



世大控股有限公司

GREAT WORLD COMPANY HOLDINGS LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8003)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2023**

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

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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\$26,190,000 for the three months ended 30 June 2023, compared with the revenue of approximately HK\$40,836,000 for the corresponding period of last year.
- Loss attributable to owners of the Company was approximately HK\$3,003,000 for the three months ended 30 June 2023, versus the loss attributable to owners of the Company of approximately HK\$4,664,000 for the corresponding period of last year.
- The board of directors does not recommend the payment of a quarterly dividend for the three months ended 30 June 2023 (three months ended 30 June 2022: Nil).

RESULTS

The board of directors of Great World Company Holdings Ltd (the “**Company**”) presents the financial information of the Company and its subsidiaries (the “**Group**”), comprising the condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income of the Group for the three months ended 30 June 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 June	
		2023	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2	26,190	40,836
Cost of sales		(21,687)	(37,782)
Gross profit		4,503	3,054
Other gains/(losses)	3	(2,653)	(2,255)
Gain arising from changes in fair value less costs to sell of biological assets		1,041	3,420
Selling and distribution costs		(392)	(487)
Administrative and other operating expenses		(5,000)	(9,072)
Finance costs		(52)	(70)
Loss before tax	5	(2,553)	(5,410)
Income tax credit	6	25	251
Loss for the period		(2,528)	(5,159)
Profit/(loss) for the period attributable to:			
Owners of the Company		(3,003)	(4,664)
Non-controlling interests		475	(495)
		(2,528)	(5,159)
Basic and diluted loss per share	7	(HK0.91) cents	(HK1.41) cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(Unaudited)	
	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period	<u>(2,528)</u>	<u>(5,159)</u>
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss		
– Exchange differences arising on translation of foreign operations	<u>(6,381)</u>	<u>(6,740)</u>
Other comprehensive loss for the period, net of tax	<u>(6,381)</u>	<u>(6,740)</u>
Total comprehensive loss for the period	<u>(8,909)</u>	<u>(11,899)</u>
Total comprehensive loss attributable to:		
Owners of the Company	<u>(8,649)</u>	<u>(5,233)</u>
Non-controlling interests	<u>(260)</u>	<u>(6,666)</u>
	<u>(8,909)</u>	<u>(11,899)</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

	(Unaudited)	
	Three months ended 30 June	
	2023	2022
	<i>HK\$’000</i>	<i>HK\$’000</i>
Provision of mobile advertising media services	25,865	40,411
Sales of goods	50	107
Rental income	275	308
	<u>26,190</u>	<u>40,836</u>

3. OTHER GAINS/(LOSSES)

	(Unaudited)	
	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Bank interest income	6	6
Loss arising from treasury investment	(483)	(1,828)
Government subsidy	–	45
Provision for impairment loss recognised in respect of trade and other receivables	(2,176)	(478)
	<u>(2,653)</u>	<u>(2,255)</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 geographical areas. In a manner consistent with the way in which information is reported internally to the Group's most senior management for the purpose of resource allocation and performance assessment, the Group has presented the following four reportable segments.

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

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

Management monitors the results of the Group's operating segments separately, for the purpose of making decisions about resource allocation and assessment of the Group's performance. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's 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 and other selected financial information

	(Unaudited)				
	Three months ended 30 June 2023				
	Intelligent advertising and railroad media business <i>HK\$'000</i>	Agricultural, forestry and food products business <i>HK\$'000</i>	Supply- chain business <i>HK\$'000</i>	Property business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	25,865	50	–	275	26,190
Bank interest income	5	–	–	–	5
Depreciation of property, plant and equipment	(11)	(1)	–	(1)	(13)
Depreciation of right-of-use assets	(177)	–	–	–	(177)
Gain arising from changes in fair value less costs to sell of biological assets	–	1,041	–	–	1,041
Provision for impairment loss recognised in respect of trade and other receivables	–	(2,176)	–	–	(2,176)
Total profit/(loss) of reportable segments	<u>576</u>	<u>(1,203)</u>	<u>(3)</u>	<u>82</u>	<u>(548)</u>

