.4 million), which was mainly due to repayment of bank borrowings.

As at 30 September 2022, the current ratio of the Group, being current assets divided by current liabilities, increased to 3.1 (31 March 2022: approximately 2.4) as new funding raised from the exercise of share options.

GEARING RATIO

As at 30 September 2022, the gearing ratio of the Group, being total borrowings (including total lease liabilities) divided by total equity, decreased to approximately 17.5% (31 March 2022: approximately 23.4%) following the issue of new shares upon exercise of the share options and repayment of bank borrowings.

CHARGE ON GROUP ASSETS

As at 30 September 2022, the Group has pledged its leasehold lands under right-of-use assets and buildings with a net book value amounting to approximately HK\$44.1 million (31 March 2022: approximately HK\$44.9 million) for certain banking facilities granted to the Group.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSET

Save as disclosed in this report, the Group had no significant investment with a value of 5% or more of the Group's total assets as at 30 September 2022. There was no material acquisition and disposal of subsidiaries, associates or joint ventures by the Group during the Reporting Period. There were no other plans for material investment or capital asset as at 30 September 2022.

FOREIGN EXCHANGE EXPOSURE

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's revenue, expenses, assets and liabilities are denominated in HK\$ and Renminbi ("RMB"). The appreciation or devaluation of RMB against HK\$ may have an impact on the Group's results. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. The Group will continue to closely monitor the foreign currency exposure and take appropriate measures to minimise the risk when necessary.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 September 2022 (31 March 2022: Nil).

CAPITAL COMMITMENTS

As at 30 September 2022, the Group did not have capital commitments in respect of acquisition of property, plant and equipment (31 March 2022: Nil).

SEGMENT INFORMATION

The Group has 3 reportable segments, namely (i) food supply; (ii) catering; and (iii) environmental protection and technology.

INFORMATION ON EMPLOYEES

As at 30 September 2022, the Group employed a total of 140 employees (31 March 2022: 69). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonuses. Various types of trainings are provided to the employees from time to time. The total staff cost (including remuneration of Directors and mandatory provident funds contributions) for the Reporting Period amounted to approximately HK\$12.1 million (30 September 2021: approximately HK\$8.7 million).

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Reporting Period (30 September 2021: Nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 September 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were recorded, pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

(i) Long positions in shares and underlying shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares held	Number of underlying shares pursuant to share options ²	Total	Approximate percentage of shareholding
Dr. Hooy	Member of concert party group ¹	927,080,000	-	927,080,000	60.26%
	Beneficial owner	15,000,000	30,000,000	45,000,000	2.93%
Mr. Zhong	Member of concert party group ¹	927,080,000	-	927,080,000	60.26%
	Beneficial owner	7,660,000	15,340,000	23,000,000	1.50%
Mr. Liu	Interest of a controlled corporation ³	200,000,000	-	200,000,000	13.00%

Notes:

- These shares were held by Ace Source, which is a company incorporated in the British Virgin Islands. The shareholding of Ace Source is set out under the section headed 'Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares'. As Dr. Hooy and Mr. Zhong are parties acting in concert with Ace Source, each of them is deemed to be interested in the same number of shares in which Ace Source is interested for the purposes of the SFO.
- These underlying shares represent the interests of share options granted to each of Dr. Hooy and Mr. Zhong under the Share Option Scheme to subscribe for shares of the Company.
- These shares were held by Classic Line Holdings Limited ("**Classic Line**"), which is a company incorporated in the British Virgin Islands and wholly-owned by Mr. Liu. Therefore, Mr. Liu is deemed, or taken to be, interested in the shares held by Classic Line for the purposes of the SFO. Mr. Liu is the sole director of Classic Line.

(ii) **Long positions in shares of associated corporations of the Company**

Name of Director	Name of associated corporation^{note}	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding
Dr. Hooy	Ace Source	Interest of a controlled corporation	81	81%
	China Wantian International Group Limited (" China Wantian International ")	Interest of a controlled corporation	6,000	60%
	Wise Global Holding Limited (" Wise Global ")	Beneficial owner	1	100%
Mr. Zhong	Ace Source	Interest of a controlled corporation	81	81%
	China Wantian International	Interest of a controlled corporation	4,000	40%

Note: The respective shareholdings of these associated corporations are set out under the section headed 'Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares'.

Save as disclosed above, as at 30 September 2022, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors, as at 30 September 2022, the following persons (other than the Directors and chief executives of the Company) had or were deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO:

Long positions in shares and underlying shares of the Company

Name of shareholder	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding
Ace Source ^{1,2}	Beneficial owner/member of concert party group	927,080,000	60.26%
China Wantian International ^{1,2}	Member of concert party group	927,080,000	60.26%
Courage Rise Holdings Limited ^{1,2} (" Courage Rise ")	Member of concertparty group	927,080,000	60.26%
Wise Global ^{1,2}	Member of concert party group	927,080,000	60.26%
Hooy Investment Limited ²	Member of concert party group	927,080,000	60.26%

