



世大控股有限公司

**GREAT WORLD COMPANY HOLDINGS LTD**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8003)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 MARCH 2021**

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

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

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

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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.*

## FINANCIAL HIGHLIGHTS

- The revenue of the Company and its subsidiaries amounted to approximately HK\$505,709,000 for the year ended 31 March 2021 representing an increase of approximately HK\$63,931,000 or 14.47% as compared with the year ended 31 March 2020.
- The loss for the year of the Company and its subsidiaries attributable to the owners of the Company is approximately HK\$22,099,000 for the year ended 31 March 2021, representing a decrease of approximately HK\$9,640,000 or 30.37% from loss of approximately HK\$31,739,000 for the year ended 31 March 2020.
- The board of Directors does not recommend the payment of any dividend for the year ended 31 March 2021.

## ANNUAL RESULTS

The board (the “**Board**”) of Directors is pleased to announce the audited annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2021 together with the comparative figures for the corresponding period in 2020.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Revenue	4	505,709	441,778
Cost of sales		<u>(463,216)</u>	<u>(432,797)</u>
Gross profit		42,493	8,981
Other gains	5	1,825	46
Provision for impairment loss recognised in respect of trade and other receivables, net		(9,632)	(1,438)
Loss arising from changes in fair value less costs to sell of biological assets		(10,309)	(5,784)
Gain/(loss) arising from change in fair value of investment property		2,111	(1,929)
Selling and distribution costs		(5,565)	(3,169)
Administrative and other operating expenses		(47,252)	(35,818)
Finance costs	7	<u>(1,119)</u>	<u>(3,030)</u>
Loss before tax	8	(27,448)	(42,141)
Income tax (expense)/credit	9	<u>(528)</u>	<u>885</u>
<b>Loss for the year</b>		<b><u>(27,976)</u></b>	<b><u>(41,256)</u></b>
<b>Loss for the year attributable to:</b>			
Owners of the Company		(22,099)	(31,739)
Non-controlling interests		<u>(5,877)</u>	<u>(9,517)</u>
		<b><u>(27,976)</u></b>	<b><u>(41,256)</u></b>
<b>Loss per share</b>	11		
Basic and diluted		(6.90)	(13.37)
		<b>HK cents</b>	<b>HK cents</b>

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

*For the year ended 31 March 2021*

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year	<u>(27,976)</u>	<u>(41,256)</u>
Other comprehensive income/(loss) for the year		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences arising on translation of foreign operations	<u>8,583</u>	<u>(7,857)</u>
Other comprehensive income/(loss) for the year	<u>8,583</u>	<u>(7,857)</u>
<b>Total comprehensive loss for the year</b>	<b><u>(19,393)</u></b>	<b><u>(49,113)</u></b>
<b>Total comprehensive loss attributable to:</b>		
Owners of the Company	<u>(13,745)</u>	(37,946)
Non-controlling interests	<u>(5,648)</u>	<u>(11,167)</u>
	<b><u>(19,393)</u></b>	<b><u>(49,113)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Non-current assets</b>			
Right-of-use assets		7,558	8,840
Property, plant and equipment		1,528	4,218
Investment property		60,631	53,931
Biological assets		35,623	37,344
		<u>105,340</u>	<u>104,333</u>
<b>Current assets</b>			
Properties held for sale		89,215	82,165
Inventories		610	23
Biological assets		245	1,139
Trade and other receivables	12	158,480	156,863
Financial assets at fair value through profit or loss		330	–
Cash and bank deposits		12,439	13,285
		<u>261,319</u>	<u>253,475</u>
<b>Current liabilities</b>			
Trade and other payables	13	(52,088)	(56,561)
Contract liabilities		(35,264)	(26,115)
Lease liabilities		(2,103)	(1,745)
Amount due to a shareholder		(69,414)	–
Amounts due to directors		(6,784)	(6,576)
Amounts due to related companies		(58,171)	(52,105)
Amounts due to non-controlling interests		(9,673)	(2,162)
		<u>(233,497)</u>	<u>(145,264)</u>
<b>Net current assets</b>		<b>27,822</b>	108,211
<b>Non-current liabilities</b>			
Amount due to a shareholder		–	(69,414)
Lease liabilities		–	(2,031)
Deferred tax liabilities		(19,485)	(17,978)
		<u>(19,485)</u>	<u>(89,423)</u>
<b>Net assets</b>		<b><u>113,677</u></b>	<b><u>123,121</u></b>

