



世大控股有限公司

GREAT WORLD COMPANY HOLDINGS LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8003)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

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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.

* For identification purposes only

HIGHLIGHTS

- Revenue was approximately HK\$129,999,000 and HK\$237,595,000 for the three months and six months ended 30 September 2020 respectively, compared with the revenue of approximately HK\$168,978,000 and HK\$254,357,000 for the corresponding periods of last year.
- Loss attributable to owners of the Company was approximately HK\$4,356,000 and HK\$8,177,000 for the three months and six months ended 30 September 2020 respectively, versus the loss attributable to owners of the Company of approximately HK\$5,729,000 and HK\$7,590,000 for the corresponding periods of last year.
- The board of directors (the “Board”) of the Company does not recommend the payment of an interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

Intelligent Advertising and Railroad Media Business

– *Intelligent Advertising Business*

In a very difficult economic context with the coronavirus pandemic and resulting recessions, advertising industry as a whole is seeing an unprecedented decline as every market is experiencing a decline in ad spending except China. According to eMarketer's report, overall ad spending will decline by 4.9% worldwide this year. The total figure will come in at US\$614.73 billion, which represents US\$76.99 billion less than previously expected. However, worldwide digital ad spending will achieve 2.4% growth this year, the lowest on record.

E-commerce advertising is booming due to the shift of consumer behaviour toward online shopping, consumers will spend an additional US\$183 billion online this year as a direct result of COVID-19, with total e-commerce sales set to rise by 30.4% or US\$677 billion to US\$2.9 trillion worldwide.

Brands will spend US\$58.5 billion on e-commerce advertising this year according to the latest Global Advertising Trends report from WARC Data. Advertising investment across e-commerce platforms such as Amazon, Tmall and Rakuten, omnichannel retailers such as Walmart and Carrefour, and social commerce on platforms such as Pinduoduo and TikTok is set to increase 18.3% worldwide, growing 30 times faster than the wider online ad market.

– *Railroad Media Business*

China's railway passenger traffic was maintaining a recovery trend in June 2020 amid effective containment of the COVID-19 epidemic according to data from the China State Railway Group Co. Ltd. Average daily passenger trips on trains stood at 5.53 million in June 2020, more than quadruple from the traffic in February 2020 when passenger flows declined amid the epidemic outbreak. As China made continuous efforts to contain the epidemic, railway passenger trips have posted notable growth since March 2020. Average daily passenger trips rose by 37.6% from April 2020 to 5.08 million in May 2020.

Meanwhile, China is continuing the development of the world's most extensive high-speed network. As lockdowns started to be lifted in March 2020, construction on a number of high-speed rail projects was able to resume.

Overall, China National Railways ("CNR") opened 1178 km of new lines in the first half of 2020, including 605km of high-speed lines. CNR invested RMB325.8 billion (US\$45.9 billion) on fixed assets between January 2020 and June 2020, up 1.2% year-on-year.

Investment in the first quarter dropped to RMB79.9 billion, down 21%, due to the coronavirus pandemic. However, work rebounded in the second quarter, with the country completing works worth RMB245.9 billion, up 11.4% year-on-year, cancelling out the first quarter reduction.

Cultivation and Sales of Agricultural and Forestry Products Business

The global pandemic has affected agriculture and forestry in many ways. Agricultural labour is one of the major factors. Due to lack of workers, part of the produce will be lost and cause higher prices. As people are instructed and expected to stay at home, the whole supply chain might experience disruptions in addition to those impacting the normal farming processes. As the virus limits the free flow of labour, farmers are worried they will not be able to hire enough workers, particularly for planting and harvesting.

On the other side, the impact due to the demand shock caused by a general loss of income affecting consumers' spending patterns is significant. The resulting lower demand leads to a downward pressure on producer prices and production.

Trading (Supply Chain) Business

COVID-19 has had a broad-based negative impact on trade with considerable declines in global exports and imports in a wide range of industries. The impact is likely to worsen as countries move through different phases of the pandemic, with world trade expected to contract by between 13% and 32% in 2020 and all regions seeing double digit declines in trade volumes.