Name of shareholder	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding
Yap Global Investment Limited ²	Member of concert party group	927,080,000	60.26%
Mr. Hooy Kok Kuen ²	Member of concert party group	927,080,000	60.26%
Mr. Hooy Kwok Pun ²	Member of concert party group	927,080,000	60.26%
Mr. Hooy Say Kai ²	Member of concert party group	927,080,000	60.26%
Ms. Hooy Siew Kuen ²	Member of concert party group	927,080,000	60.26%
Ms. Leong Kwai Ho ²	Member of concert party group	927,080,000	60.26%
Mr. Yap Fong Kee ²	Member of concert party group	927,080,000	60.26%
Ms. Yap Hong Akiw ²	Member of concert party group	927,080,000	60.26%
Ms. Yap Hong Kek ²	Member of concert party group	927,080,000	60.26%
Ms. Yap Hong Leng ²	Member of concert party group	927,080,000	60.26%
Mr. Yap Kong Meng ²	Member of concert party group	927,080,000	60.26%
Ms. Yap Siew Chow ²	Member of concert party group	927,080,000	60.26%
Ms. Yap Siew Ngoh ²	Member of concert party group	927,080,000	60.26%
Ms. Yap Su Chai ²	Member of concert party group	927,080,000	60.26%
Ms. Yap Yuk Kiew ^{2, 3}	Member of concert party group/ interest of spouse	972,080,000	63.19%
Mr. Yek Hon Su ²	Member of concert party group	927,080,000	60.26%
Classic Line	Beneficial owner	200,000,000	13.00%
Ms. Wu Shuk Kwan ⁴	Interest of spouse	200,000,000	13.00%

Notes:

- These shares were held by Ace Source, which is owned as to 81% equity interest by China Wantian International. China Wantian International is a company incorporated in Hong Kong with limited liability and is owned as to 60% and 40% equity interest by Wise Global and Courage Rise respectively. Each of Wise Global and Courage Rise is wholly-owned by Dr. Hooy and Mr. Zhong respectively.
- As China Wantian International, Courage Rise, Wise Global, Hooy Investment Limited, Yap Global Investment Limited, Mr. Hooy Kok Kuen, Mr. Hooy Kwok Pun, Mr. Hooy Say Kai, Ms. Hooy Siew Kuen, Ms. Leong Kwai Ho, Mr. Yap Fong Kee, Ms. Yap Hong Akiw, Ms. Yap Hong Kek, Ms. Yap Hong Leng, Mr. Yap Kong Meng, Ms. Yap Siew Chow, Ms. Yap Siew Ngoh, Ms. Yap Su Chai, Ms. Yap Yuk Kiew (the spouse of Dr. Hooy) and Mr. Yek Hon Su are parties acting in concert with Ace Source, each of them is deemed to be interested in the same number of shares in which Ace Source is interested for the purposes of the SFO.
- Ms. Yap Yuk Kiew is the spouse of Dr. Hooy. Under the SFO, Ms. Yap Yuk Kiew is deemed to be interested in the same number of shares in which Dr. Hooy is interested, including the 15,000,000 shares and the 30,000,000 underlying shares beneficially owned by Dr. Hooy as set out under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares or Debentures".
- Ms. Wu Shuk Kwan is the spouse of Mr. Liu. Under the SFO, Ms. Wu Shuk Kwan is deemed to be interested in the same number of shares in which Mr. Liu is interested.

Save as disclosed above, as at 30 September 2022, the Company had not been notified of any other persons (other than the Directors and chief executives of the Company) who had or were deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

CHANGES OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Below is the change of Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2022 Annual Report:

Directors' updated information

Dr. Hooy has been awarded the Honorary Doctorate from Lincoln University College in Malaysia in October 2022.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions in the securities of the Company. Based on specific enquiries with the Directors, all Directors confirmed that they had complied with the required standard of dealings set out in the Model Code and there was no event of non-compliance during the Reporting Period.

COMPLIANCE WITH RULES 3.10 AND 3.21 OF THE LISTING RULES

Following the retirement of Mr. Ng Ki Man as an independent non-executive Director on the annual general meeting of the Company held on 19 September 2022, the Company failed to meet the requirements of (a) having a minimum of three independent non-executive Directors with at least one of the independent non-executive Directors having appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules; and (b) having a minimum of three members with at least one member in the audit committee of the Company (the "**Audit Committee**") being an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules, and the Audit Committee being chaired by an independent non-executive Director, as required under Rule 3.21 of the Listing Rules.

Upon the appointment of Ms. Lui Choi Yiu Angela as an independent non-executive Director and the chairman of the Audit Committee respectively on 22 September 2022, the Company has met the requirements as required under Rules 3.10 and 3.21 of the Listing Rules.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving and maintaining high standards of corporate governance as the Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders and other stakeholders of the Company, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to promote the interests of the shareholders of the Company.

Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal control, stringent disclosure practices, transparency and accountability to all stakeholders.

The Company's corporate governance practices are based on the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules and amended from time to time. To the best knowledge and belief of the Directors, the Company has complied with the applicable code provisions of the CG Code throughout the Reporting Period.

AUDIT COMMITTEE

The Audit Committee was established on 26 September 2016 and comprises the three independent non-executive Directors, namely Ms. Lui Choi Yiu Angela (Chairman), Mr. Leung Sui Chung and Mr. Siu Chun Pong Raymond. The written terms of reference of the Audit Committee are posted on the websites of the Stock Exchange and the Company.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Group's unaudited condensed consolidated financial statements for the Reporting Period have not been audited nor reviewed by the Company's independent auditor, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the Reporting Period comply with the applicable accounting standards and the Listing Rules, and that adequate disclosures have been made.

By order of the Board
China Wantian Holdings Limited
Hooy Kok Wai
Chairman and Executive Director

Hong Kong, 18 November 2022

As at the date of this report, the Board comprises Dr. Hooy Kok Wai, Mr. Liu Chi Ching and Mr. Zhong Xueyong as executive Directors; and Ms. Lui Choi Yiu Angela, Mr. Leung Sui Chung and Mr. Siu Chun Pong Raymond as independent non-executive Directors.