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Capital and reserves</b>			
Share capital		<b>32,527</b>	27,789
Reserves		<b>42,894</b>	51,428
		<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>		<b>75,421</b>	79,217
<b>Non-controlling interests</b>		<b>38,256</b>	43,904
		<hr/>	<hr/>
		<b>113,677</b>	123,121
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 1. GENERAL INFORMATION

Great World Company Holdings Ltd (the “Company”) is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office is P.O. Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands, British West Indies and its principal place of business is room 1202, 12/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. Win Bless Limited (“Win bless”) and Gold City Assets Holdings Ltd. (“Gold City”) are the substantial shareholders of the Company. Win Bless is beneficially owned by Mr. Zhao Xinyan, an executive director of the Company and Gold City is beneficial owned by Ms. Ng Mui King, Joky, a non-executive director of the Company.

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (“HK\$’000”) except otherwise indicated.

### 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### *Amendments to HKFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 April 2020. for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group’s financial performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### *New and amendments to HKFRSs in issued but not yet effective*

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 16	Covid-19 – Related Rent Concessions <sup>4</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>5</sup>
Amendments to HKFRS 10	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021 <sup>6</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 June 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>6</sup> Effective for annual periods beginning on or after 1 April 2021.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### **3. BASIS OF PREPARATION**

The consolidated results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 March 2021, but are extracted from those consolidated financial statements.

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and by the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and biological assets that are measured at fair values at the end of each reporting period.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies.



#### 4. REVENUE

##### Disaggregation of revenue from contracts with customers

An analysis of revenue is as follow:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Provision of mobile advertising media services	429,517	294,140
Sales of goods	<u>75,063</u>	<u>146,721</u>
<b>Revenue from contracts with customers</b>	<b>504,580</b>	440,861
Rental income	<u>1,129</u>	<u>917</u>
	<b><u>505,709</u></b>	<b><u>441,778</u></b>
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Provision of mobile advertising media services	429,517	294,140
Sales of goods		
– forestry products	62,755	71,594
– information technology products	<u>12,308</u>	<u>75,127</u>
	<u>504,580</u>	<u>440,861</u>
<b>Timing of revenue recognition</b>		
Over time	429,517	294,140
At a point in time	<u>75,063</u>	<u>146,721</u>
	<b><u>504,580</u></b>	<b><u>440,861</u></b>

## 5. OTHER GAINS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Government grant ( <i>note (i)</i> )	285	–
Bank interest income	15	20
Other income ( <i>note (ii)</i> )	1,525	26
	<u>1,825</u>	<u>46</u>

*Note:*

- (i) During the year ended 31 March 2021, the Group recognised government grants of approximately HK\$285,000 in respect of Covid-19-related subsidies which relates to Employment Support Scheme provided by Hong Kong government.
- (ii) The amount represented general trading of goods which the Group was acting as an agent in these transactions during the year ended 31 March 2021. Accordingly, the Group recognised the amount in a net basis. Other income mainly represents one-off respirator masks trading income of approximately HK\$1,525,000 which is related to trading revenue of HK\$5,226,000 deducted related expense of HK\$3,701,000.

## 6. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geographical area. 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	Provides mobile advertising media services for intelligent advertising and property market customers in the PRC. Provision of railroad magazine distribution and e-commerce platform management, advertising and product sales
Cultivation and sales of agricultural and forestry products business	Cultivation of forestry and wood material products, cultivation of Chinese herbal medicine ingredients and specialty agricultural by products, sales of processed and prepackaged food
Trading (Supply Chain) Business	Sales of information technology products and industrial consumer 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 gain on bargain purchase, unallocated finance costs, unallocated selling and distribution costs and unallocated administrative and other operating expenses are excluded from such measurement.