Global output is expected to drop 13% for automotive, 8% for both textiles and electronics as well as 5% for headline manufacturing, aerospace and other transport equipment. While electronics may take more time to rebound, automotive and textiles are expected to see a positive rebound by 2021. The key factor guiding the recovery of these manufacturing sectors will be the ability of companies to re-mobilize cross-border supply chains.

Oxford Economics forecasts that global manufacturing value-added output will rebound reaching US\$13,789 billion in 2021. This represents rebound from a 3% drop in 2020 to a 6% increase for global manufacturing in 2021. In Asia-Pacific (excluding China), this is set to hit 4%, while the US may see up to 6% value-add for 2021. Forecasted data for the pick-up in Europe, also in 2021, is currently estimated at 5%.

Property Business

Housing sales in the country plummeted at the outset of the pandemic as China's economy shut down. However, official data indicate a recovery in transactions as the country reopened.

Property sales by floor area jumped 9.7% in May 2020, compared with a 2.1% fall in April 2020, according to Reuters. Funds raised by China's property developers fell 6.1% in the January 2020 to May 2020 period, compared to a 10.4% drop for the first four months of 2020.

Recently announced tightening measures by some local housing authorities, including in Shenzhen and Ningbo, reflected rising policymaker concerns over a potential property bubble.

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 the first half of 2020, the global economy was severely impacted by the COVID-19 pandemic but the demand for online marketing increased significantly and forcing digital transformation of enterprises. However, depending on the industry and advertisement type, demand and budget were quite diverse. Overall, the intelligent advertising business was resilient and achieved growth thanks to aggressive advertising from key industries such as real estate, games and internet services, e-commerce and education while brand advertising demand was significantly lower. The Company’s strategy still follows two critical paths: (1) consolidating its position as a leading service provider of intelligent advertising and targeted marketing by diversifying its partnerships with more advertisers and media resources while maintaining its key partnership with Tencent Ads; and (2) development and implementation of advanced big data analytics and AI technology that improves significantly its online targeting capability. Shenzhen Zhixunpai will keep focusing on innovations that bring more value to the customers and be an industry leader by maximizing returns for its customers.

Shenzhen Zhixunpai is investigating other verticals such as insuretech and real estate where its AI and big data analytics capabilities will provide a competitive edge. Development of such verticals will bring additional growth opportunities and broaden its income sources while creating additional synergies between the Group’s various businesses.

– *Railroad Media Business*

The main businesses of this segment include: (1) Guangzhou Railway Magazine – Guang Tie Yue Xing; (2) Guang Tie Yue Xing magazine WeChat mini-app, which can be used to promote products and increase magazine traffic; and (3) a WeChat e-commerce platform to sell and market goods and products.

We are the only railway magazine operator of China Railway Guangzhou Bureau Group Co., Ltd. The railway routes include: Guangzhou, Shenzhen, Hong Kong, Changsha, Wuhan, Zhengzhou, Shijiazhuang, Beijing, Lanzhou, Xi’an. Chongqing, Chengdu, Guilin, Nanning, Guiyang, Kunming, Hefei, Nanjing, Hangzhou, Shanghai, Nanchang, Jinhua, Wenzhou, Fuzhou, Xiamen and other developed cities in the Pearl River Delta, servicing more than 600 million business travellers.

To counter the inevitable slowdown of the advertisement business due to reduced traffic and reduced demand for printed media, the Group has been exploring new opportunities to provide on-board services such as supply of food and beverage as well as development of on-board shopping capabilities in combination of its experience of intelligent advertising capabilities.

The Group will keep improving its technological capabilities while leveraging its media resources to create an AI-powered intelligent marketing ecosystem that can provide packaged online and offline solutions to help customers face the post-COVID challenges. The Group will also expand organically into new business segments by harnessing the technological capabilities that have been developed.

For the six months ended 30 September 2020, a revenue of approximately HK\$181,894,000 was generated from the provision of intelligent advertising and railroad media services.