	(Unaudited)				
	Three months ended 30 June 2022				
	Intelligent advertising and railroad media business <i>HK\$'000</i>	Agricultural, forestry and food products business <i>HK\$'000</i>	Supply- chain business <i>HK\$'000</i>	Property business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	40,411	107	–	318	40,836
Bank interest income	5	–	–	–	5
Depreciation of property, plant and equipment	(16)	(3)	–	(1)	(20)
Depreciation of right-of-use assets	(189)	–	–	–	(189)
Gain arising from changes in fair value less costs to sell of biological assets	–	3,420	–	–	3,420
Provision for impairment loss recognised in respect of trade and other receivables	–	(264)	–	–	(264)
Total profit of reportable segments	<u>809</u>	<u>2,579</u>	<u>–</u>	<u>55</u>	<u>3,443</u>

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

	(Unaudited)	
	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Revenue:		
Total revenue for reportable segments	<u>26,190</u>	<u>40,836</u>
Consolidated revenue	<u><u>26,190</u></u>	<u><u>40,836</u></u>
Total profit/(loss) for reportable segments	(548)	3,443
Unallocated corporate expenses	<u>(2,005)</u>	<u>(8,853)</u>
Consolidated loss before tax	<u><u>(2,553)</u></u>	<u><u>(5,410)</u></u>

5. LOSS BEFORE TAX

	(Unaudited)	
	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Loss before tax has been arrived at after charging:		
Staff costs (including directors' remuneration)		
– fees, salaries, wages, other benefits and contributions to retirement plans	2,298	2,829
– equity settled share-based payment expenses	<u>–</u>	<u>5,416</u>
	<u><u>2,298</u></u>	<u><u>8,245</u></u>
Cost of inventories sold	21,687	37,782
Depreciation of property, plant and equipment	15	24
Depreciation of right-of-use assets	360	371
Short-term lease payments	<u>130</u>	<u>166</u>

6. INCOME TAX

	(Unaudited)	
	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax credit	<u>25</u>	<u>251</u>
Income tax credit for the period	<u><u>25</u></u>	<u><u>251</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the three months ended 30 June 2023 and 2022.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

No provision for current tax had been made for the three months ended 30 June 2023 (three months ended 30 June 2022: Nil) as the Group had no assessable profit from its operations.

7. BASIC AND DILUTED LOSS PER SHARE

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

	(Unaudited)	
	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
(i) Loss for the period attributable to owners of the Company	<u><u>(3,003)</u></u>	<u><u>(4,664)</u></u>
	<i>'000</i>	<i>'000</i>
(ii) Weighted average number of ordinary shares	<u><u>330,272</u></u>	<u><u>330,272</u></u>

Diluted loss per share for loss attributable to the owners of the Company for the three months ended 30 June 2023 and 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 convertible note of the Company as they had an anti-dilutive effect to the basic loss per share for both periods.

8. RESERVES AND NON-CONTROLLING INTERESTS

	Reserves attributable to owners of the Company						Non-controlling interests	Total
	Share premium	Convertible notes equity reserve	Share options reserve	Translation reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022 (audited)	284,988	413	2,303	2,513	(279,674)	10,543	32,478	43,021
Total comprehensive loss for the period (unaudited)	-	-	-	(569)	(4,664)	(5,233)	(6,666)	(11,899)
Grant of new share options (unaudited)	-	-	5,416	-	-	5,416	-	5,416
At 30 June 2022 (unaudited)	<u>284,988</u>	<u>413</u>	<u>7,719</u>	<u>1,944</u>	<u>(284,338)</u>	<u>10,726</u>	<u>25,812</u>	<u>36,538</u>
	Reserves attributable to owners of the Company						Non-controlling interests	Total
	Share premium	Convertible notes equity reserve	Share options reserve	Translation reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2023 (audited)	284,988	413	5,416	(1,554)	(335,535)	(46,272)	16,719	(29,553)
Total comprehensive loss for the period (unaudited)	-	-	-	(5,646)	(3,003)	(8,649)	(260)	(8,909)
At 30 June 2023 (unaudited)	<u>284,988</u>	<u>413</u>	<u>5,416</u>	<u>(7,200)</u>	<u>(338,538)</u>	<u>(54,921)</u>	<u>16,459</u>	<u>(38,462)</u>

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

The 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 actual or estimated number of unexercised share options granted by the Company.

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

9. RELATED PARTY TRANSACTIONS

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

	(Unaudited)	
	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Fees, salaries and other benefits	637	671

10. DIVIDEND

The board of directors of the Company (the "Board") does not recommend the payment of a quarterly dividend for the three months ended 30 June 2023 (three months ended 30 June 2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

For the three months ended 30 June 2023, the Group recorded a total revenue of approximately HK\$26,190,000, representing a decrease of approximately 35.87% as compared with a total revenue of approximately HK\$40,836,000 for the corresponding period of last year, mainly attributable to the decrease in revenue generated from the intelligent advertising business due to decline in China's real estate sector.