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

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

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

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

**2021**

	Intelligent advertising and railroad media business <i>HK\$'000</i>	Cultivation and sales of agricultural and forestry products <i>HK\$'000</i>	Trading (Supply Chain) Business <i>HK\$'000</i>	Property business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	429,517	62,755	12,308	1,129	505,709
Total income/(loss) of reportable segments	16,741	(40,890)	(457)	2,411	(22,195)
Total assets of reportable segments	111,009	97,955	5,668	150,380	365,012
Total liabilities of reportable segments	(82,039)	(5,467)	(5,253)	(79,729)	(172,488)
Amounts included in the measure of segment profit or loss or segment assets:					
Bank interest income	12	2	-	1	15
Depreciation of property, plant and equipment	(18)	(2,826)	-	(2)	(2,846)
Depreciation of right-of-use assets	(771)	(82)	-	-	(853)
Loss arising from changes in fair value less costs to sell of biological assets	-	(10,309)	-	-	(10,309)
Gain on fair value change on investment property	-	-	-	2,111	2,111
Provision of impairment loss recognised in respect of trade and other receivables, net	(6,839)	(2,772)	(21)	-	(9,632)

2020

	Intelligent advertising and railroad media business <i>HK\$'000</i>	Cultivation and sales of agricultural and forestry products <i>HK\$'000</i>	Trading (Supply Chain) Business <i>HK\$'000</i>	Property business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	294,140	71,594	75,127	917	441,778
Total loss of reportable segments	(7,099)	(16,904)	(2,244)	(3,107)	(29,354)
Total assets of reportable segments	76,363	131,571	3,056	136,315	347,305
Total liabilities of reportable segments	(70,865)	(8,406)	(2,101)	(73,430)	(154,802)
Amounts included in the measure of segment profit or loss or segment assets:					
Bank interest income	7	–	1	1	9
Depreciation of property, plant and equipment	(74)	(2,221)	–	(3)	(2,298)
Depreciation of right-of-use assets	(514)	–	–	–	(514)
Loss arising from changes in fair value less costs to sell of biological assets	–	(5,784)	–	–	(5,784)
Loss on fair value change on investment property	–	–	–	(1,929)	(1,929)
Written down of properties held for sale	–	–	–	(1,947)	(1,947)
Provision of impairment loss recognised in respect of trade and other receivables, net	–	(31)	(1,407)	–	(1,438)
Addition of non-current assets	<u>3,351</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,351</u>

*Note:* Additions of non-current assets consist of right-of-use assets and property, plant and equipment.

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Revenue</b>		
Total revenue for reportable segments	505,709	441,778
Consolidated revenue	<u>505,709</u>	<u>441,778</u>
<b>Profit or loss</b>		
Total loss for reportable segments	(22,195)	(29,354)
Unallocated corporate income	1,578	11
Unallocated corporate expenses	(6,831)	(12,798)
Consolidated loss before tax	<u>(27,448)</u>	<u>(42,141)</u>
<b>Assets</b>		
Total assets for reportable segments	365,012	347,305
Unallocated corporate assets	1,647	10,503
Consolidated total assets	<u>366,659</u>	<u>357,808</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	(172,488)	(154,802)
Unallocated corporate liabilities	(80,494)	(79,885)
Consolidated total liabilities	<u>(252,982)</u>	<u>(234,687)</u>

(c) **Geographical Information**

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customer is based on the location at which the services were provided or the goods were delivered.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
The PRC, excluding Hong Kong	505,709	371,724
Hong Kong	–	70,054
	<u>505,709</u>	<u>441,778</u>

Since over 90% of the Group's non-current assets were located in the PRC, no geographical segment information in accordance with HKFRS 8 *Operating Segments* is presented.