Cultivation and Sales of Agricultural and Forestry Products Business

The COVID-19 pandemic combined with unfavorable weather conditions caused significant disruptions to the Group's plans for the cultivation and sales of Cistanche. Labour shortage and damages caused by severe weather conditions impacted cultivation yield. The economic slowdown caused a diminished consumer demand, putting a downward pressure on Cistanche prices.

In order to hedge the impact of the pandemic on the cultivation and prices of produce, the Group is focused on developing consumer-end products, whether through processing of its agricultural produce or distribution of market mature products. Leveraging its media and e-commerce capabilities, the Group seeks to develop its sales channels from traditional agriculture sales channels to omni-channel e-commerce channels in order to gain larger market access.

For the six months ended 30 September 2020, revenue generated from the sales of agricultural and forestry products was approximately HK\$35,129,000.

Trading (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.

Beyond disruptions on the supply side with factory closures, shortages of supplies and negative labour shock due to national lockdowns and restrictions on cross-border movements, there have been shocks on the demand side for a wide range of primary extractive, manufacturing and services industries.

The COVID-19 pandemic has caused severe disruption to the supply side of our power source products with manufacturers dealing with severe shortages of components, which caused lower turnover despite a solid market demand. As cross-border supply-chains are slowly recovering, the Group believes that the power supply products will see significant growth if the pandemic-related disruptions are kept under control.

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. Paying particular attention to the consumer market, the Group is actively exploring high-tech mass-market product segments where its network of suppliers and manufacturers will bring a significant edge.

Our management is actively seeking new technology investment opportunities around the world and starting to examine the development of its own products to increase the profitability while creating new lines of products with strong branding. With markets around the world in a recovery trend, the Group will aim to make a breakthrough in the coming year by offering innovative high-tech products through acquisition of promising intellectual property and in house development capabilities while developing cross-border omni-channel retail capabilities.

For the six months ended 30 September 2020, a total gross revenue of approximately HK\$20,088,000 was generated from the sales of information technology, industrial and consumer products.

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 portions with different 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.

For the six months ended 30 September 2020, revenue derived from short term leasing of the commercial portion of the property was approximately HK\$484,000.

OUTLOOK

The outbreak of COVID-19 imposed significant impact on global economy. According to the report from the International Monetary Fund in June 2020, global economic growth is projected at -4.9% in 2020.

As a consequence, consumer sentiment further tumbles because of prioritization over discretionary spendings as concern over livelihood grows. On the other hand, the consumer pattern has shifted from offline to online and e-commerce, and more particularly cross-border e-commerce has started to take a more important role as people under travel restrictions still have appetite for import products.

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

To mitigate the risks posed as a supply chain solution provider, the Group will seek technology investment opportunities that would enable the development of its own-brand products and could get involved directly in the manufacturing phase upstream and the distribution and retail downstream to secure a larger share of the profit and leverage its extensive experience in digital marketing to build omni-channel e-commerce capabilities.

Our long-term strategy is the development of own-brand products and global distribution network as well as investing in global supply-chain, advertising business and other high growth potential businesses.

Online business strategy is key in the digital transformation of businesses across industries in a recovering post-pandemic world. The Group will keep focusing on its intelligent advertising business and explore growth channels such as insuretech and cross-border e-commerce solutions by applying its technology capabilities and know-how.

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.

RISK FACTORS

Market Risk

The global economy has achieved a limited and fragile recovery from the coronavirus pandemic and many emerging economies are still struggling. With another wave of coronavirus impeding efforts to return to normal, most countries still have a long way to go before output reaches pre-pandemic levels. According to the IMF, the recovery from the Covid-19 crisis would be "long, uneven and uncertain, and prone to setbacks".

Manufacturing has recovered strongly, boosting world trade and household spending has generally remained strong as governments in developed economies have replaced lost earnings with wage subsidies. However, businesses, households and investors confidence is low and undermining the strength of any recovery.

