



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 2023**

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

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

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

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This announcement, for which the directors of Great World Company Holdings Ltd (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

- The revenue of the Company and its subsidiaries amounted to approximately HK\$162,530,000 for the year ended 31 March 2023, representing a decrease of approximately HK\$161,104,000 or 49.8% as compared with the revenue of approximately HK\$323,634,000 for the year ended 31 March 2022.
- The loss of the Company and its subsidiaries attributable to the owners of the Company is approximately HK\$58,164,000 for the year ended 31 March 2023, representing an increase of approximately HK\$17,082,000 or 41.6% as compared with the loss of approximately HK\$41,082,000 for the year ended 31 March 2022.
- The board of directors of the Company does not recommend the payment of any dividend for the year ended 31 March 2023.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company 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 2023 together with the comparative figures for the corresponding period of last year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2023

		2023	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	162,530	323,634
Cost of sales		(149,078)	(288,136)
Gross profit		13,452	35,498
Other gain/(loss)	5	561	(1,158)
Provision for impairment loss recognised in respect of trade and other receivables, net		(6,983)	(20,024)
Loss arising from changes in fair value less costs to sell of biological assets		(2,445)	(4,059)
Loss arising from change in fair value of investment property		(9,624)	(121)
Impairment loss on properties held for sale		(15,632)	–
Selling and distribution costs		(2,338)	(5,283)
Administrative and other operating expenses		(46,198)	(53,417)
Finance costs	7	(254)	(693)
Loss before tax	8	(69,461)	(49,257)
Income tax credit/(expense)	9	2,431	(152)
Loss for the year		(67,030)	(49,409)
Loss for the year attributable to:			
Owners of the Company		(58,164)	(41,082)
Non-controlling interests		(8,866)	(8,327)
		(67,030)	(49,409)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	<i>11</i>		
Basic and diluted		(17.61)	(12.46)

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

For the year ended 31 March 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss for the year	<u>(67,030)</u>	<u>(49,409)</u>
Other comprehensive (loss)/income for the year		
Items that may be reclassified subsequently to profit or loss:		
– Reclassification of cumulative translation reserve upon disposal of foreign operations	–	(306)
– Exchange differences arising on translation of foreign operations	<u>(10,960)</u>	<u>6,664</u>
Other comprehensive (loss)/income for the year	<u>(10,960)</u>	<u>6,358</u>
Total comprehensive loss for the year	<u>(77,990)</u>	<u>(43,051)</u>
Total comprehensive loss attributable to:		
Owners of the Company	<u>(62,231)</u>	<u>(37,074)</u>
Non-controlling interests	<u>(15,759)</u>	<u>(5,977)</u>
	<u>(77,990)</u>	<u>(43,051)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current assets			
Right-of-use assets		6,282	8,333
Property, plant and equipment		138	230
Investment property		48,639	62,995
Biological assets		28,934	34,808
		<u>83,993</u>	<u>106,366</u>
Current assets			
Properties held for sale		71,427	92,741
Inventories		1,820	394
Trade and other receivables	<i>12</i>	60,177	106,209
Financial assets at fair value through profit or loss		1,622	8,309
Cash and bank deposits		10,882	19,339
		<u>145,928</u>	<u>226,992</u>
Current liabilities			
Trade and other payables	<i>13</i>	(63,443)	(69,042)
Contract liabilities		(8,452)	(22,112)
Financial liabilities at fair value through profit or loss		–	(3,556)
Lease liabilities		(1,132)	(1,617)
Amount due to a shareholder		(69,414)	(69,414)
Amounts due to directors		(8,957)	(7,172)
Amounts due to related companies		(54,338)	(58,743)
Amounts due to non-controlling interests		(1,032)	(1,015)
		<u>(206,768)</u>	<u>(232,671)</u>
Net current (liabilities)/assets		<u>(60,840)</u>	<u>(5,679)</u>
Non-current liabilities			
Convertible note		(3,162)	(3,007)
Lease liabilities		(105)	(1,267)
Deferred tax liabilities		(16,412)	(20,365)
		<u>(19,679)</u>	<u>(24,639)</u>
Net assets		<u>3,474</u>	<u>76,048</u>

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Capital and reserves		
Share capital	33,027	33,027
Reserves	(46,272)	10,543
	<hr/>	<hr/>
Equity attributable to owners of the Company	(13,245)	43,570
Non-controlling interests	16,719	32,478
	<hr/>	<hr/>
	3,474	76,048
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

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 beneficially 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 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 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
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 HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of 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 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or 1 January 2024.