(d) **Information about major customers**

Revenue from customers for the years ended 31 March 2021 and 2020 contributing over 10% of the total revenue of the Group are as follows:

		<b>2021</b>	2020
	<b>Reporting segments</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Customer A ( <i>note (i)</i> )	Trading (supply chain) business	–	56,159
Customer B ( <i>note (i)</i> )	Intelligent Advertising and Railroad Media business	–	131,347
Customer C ( <i>note (ii)</i> )	Intelligent Advertising and Railroad Media business	<b>75,268</b>	–

*Note:*

- (i) Revenue derived from Customer A and B did not contribute 10% or more to the Group's total revenue during the year ended 31 March 2021.
- (ii) Revenue derived from Customer C did not contribute 10% or more to the Group's total revenue during the year ended 31 March 2020.

**7. FINANCE COSTS**

	<b>2021</b>	2020
	<b>HK\$'000</b>	<b>HK\$'000</b>
Imputed interests on convertible notes	–	2,559
Interest on lease liabilities	<b>164</b>	195
Interest on other borrowings	<b>955</b>	276
	<b>1,119</b>	3,030

**8. LOSS BEFORE TAX**

Loss before tax has been arrived at after charging/(crediting):

	<b>2021</b>	2020
	<b>HK\$'000</b>	<b>HK\$'000</b>
Auditors' remuneration for audit services	<b>480</b>	480
Staff costs (including directors' remuneration)		
– salaries and other benefits	<b>15,837</b>	13,332
– contributions to defined contribution schemes	<b>689</b>	493
	<b>16,526</b>	13,825

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Cost of inventories sold	88,200	152,456
Depreciation of property, plant and equipment	2,992	2,351
Depreciation of right-of-use assets	1,896	1,513
Repair and maintenance	10,085	–
Research and development	9,892	11,125
Short-term lease payments	381	436
Written down of properties held for sale	–	1,947
Gross rental income from investment properties	(1,129)	(917)
Less: direct operating expenses arising from investment properties that generated rental income during the year	240	167
Less: direct operating expenses arising from investment properties that did not generate rental income during the year	446	349
	<u>(443)</u>	<u>(401)</u>

## 9. INCOME TAX EXPENSES/(CREDIT)

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Current tax:</b>		
– PRC Enterprise Income Tax	–	19
<b>Deferred taxation</b>		
Charged/(credited) during the year	<u>528</u>	<u>(904)</u>
Income tax expenses/(credit) for the year	<u>528</u>	<u>(885)</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

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 Hong Kong Profits Tax and PRC Enterprise Income Tax had been made as the Group had no assessable profit.

新疆中林科生物技術有限公司 and 新疆惠農綠色生態林業有限公司 which principally engaged in forestry cultivation, research and application of agricultural technologies are entitled to tax exemption.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim an additional tax deduction amounting to 75% of the qualified research and development expenses incurred in determining its assessable tax profits for that year. According to a new tax incentives policy promulgated by the State Tax Bureau of the PRC in 2018, which would be effective to 2023.

## 10. DIVIDEND

No final dividend was paid or proposed during the year, nor any dividend has been proposed by the board of directors subsequent to the end of the reporting period (2020: nil).

## 11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Loss</b>		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(22,099)</u>	<u>(31,739)</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>320,079</u>	<u>237,478</u>

*Note:* The weighted average number of ordinary shares for the years ended 31 March 2021 and 2020 has been adjusted for ten-to-one share consolidation of the Company which became effective on 21 June 2021.

The calculation of diluted loss per share does not assume the exercise of the Company's outstanding share options as they had an anti-dilutive effect to the basic loss per share for the years ended 31 March 2021 and 2020. The basic and diluted loss per share are the same for both years.