Natural Risk

The ability to harvest *Xanthoceras Sorbifolia*, poplar seeding and *Cistanche deserticola* as well as the growth of plants may be affected by unfavourable local weather conditions and natural disasters. Weather conditions such as floods, droughts, cyclones and windstorms and natural disasters such as earthquakes, fire, disease, insect infestation and pests are examples of such events. The occurrence of severe weather conditions or natural disasters may diminish the supply of plants available for harvesting, or otherwise impede the logging operations or the growth of plants, which in turn may have an adverse effect on the Group's agricultural and forestry business.

Compliance with Laws and Regulations

Many aspects of the Group's business are subject laws and regulations, including without limitation sale of goods and services, trade descriptions, intellectual property, product safety, food safety, data privacy, insurance, dutiable commodities, product eco-responsibility, telecommunications and broadcasting, competition, listing and disclosure, and corporate governance, of China and other countries in the world. Whilst we manage compliance proactively and procure to obtain first-rate independent legal services to ensure the highest standards in compliance, any failure to comply with laws and regulations may result in legal proceedings and expose to liability and sanctions. In any event, dealing with complaints, investigations or legal proceedings, regardless of their outcome, could be costly and time-consuming and could divert management attention. More importantly, the long-term sustainability of our business is largely dependent on a steady and balanced regulatory environment. Unanticipated changes in policies or regulatory practices by the relevant authorities may require us to change our business strategies and practices, and consequently, may cause material effect on our business.

The Board paid attention to the Group's policies and practices on compliance with all significant legal and regulatory requirements essential to its business and would seek professional advice from external legal advisers and consultants, if considered necessary, to ensure that transactions to be performed by the Group are in compliance with applicable environmental policies, laws and regulations. During the period under review, as far as the Board is aware, the Group has complied in all material respects with the laws or regulations that have a significant impact on its operations.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2020, the Group's cash and bank deposits amounted to approximately HK\$20,931,000 which has increased by approximately 57.6% when comparing with the cash and bank deposits of approximately HK\$13,285,000 as at 31 March 2020.

As at 30 September 2020, the Group had net current assets of approximately HK\$111,668,000 (31 March 2020: HK\$108,211,000).

The Group adopted a conservative treasury policy to maintain cash necessary to meet anticipated expenditures plus a reasonable cushion for emergencies. Almost all bank deposits are being kept in Hong Kong dollars, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risk. Any excess cash should be invested in liquid income-producing instruments which should be managed by a qualified investment manager or operated in accordance with advice provided by a qualified investment manager or decision of an investment committee, if formed, comprising at least one executive director, at least one independent non-executive director and at least one individual who must possess appropriate professional qualifications and/or financial and investment expertise and experience.

Most of the trading transactions, assets and liabilities of the Group were currently denominated in Hong Kong dollars, United States Dollars and Renminbi. The Group did not experience any material difficulties on its operations or liquidity as a result of fluctuation in currency exchange rates during the period under review. As at 30 September 2020, the Group had no foreign exchange contracts, interest of currency swaps or other financial derivatives for hedging purpose. The Group is closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should the need arise.

The share capital of the Company as at 30 September 2020 is as follows:

	Number of shares ('000)	Amount (HK\$'000)
Authorised	<u>30,000,000</u>	<u>300,000</u>
Issued and fully paid	<u>3,252,716</u>	<u>32,527</u>

On 11 May 2020, 473,780,000 shares were issued and allotted at a subscription price of HK\$0.021 per share pursuant to a subscription agreement entered into by the Company on 27 April 2020 (the “Subscription”). Details of the Subscription have been disclosed in the Company’s announcement issued on 27 April 2020.

GEARING RATIO

The Group’s gearing ratio, which was defined as the ratio of net debt (long-term borrowings less cash and cash equivalents) to equity, was approximately 61% as at 30 September 2020 (31 March 2020: 76%).

The decrease in gearing ratio as at 30 September 2020 as compared to that of 31 March 2020 is mainly attributable to the increase in cash and bank deposits.