Loss attributable to owners of the Company was approximately HK\$3,003,000 for the three months ended 30 June 2023, which was approximately 35.61% lower than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$4,664,000, mainly attributable to the increase in gross profit and the decrease in administrative and other operating expense.

BUSINESS REVIEW

Intelligent Advertising and Railroad Media Business

– Intelligent Advertising Business

Shenzhen Zhixunpai Information Technology Company Ltd., a subsidiary of Great World Company Holdings Ltd (the “**Company**”), has maintained a leading position in the industry thanks to its intelligent advertising and media services, despite uncertainties in the real estate sector. With the current challenges faced by the China real estate market, most players are experiencing cashflow difficulties and significant reductions in their advertising budgets.

Given the prevailing market sentiment and sector-specific challenges, we are focused on diversifying the applications of our proprietary Big Data and AI technological platforms to explore new growth opportunities. Our AI system's powerful data processing capabilities can be adapted to a wide range of applications that we will carefully investigate. These include applying the analytic capabilities in investment decision-making and providing AI-driven digital marketing strategies in our other business segments. With our rich digital media background, we are also exploring applications and opportunities in short video and social media industry.

Developing such verticals will create additional growth opportunities and broaden our income sources while fostering additional synergies between our various businesses.

– Railroad Media Business

Since we started providing railroad media services in 2019, the Company and its subsidiaries (the “**Group**”) has garnered extensive expertise and access to high-speed railroad resources while expanding organically within the ecosystem. However, the COVID-19 pandemic caused significant disruption to the travel and tourism industries, which hindered the high-speed railroad media’s anticipated growth potential.

Nonetheless, the development of vaccines and the low mortality rate of recent variants have led to gradually opening borders and resuming travel worldwide. This presents an opportune time for the Group to expand its business into the recovering travel sector and potentially benefit from post-pandemic explosive growth. As a result, the Group is actively seeking suitable investment opportunities in related sectors and is taking steps to tap into cultural tourism resources and develop rural characteristic tourism products.

For the three months ended 30 June 2023, revenue generated from the provision of intelligent advertising and railroad media services was approximately HK\$25,865,000 (three months ended 30 June 2022: HK\$40,411,000).

Agricultural, Forestry and Consumer Products Business

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

The Group is exploring potential investment opportunities in Chinese medicine sector which would enable tapping into mass market consumption and provide additional growth potential.

For the three months ended 30 June 2023, revenue generated from the sales of agricultural, forestry and food products was approximately HK\$50,000 (three months ended 30 June 2022: HK\$107,000).

Supply-chain Business

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

The Group has been successful in establishing international trading lines for their car trading business and is now looking to expand this venture further. The Group’s efforts in building its global network have paid off, as they have been able to develop partnerships with suppliers and distributors across multiple regions. This expansion has allowed the Group to improve its supply chain management, enabling them to provide high-quality cars to customers worldwide, especially in emerging markets. The Group is focused on growing this business down the line.

For the three months ended 30 June 2023, no revenue was generated from the supply-chain business (three months ended 30 June 2022: Nil) as it was in a transitional period in shifting product lines.

Property Business

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

Due to unfavorable market conditions, the property’s value has dropped, and the Group is now looking for a way to sell it as soon as the market conditions recover to a better level. The Group is constantly monitoring the market and exploring new opportunities to sell the property. The Group’s experience in the real estate market gives us an advantage in navigating challenging times, and we remain optimistic about the future of this property.

For the three months ended 30 June 2023, revenue derived from short-term leasing of the commercial portion of the property was approximately HK\$275,000 (three months ended 30 June 2022: HK\$318,000).

OUTLOOK

The global economic outlook for 2023 remains uncertain due to ongoing international tensions and the war in Ukraine. China, being a major global player, is not immune to these challenges. However, it is important to note that China has implemented several measures to mitigate the impact of these tensions on its economy.

China’s government has taken steps to protect its consumers and industries from rising energy and technology costs caused by supply chain disruptions.

China’s economic resilience and strong domestic market have positioned it to weather these uncertainties to some extent. However, the global economic landscape remains volatile, and any further escalation of tensions or disruptions in supply chains could have an impact on China’s growth trajectory.