The directors of the Company (the “**Directors**”) 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 2023, 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 requirements of the Hong Kong Companies Ordinance.

Going Concern Assessment

The Group incurred a net loss of approximately HK\$67,030,000 (2022: HK\$49,409,000) for the year ended 31 March 2023 and, as of that date, the Group's net current liabilities exceeded its current assets by approximately HK\$60,840,000 (2022: HK\$5,679,000).

The above events or conditions may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position which include, but are not limited to, the following:

- (i) the Group will apply stringent cost control in administrative expenses and capital expenditures;
- (ii) a substantial shareholder of the Company agreed to provide financial support for the continuing operation of the Group;
- (iii) the Group has obtained consent from the relevant lenders not to demand for immediate repayment of such payables;
- (iv) the Group has entered into subscription agreements to issue convertible notes with aggregate principal amount of HK\$31,950,000 (the "**Subscription**"); and
- (v) the Group has been taking active measures to collect trade and other receivables through various channels to improve operating cash flows and its financial position.

However, the appropriateness of the going concern basis of accounting is dependent on the assumption that (i) the management of the Group will be able to achieve its plans and measures as described above; (ii) the Group is able to obtain continuous external financial support from substantial shareholder; (iii) the Group will be able to improve its business operations; (iv) the Group will be able to complete the Subscription; and (v) the Group is able to generate sufficient cash flow and implement exercises to control costs.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their realisable values, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

These consolidated financial statements have been prepared on the historical cost basis except for financial instruments, 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

An analysis of revenue is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Provision of mobile advertising media services	142,228	299,784
Sales of goods	19,162	22,511
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Revenue from contracts with customers	161,390	322,295
Rental income	1,140	1,339
	<hr/>	<hr/>
	162,530	323,634
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Disaggregation of revenue from contracts with customers

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Provision of mobile advertising media services	142,228	299,784
Sales of goods		
– forestry products	18,316	22,507
– information technology products	846	4
	<hr/>	<hr/>
	161,390	322,295
	<hr/> <hr/>	<hr/> <hr/>

Timing of revenue recognition

Over time	142,228	299,784
At a point in time	19,162	22,511
	<hr/>	<hr/>
	161,390	322,295
	<hr/> <hr/>	<hr/> <hr/>

5. OTHER GAIN/(LOSS)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Government grant	360	–
Bank interest income	18	99
Change in fair value of financial instruments at fair value through profit or loss	(6,578)	(1,426)
Gain on disposal of subsidiaries	6,761	165
Other income	–	4
	<u>561</u>	<u>(1,158)</u>

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 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	Provides mobile advertising media services for intelligent advertising and property market customers in the People's Republic of China (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 prepackaged 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 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 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

2023

	Intelligent advertising and railroad media business <i>HK\$'000</i>	Agricultural, forestry and consumer 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	142,228	18,316	846	1,140	162,530
Total loss of reportable segments	(17,301)	(15,775)	(806)	(21,691)	(55,573)
Total assets of reportable segments	69,267	39,865	353	120,296	229,781
Total liabilities of reportable segments	(59,162)	(1,684)	–	(73,946)	(134,792)
Amounts included in the measure of segment profit or loss or segment assets:					
Bank interest income	15	–	–	3	18
Depreciation of property, plant and equipment	(59)	(3)	–	(3)	(65)
Depreciation of right-of-use assets	(731)	–	–	–	(731)
Loss arising from changes in fair value less costs to sell of biological assets	–	(2,445)	–	–	(2,445)
Loss on change in fair value of investment property	–	–	–	(9,624)	(9,624)
Provision for impairment loss recognised in respect of trade and other receivables, net	(6,954)	(29)	–	–	(6,983)
Provision for impairment loss recognised in respect of properties held for sale	–	–	–	(15,632)	(15,632)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(15,632)</u>	<u>(15,632)</u>