CONTINGENT LIABILITIES

As at 30 September 2020, the Group did not have any material contingent liabilities (31 March 2020: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2020, the Group had approximately 119 employees (31 March 2020: 109 employees). The Group reviewed employees' remuneration from time to time and salary adjustment was normally made on an annual basis. Special adjustment based on length of service and good performance could be made at any time when warranted. In addition to salaries, the Group provided employees' benefits such as medical insurance and provident fund. Share options and bonuses were also available to employees of the Group at the discretion of the directors of the Company (the "Directors") and depending upon the financial performance of the Group.

RESULTS OF OPERATIONS

For the six months ended 30 September 2020, the Group recorded a total revenue of approximately HK\$237,595,000, representing a decrease of approximately 6.6% as compared with a total revenue of approximately HK\$254,357,000 for the corresponding period of last year.

Loss attributable to owners of the Company was approximately HK\$8,177,000 for the six months ended 30 September 2020, which was approximately 7.74% higher than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$7,590,000.

RESULTS

The board of directors (the "Board") of Great World Company Holdings Ltd (the "Company") presents the financial information of the Company and its subsidiaries (the "Group"), comprising the condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group for the three months and six months ended 30 September 2019 and the condensed consolidated statement of financial position of the Group as at 30 September 2020, 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

	<i>Notes</i>	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
		2020	2019	2020	2019
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2	129,999	168,978	237,595	254,357
Cost of sales		<u>(125,238)</u>	<u>(165,193)</u>	<u>(222,259)</u>	<u>(249,421)</u>
Gross profit		4,761	3,785	15,336	4,936
Other gains or losses	3	(3,441)	5	(8,846)	23
Gain/(loss) arising from changes in fair value less costs to sell of biological assets		986	(1,509)	(132)	(305)
Selling and distribution costs		(341)	(355)	(1,082)	(413)
Administrative and other operating expenses		(4,945)	(7,176)	(10,029)	(11,082)
Finance costs		<u>(214)</u>	<u>(665)</u>	<u>(760)</u>	<u>(1,295)</u>
Loss before tax	5	(3,194)	(5,915)	(5,513)	(8,136)
Income tax	6	<u>(1,500)</u>	104	<u>(1,500)</u>	205
Loss for the period		<u>(4,694)</u>	<u>(5,811)</u>	<u>(7,013)</u>	<u>(7,931)</u>
Loss for the period attributable to:					
Owners of the Company		(4,356)	(5,729)	(8,177)	(7,590)
Non-controlling interests		<u>(338)</u>	<u>(82)</u>	<u>1,164</u>	<u>(341)</u>
		<u>(4,694)</u>	<u>(5,811)</u>	<u>(7,013)</u>	<u>(7,931)</u>
Basic and diluted loss per share	7	<u>HK(0.13)</u> cents	<u>HK(0.24)</u> cents	<u>HK(0.26)</u> cents	<u>HK(0.32)</u> cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Loss for the period	<u>(4,694)</u>	<u>(5,811)</u>	<u>(7,013)</u>	<u>(7,931)</u>
Other comprehensive income/(loss): Items that may be reclassified subsequently to profit or loss				
– Exchange differences arising on translation of foreign operations during the period	<u>3,121</u>	<u>(7,197)</u>	<u>4,656</u>	<u>(9,431)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>3,121</u>	<u>(7,197)</u>	<u>4,656</u>	<u>(9,431)</u>
Total comprehensive loss for the period	<u><u>(1,573)</u></u>	<u><u>(13,008)</u></u>	<u><u>(2,357)</u></u>	<u><u>(17,362)</u></u>
Total comprehensive loss attributable to:				
Owners of the Company	<u>(2,829)</u>	<u>(11,980)</u>	<u>(4,712)</u>	<u>(15,624)</u>
Non-controlling interests	<u>1,256</u>	<u>(1,028)</u>	<u>2,355</u>	<u>(1,738)</u>
	<u><u>(1,573)</u></u>	<u><u>(13,008)</u></u>	<u><u>(2,357)</u></u>	<u><u>(17,362)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) 30 September 2020 HK\$'000	(Audited) 31 March 2020 HK\$'000
	<i>Notes</i>		
Non-current assets			
Right-of-use assets	9	8,220	8,840
Property, plant and equipment	10	3,295	4,218
Investment property	11	56,223	53,931
Goodwill	12	–	–
Biological assets	13	41,047	37,344
		108,785	104,333
Current assets			
Biological assets	13	1,358	1,139
Inventories	14	1,415	23
Properties held for sale	15	85,692	82,165
Trade and other receivables	16	158,959	156,863
Cash and bank deposits	17	20,931	13,285
		268,355	253,475
Current liabilities			
Trade and other payables	18	(54,724)	(56,561)
Contract liabilities	19	(27,123)	(26,115)
Lease liabilities	20	(1,415)	(1,745)
Amounts due to directors	21	(6,576)	(6,576)
Amounts due to related companies	21	(56,099)	(52,105)
Amounts due to non-controlling interests	21	(9,250)	(2,162)
Current tax liabilities		(1,500)	–
		(156,687)	(145,264)
Net current assets		111,668	108,211
Non-current liabilities			
Lease liabilities	20	(1,584)	(2,031)
Amount due to a shareholder	21	(69,414)	(69,414)
Deferred tax liabilities		(18,742)	(17,978)
		(89,740)	(89,423)
Net assets		130,713	123,121
Capital and reserves			
Share capital	22	32,527	27,789
Reserves		51,927	51,428
Equity attributable to owners of the Company		84,454	79,217
Non-controlling Interests		46,259	43,904
Total equity		130,713	123,121