## 12. TRADE AND OTHER RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	83,845	51,828
<i>Less: Allowance for credit losses</i>	<u>(3,359)</u>	<u>(565)</u>
	80,486	51,263
Other receivables	9,385	22,004
Prepayments	67,725	82,775
Deposits	<u>884</u>	<u>821</u>
	<u>158,480</u>	<u>156,863</u>



The following is an aging analysis of trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates and net of allowance for credit losses:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 3 months	32,223	39,947
3 months – 6 months	32,515	8,247
Over 6 months	15,748	3,069
	<u>80,486</u>	<u>51,263</u>

### 13. TRADE AND OTHER PAYABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	38,783	32,111
Other payables	11,719	22,851
Accruals	1,586	1,599
	<u>52,088</u>	<u>56,561</u>

An aging analysis of the trade payables is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 3 months	4,116	1,858
Over 3 months but within 1 year	5,805	30,253
Over 1 year	28,862	–
	<u>38,783</u>	<u>32,111</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS OF OPERATIONS

The Group recorded a turnover of approximately HK\$505,709,000 for the year ended 31 March 2021, representing an increase by approximately 14.47% as compared to the turnover of approximately HK\$441,778,000 for last year. The overall increase in turnover was generated mainly from the intelligent advertising business. Administrative and other operating expenses increased to approximately HK\$47,252,000 compared to approximately HK\$35,818,000 of the previous corresponding year, representing an increase of approximately 31.92%, mainly attributable to, among others, the increase in staff costs of approximately HK\$2,701,000 as well as the expenditure on repairs and maintenance of approximately HK\$10,085,000 for the agricultural and forestry business. A loss from changes in fair value less costs to sell of biological assets of approximately HK\$10,309,000 was recognised for the year. A provision of approximately HK\$9,632,000 for impairment loss in respect of trade and other receivables was recognised for the year. Loss attributable to owners of the Company for the year ended 31 March 2021 was approximately HK\$22,099,000, which was approximately 30.37% lower than the loss attributable to owners of the Company incurred for last year of HK\$31,739,000.

### BUSINESS REVIEW

#### Intelligent Advertising and Railroad Media Business

##### – *Intelligent Advertising Business*

Shenzhen Zhixunpai Information Technology Company Ltd. (“Shenzhen Zhixunpai”), a subsidiary of the Company, strengthened its collaboration with a multitude of mainstream media by growing significantly the intelligent advertising and media services it has rendered.

In a challenging environment, Shenzhen Zhixunpai has been able to take advantage of the increasing digitalization of consumer markets and grow its business as a one-stop intelligent advertising service provider. Shenzhen Zhixunpai will continue to strengthen its technological capabilities, develop its in-house AI advertising system to stay on the bleeding edge of online advertising and provide maximum value for its customers from all industries, from consumer market brands to real estate developers. In addition to providing high value services to its customers, Shenzhen Zhixunpai has diversified and strengthened partnerships with major online media providers such as Tencent, Alibaba, as well as other Chinese media platforms such as Tiktok, Kuaishou, Xiaohongshu. With our evolving proprietary Big Data and AI technological platforms, it enables us to create an AI-driven digital marketing strategy that connects the needs of our clients’ target customers through AI-enabled strategic and tactical omnichannel marketing efforts. These technological platforms can harness the data to provide an edge in its current business segment while enabling the expansion to new verticals such as omnichannel e-commerce services, real estate markets or even venture into Fintech and Insuretech.

Expansions in new verticals would allow Shenzhen Zhixunpai to provide additional growth opportunities and broaden its income sources while playing a pivotal role in the Group by delivering synergy opportunities via the technological tools and the data it provides to other business segments.

– ***Railroad Media Business***

China Railway's ridership was hit hard by the coronavirus lockdown, travel restrictions and railway stations remain a risky place of spreading virus for the commuters, hence the number of travelers remain at a low level even though railroad service is still the country-wide most used transportation system in the PRC. With regard to this persistent COVID pandemic, the Group has detailed a series of changes to adapt to the slow down of traffic. The Group will continue to offer railroad media services, on-board services, food and beverage on train and inside station, and explore opportunities to expand our product offering. This channel remains to be of critical importance to increase cost effectively brand exposure and reach a high number of potential customers due to the massive traffic.

The Group will continue to develop its technological capabilities while leveraging its online and offline media resources to create an AI-powered targeted marketing platform that can provide one-stop solutions to help customers face the post-COVID marketing challenges. The Group will also expand organically into new business segments by harnessing the technological capabilities that have been developed as well as the marketing expertise gathered across industries.

For the year ended 31 March 2021, a revenue of approximately HK\$429,517,000 was generated from the provision of intelligent advertising and railroad media services.