2022

	Intelligent advertising and railroad media business <i>HK\$'000</i>	Agricultural, forestry and consumer 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	299,784	22,507	4	1,339	323,634
Total (loss)/profit of reportable segments	(11,169)	(30,164)	(257)	8	(41,582)
Total assets of reportable segments	124,025	42,127	88	156,630	322,870
Total liabilities of reportable segments	(84,285)	(2,504)	(8)	(65,406)	(152,203)
Amounts included in the measure of segment profit or loss or segment assets:					
Bank interest income	85	12	–	2	99
Depreciation of property, plant and equipment	(8)	(1,272)	–	–	(1,280)
Depreciation of right-of-use assets	(788)	(84)	–	–	(872)
Loss arising from changes in fair value less costs to sell of biological assets	–	(4,059)	–	–	(4,059)
Loss on change in fair value of investment property	–	–	–	(121)	(121)
Provision for impairment loss recognised in respect of trade and other receivables, net	(19,520)	(13)	(491)	–	(20,024)

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue		
Total revenue for reportable segments	162,530	323,634
Consolidated revenue	<u>162,530</u>	<u>323,634</u>
Profit or loss		
Total loss for reportable segments	(55,573)	(41,582)
Unallocated corporate income	7,121	169
Unallocated corporate expenses	(21,009)	(7,844)
Consolidated loss before tax	<u>(69,461)</u>	<u>(49,257)</u>
Assets		
Total assets for reportable segments	229,781	322,870
Unallocated corporate assets	140	10,488
Consolidated total assets	<u>229,921</u>	<u>333,358</u>
Liabilities		
Total liabilities for reportable segments	(134,792)	(152,203)
Unallocated corporate liabilities	(91,655)	(105,107)
Consolidated total liabilities	<u>(226,447)</u>	<u>(257,310)</u>

(c) **Geographical Information**

Since over 90% of the Group's non-current assets were located in the PRC and over 90% of the Group's revenue were generated from services provided in the PRC or goods delivered 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 2023 and 2022 contributing over 10% of the total revenue of the Group are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A	N/A ¹	47,669
Intelligent Advertising and Railroad Media business	<u>N/A¹</u>	<u>47,669</u>

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

7. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Imputed interests on convertible note	155	1
Interest on lease liabilities	99	179
Interest on other borrowings	–	513
	<u>254</u>	<u>693</u>

8. LOSS BEFORE TAX

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditors' remuneration for audit services	550	600
Staff costs (including directors' remuneration)		
– salaries and other benefits	9,142	15,409
– equity settled share-based payment expenses	5,416	–
– contributions to defined contribution schemes	786	1,341
	<u>15,344</u>	<u>16,750</u>
Cost of inventories sold	18,284	24,752
Depreciation of property, plant and equipment	84	1,451
Depreciation of right-of-use assets	1,539	1,701
Loss on written off of property, plant and equipment	–	55
Repairs and maintenance	11,979	22
Research and development	9,777	28,858
Short-term lease payments	38	378
Gross rental income from investment property	(1,140)	(1,339)
Less: Direct operating expenses arising from investment property that generated rental income during the year	266	323
Less: Direct operating expenses arising from investment property that did not generate rental income during the year	935	954
	<u>61</u>	<u>(62)</u>

9. INCOME TAX CREDIT/(EXPENSE)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Deferred taxation		
Credited/(charged) during the year	<u>2,431</u>	<u>(152)</u>

Hong Kong Profits Tax 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 are 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, Shenzhen Zhixunpai Information Technology Company Ltd. engaged in research and development activities is 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 for the year ended 31 March 2023, nor any dividend has been proposed by the board of Directors subsequent to the end of the year (2022: 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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(58,164)</u>	<u>(41,082)</u>
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>330,272</u>	<u>329,710</u>

The calculation of diluted loss per share does not assume the exercise of the Company's outstanding share options and convertible note as they had an anti-dilutive effect to the basic loss per share for the years ended 31 March 2023 and 2022. The basic and diluted loss per share are the same for both years.

12. TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	49,627	69,708
<i>Less: Allowance for credit losses</i>	<u>(30,366)</u>	<u>(23,383)</u>
	19,261	46,325
Other receivables	745	4,622
Prepayments	39,519	54,393
Deposits	652	869
	<u>60,177</u>	<u>106,209</u>

The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on the past due dates, which approximate the respective revenue recognition dates:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Not yet past due	4,291	16,127
1 to 3 months past due	4,841	3,938
3 months – 6 months past due	3,657	13,048
Over 6 months past due	<u>6,472</u>	<u>13,212</u>
	<u>19,261</u>	<u>46,325</u>

13. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	43,958	43,574
Other payables	7,899	11,669
Deposit received	8,249	10,109
Accruals	3,337	3,690
	<u>63,443</u>	<u>69,042</u>

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 3 months	10,966	3,823
Over 3 months but within 1 year	3,415	4,100
Over 1 year	29,577	35,651
	<u>43,958</u>	<u>43,574</u>

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

The Group recorded a turnover of approximately HK\$162,530,000 for the year ended 31 March 2023, representing a decrease by approximately 49.8% as compared to the turnover of approximately HK\$323,634,000 for last year. The overall decrease in turnover was mainly attributable to the extreme market conditions caused by the continued and prolonged outbreak of the Covid-19 pandemic. Administrative and other operating expenses decreased to approximately HK\$46,198,000 compared with approximately HK\$53,417,000 of the previous corresponding year, representing a decrease of approximately 13.5%, mainly resulted from the decrease in research and development expenses on the development of a programmatic intelligent advertising and programmatic content operation system. A loss from change in fair value less costs to sell of biological assets of approximately HK\$2,445,000 was recognised for the year. A provision of approximately HK\$6,983,000 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 2023 was approximately HK\$58,164,000, which was approximately 41.6% higher than the loss attributable to owners of the Company incurred for last year of approximately HK\$41,082,000.

BUSINESS REVIEW

Intelligent Advertising and Railroad Media Business

– *Intelligent Advertising Business*

Shenzhen Zhixunpai Information Technology Company Ltd., a subsidiary of 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 due to the impact of COVID-19 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 enable it to 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 will also explore 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 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 year ended 31 March 2023, revenue generated from the provision of intelligent advertising and railroad media services was approximately HK\$142,228,000 (2022: HK\$299,784,000).

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 especially in Chinese medicine processing and provide additional growth potential.

For the year ended 31 March 2023, revenue generated from the sales of agricultural, forestry and consumer products was approximately HK\$18,316,000 (2022: HK\$22,507,000).

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 in order 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. With their sights set on even greater success, the Group is determined to continue growing this business down the line.

For the year ended 31 March 2023, revenue generated from the sales of supply-chain products was approximately HK\$846,000 (2022: HK\$4,000).

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 27,134.46 sq.m. (inclusive of a basement floor) and comprises 4 types of functions, namely residential, commercial, basement car park and facilities.

Due to unfavorable market conditions, the property’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 year ended 31 March 2023, revenue derived from short-term leasing of the commercial portion of the property was approximately HK\$1,140,000 (2022: HK\$1,339,000).

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 2023, cash and bank deposits of the Group amounted to approximately HK\$10,882,000 representing a decrease of approximately 43.7% comparing with the cash and bank deposits of approximately HK\$19,339,000 as at 31 March 2022. The Group’s net current liabilities, 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\$60,840,000 as at 31 March 2023 (2022: HK\$5,679,000).

The Group’s gearing ratio, which was defined as the ratio of debt to equity, was approximately 475% as at 31 March 2023 (2022: 128%).

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 would 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 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.

Capital commitments

As at 31 March 2023, the Group had no material outstanding capital commitments (2022: Nil).

EVENTS AFTER THE REPORTING PERIOD

Fund raising activity

On 23 June 2023, the Company entered into eight separate subscription agreements with eight subscribers, pursuant to which the Company has conditionally agreed to issue, and the subscribers have conditionally agreed to subscribe for, the convertible notes with aggregate principal amount of HK\$31,950,000. Further details were disclosed in the Company's announcements dated 25, 26 and 28 June 2023.

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 GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) throughout the year ended 31 March 2023.

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 2023.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) currently comprises 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 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 2023, 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 5 audit committee meetings were held.

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's audited consolidated financial statements for the year ended 31 March 2023. The report includes paragraphs of material uncertainty related to going concern, without modification:

Material uncertainty related to going concern

We draw attention to Note 3 in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$67,030,000 for the year ended 31 March 2023 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$60,840,000. As stated in Note 3, these events and conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 and the website of the Company at www.gwchl.com under “Announcement”. The annual report for the year ended 31 March 2023 will be published on the above websites 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 2023

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Zhang Yanqiang, 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 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).