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

The Group will seek to broaden the application of its AI technology platform as well as its high-speed railroad media resources to develop new lines of business focused on the strong recovery of China domestic tourism. The Group is also exploring investment opportunities in promising Chinese medicine products to break into the mass market consumption market and leverage its strong precise marketing and intelligent advertising capabilities.

As supply-chain is being disrupted around the world, the Group is actively looking for stable and high demand products and will steadily grow the car trading business that shows promising growth potential.

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

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2023, the Group's cash and bank deposits amounted to approximately HK\$11,460,000 which has increased by approximately 5.31% when comparing with the cash and bank deposits of approximately HK\$10,882,000 as at 31 March 2023. As at 30 June 2023, the Group had net current liabilities of approximately HK\$70,142,000 (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 June 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 June 2023 is as follows:

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

GEARING RATIO

The Group's gearing ratio, which was defined as the ratio of net debt to equity, was approximately -283% as at 30 June 2023 (31 March 2023: -475%).

CONTINGENT LIABILITIES

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

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 is valid and effective for a period of 10 years commencing on 3 August 2012, upon the termination of the share option scheme adopted at the annual general meeting of the Company held on 2 August 2002, under which selected persons, such as the directors, employees, customers or any individual business or entity providing goods or services to the Company and its subsidiaries (the “**Group**”), 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 granting of the option or at the date of approval by the shareholders in 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					Outstanding at 30 June 2023
				As at 1 April 2023	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
Employees and others (in aggregate)	13 May 2022	13 May 2022 – 13 May 2025	HK\$1.00	23,000,000	-	-	-	-	23,000,000

During the three months ended 30 June 2023, no share option was granted, exercised, lapsed or cancelled and none of the directors of the Company (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 the GEM (the “**GEM Listing Rules**”) throughout the three months ended 30 June 2023.

BOARD OF DIRECTORS

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

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

BOARD COMMITTEES

The Board has established three committees in accordance with the CG Code, namely the Audit Committee, the Nomination Committee and the Remuneration 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 June 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 Directors	Number of ordinary shares of HK\$0.1 each and the underlying shares			Approximate percentage of the issued share capital of the Company
	Personal interest	Corporate interest	Total number of shares	
Mr. Zhao Xinyan	1,750,000	47,378,000 (Note 1)	49,128,000	14.88%
Ms. Ng Mui King, Joky	–	33,792,000 (Note 2)	33,792,000	10.23%

Notes:

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

Save as disclosed above, as at 30 June 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 three months ended 30 June 2023 was any of the Company or its subsidiaries a party to any arrangements to enable the Directors or chief executive (including their spouses or children under 18 years of age) of the Company 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 June 2023, save as disclosed below, so far is known to the Directors and chief executive 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 positions in shares of the Company

Name of shareholder	Capacity/Nature of interest	Total number of ordinary shares of HK\$0.1 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%
Gold City Assets Holdings Ltd.	Beneficial owner/Personal	1,750,000	0.53%
	Beneficial owner/Corporate	33,792,000 (Note 2)	10.23%
Ms. Ng Mui King, Joky	Interest in a controlled corporation	33,792,000 (Note 2)	10.23%
Ms. Lin Shunping	Beneficial owner/Personal	19,900,000 (Note 3)	6.03%

Notes:

1. These shares are held by Win Bless Limited, a company incorporated in Hong Kong of which the issued share capital is beneficially owned by Mr. Zhao Xinyan, an executive director of the Company.
2. These shares are held by Gold City Assets Holdings Ltd., a company incorporated in the British Virgin Islands of which the issued share capital is beneficially owned by Ms. Ng Mui King, Joky, a non-executive director of the Company.
3. These 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 shareholders 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, of any other conflicts of interest which any such person has or may have with the Group during the three months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the three months ended 30 June 2023. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the three months ended 30 June 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' securities 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 three months ended 30 June 2023.

The Audit Committee has reviewed the Unaudited Condensed Consolidated Financial Statements of the Group for the three months ended 30 June 2023.

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

Hong Kong, 14 August 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; (ii) one Non-Executive Director, Ms. Ng Mui King, Joky; and (iii) three Independent Non-Executive Directors, namely Mr. Chung Koon Yan, Ms. Zhao Yongmei and Mr. Jing Baoli.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication and on the Company website (www.gwchl.com).