**Agricultural, Forestry and Consumer Products Business**

China economy remains in recovery from the devastating impact of the COVID-19. The outbreak of the pandemic has brought upon unprecedented challenges, and still having a significant negative impact on transportation, agricultural and forestry products. Demand for our agricultural and forestry products are decreasing due to sluggish consumer demand in an economic downturn.

With the focus on consumer-end products to counter low demand for agricultural and forestry products, the Group actively explored new opportunities and new models to fuel additional growth. The Group is currently developing e-commerce channels in China to set up retailing channels and expand its online presence. The Group is putting efforts to build a digital ecosystem to facilitate connectivity and trading with consumers. In the meanwhile, the Group will continue to explore opportunities such as cross border e-commerce platforms in order to expand its presence and market share in the Greater Bay Area as well as South East Asia where there is still room for significant growth.

The Group is developing its own lines of products in various high demand and high growth categories such as healthy food and snacks, well-being and self-care products that will leverage its e-commerce channels as well as its media capabilities.

For the year ended 31 March 2021, revenue generated from the sales of agricultural, forestry and consumer products was approximately HK\$62,755,000. The Group will gradually shift its focus from growing agricultural and forestry products to building its brand on various online selling platforms on a growing portfolio of own-brand products.

### **Supply-chain Business**

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

The Group will maintain a high standard for supply-chain risk management, closely observing industries of interest to seize potential investment opportunities in order to diversify its product portfolio further and broaden the income sources. With the booming of New Energy Vehicles (NEV), a number of related industries have been growing at an unprecedented pace, especially Lithium batteries and industrial robots industries. These industries require heavy machineries that need specific kinds of electrical components and cabling in great quantity. The Group is also continuing to explore mass-market product segments, especially furniture and home accessories which demand has been boosted by the pandemic.

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

For the year ended 31 March 2021, a total revenue of approximately HK\$12,308,000 was generated from the supply-chain business.

### **Property Business**

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

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

The Group is actively exploring property investment opportunities in other regions of PRC, leveraging the data and experience gathered through our intelligent advertising business focused on the Greater Bay area real estate industry enabling targeted growth of our property business.

For the year ended 31 March 2021, revenue derived from short term leasing of the commercial portion of the property was approximately HK\$1,129,000.

## **Compliance with Laws and Regulations**

Our business is subject to China laws and regulations, including without limitation sale of goods and services, trade descriptions, intellectual property, product safety, food safety, data privacy, insurance, dutiable commodities, product eco-responsibility, telecommunications and broadcasting, competition, listing and disclosure, and corporate governance. Whilst we manage compliance proactively and procure to obtain first-rate independent legal services to ensure the highest standards in compliance, any failure to comply with laws and regulations may result in legal proceedings being filed against us and could expose us to civil and/or criminal liability and sanctions. In any event, dealing with complaints, investigations, or legal proceedings, regardless of their outcome, could be costly and time-consuming and could divert management attention. More importantly, the long-term sustainability of our business is largely dependent on a steady and balanced regulatory environment. Unanticipated changes in policies or regulatory practices by the relevant authorities may require us to change our business strategies and practices, and consequently, could materially adversely affect our business. The Board paid attention to the Group's policies and practices on compliance with all significant legal and regulatory requirements essential to its business operations. The Group would seek professional advice from its external legal advisers and consultants to ensure that transactions and business to be performed by the Group are in compliance with applicable environmental policies, laws and regulations. During the reporting period, as far as the Company is aware, it has complied in all material respects with the laws or regulations that have a significant impact on the Group's business and operation.

## **FINANCIAL REVIEW**

### **Liquidity and financial resources**

The Group's operations and investments were financed principally by cash generated from its business operations, borrowings and shares issued. As at 31 March 2021, cash and bank deposits of the Group amounted to approximately HK\$12,439,000 representing a decrease of approximately 6.36% comparing with the cash and bank deposits of approximately HK\$13,285,000 as at 31 March 2020. The Group's net current assets, which comprised properties held for sale, inventories, biological assets, trade and other receivables, cash and bank deposits, trade and other payables, contract liabilities, lease liabilities, amount due to a shareholder, amounts due to directors, related companies, and amounts due to non-controlling interest, amounted to approximately HK\$27,822,000 as at 31 March 2021 (2020: HK\$108,211,000).

The Group's gearing ratio, which was defined as the ratio of long-term debt to equity, was not applicable as at 31 March 2021 (2020: 76%).

### **Fund raising activity**

The Company issued 473,780,000 new shares at the subscription price of HK\$0.021 per share on 11 May 2020 under a subscription agreement entered into on 27 April 2020 and generated a net proceeds of approximately HK\$9.78 million as general working capital of the Group. Details of the subscription agreement have been disclosed in the Company's announcement dated 27 April 2020.

## **Treasury policies**

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 year under review. As at 31 March 2021, the Group had no foreign exchange contracts, interest of currency swaps or other financial derivatives for hedging purpose.

The Group is closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should the need arise.

## **Capital commitments**

As at 31 March 2021, the Group had no outstanding capital commitments (2020: Nil).

## **EVENT AFTER THE REPORTING PERIOD**

- (i) On 7 April 2021, the Company entered into a conditional placing agreement to place up to 50,000,000 placing shares to not fewer than six placees who are independent third parties (the “Placing”). Further details are disclosed in the Company’s announcement dated 7 April 2021. The Placing was completed on 12 May 2021.
- (ii) On 5 May 2021, the board of directors of the Company proposed to implement the share consolidation on the basis that every ten issued and unissued existing shares of HK\$0.01 each in the share capital of the Company be consolidated into one consolidated share of HK\$0.1 each (the “Share Consolidation”). Further details are disclosed in the Company’s announcement dated 5 May 2021. The Share Consolidation was approved by shareholders of the Company at an extraordinary general meeting held on 17 June 2021.



## **CORPORATE GOVERNANCE PRACTICES**

The board (the “Board”) of directors (the “Directors”) of Great World Company Holdings Ltd (the “Company”) has been committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the “Group”) in order to enhance the transparency in disclosure of material information. The Board considers such commitment is essential for internal management, financial management and protection of shareholders’ interest and believes that maintaining a high standard of corporate governance benefits all shareholders, investors and the business of the Company as a whole. 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 of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) throughout the year ended 31 March 2021.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

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’ transactions 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 Directors’ securities transaction throughout the year ended 31 March 2021.

## **Audit Committee**

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (chairman of the Audit Committee), Ms. Zhao Yongmei and Dr. Yang Fuyu. The Audit Committee meets with the Group’s senior management regularly to review the effectiveness of the internal control systems and the quarterly, interim and annual reports of the Group.

The primary responsibilities of the Audit Committee are:

- (i) making recommendation to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor and any resignation and dismissal of that auditor;
- (ii) reviewing and monitoring the independence and objectivity of the external auditor and the effectiveness of the audit process in accordance with applicable standard;
- (iii) liaising with the Board, senior management and the auditors to monitor the integrity of financial statements, the quarterly, interim and annual reports in particular on accounting policies and practices and compliance with accounting standards, the GEM Listing Rules and other legal requirements in relation to financial reporting;
- (iv) reviewing the financial control, internal control and risk management system to ensure the management of the Company discharges its duty under an effective internal control system;

- (v) reviewing the report and management letter submitted by external auditor, and considering any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response; and
- (vi) considering the engagement of external independent consultant to provide internal audit function and to carry out internal control review, which comprises, inter alia, enterprise risk assessment, review the internal control system and corporate governance compliance/practice of the Group.

For the year ended 31 March 2021, the audit committee reviewed the financial results, the accounting policies and practices adopted, the report of the external independent consultant on reviewing the risk management and internal control procedures of the Group and audit committee meetings were held.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.gwchl.com](http://www.gwchl.com) under "Announcement". The annual report for the year ended 31 March 2021 will be published on the above website and despatched to shareholders in due course.

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

Hong Kong, 29 June 2021

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

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