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Total	Non-controlling interests	Total
	Share capital	Share premium	Convertible notes equity reserve	Share options reserve	Translation reserve	Other reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2019 (audited)	23,689	233,339	13,454	11,513	(3,642)	-	(195,645)	82,708	52,942	135,650
Total comprehensive loss for the period (unaudited)	-	-	-	-	(8,034)	-	(7,590)	(15,624)	(1,738)	(17,362)
Non-controlling interests (unaudited)										
- increase in equity interest in existing subsidiaries	-	-	-	-	-	1,682	-	1,682	(1,682)	-
- acquisition of new subsidiaries	-	-	-	-	-	-	-	-	(247)	(247)
- increase in share capital of an existing subsidiary	-	-	-	-	-	-	-	-	4,057	4,057
	-	-	-	-	-	1,682	-	1,682	2,128	3,810
At 30 September 2019 (unaudited)	<u>23,689</u>	<u>233,339</u>	<u>13,454</u>	<u>11,513</u>	<u>(11,676)</u>	<u>1,682</u>	<u>(203,235)</u>	<u>68,766</u>	<u>53,332</u>	<u>122,098</u>
At 1 April 2020 (audited)	27,789	275,467	-	10,362	(9,849)	-	(224,552)	79,217	43,904	123,121
Total comprehensive income/(loss) for the period (unaudited)	-	-	-	-	3,465	-	(8,177)	(4,712)	2,355	(2,357)
Lapse of share option (unaudited)	-	-	-	(8,059)	-	-	8,059	-	-	-
Subscription of new shares (unaudited)	4,738	5,211	-	-	-	-	-	9,949	-	9,949
At 30 September 2020 (unaudited)	<u>32,527</u>	<u>280,678</u>	<u>-</u>	<u>2,303</u>	<u>(6,384)</u>	<u>-</u>	<u>224,670</u>	<u>84,454</u>	<u>46,259</u>	<u>130,713</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)	
	Six months ended	
	30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash used in operating activities	(3,947)	(5,014)
Net cash used in investing activities	(11)	(5,499)
Net cash generated from/(used in) financing activities	8,311	(2,215)
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Net increase/(decrease) in cash and cash equivalents	4,353	(12,728)
Cash and cash equivalents at 1 April	13,285	32,405
Effect of foreign exchange rate changes	3,293	(713)
	<hr/>	<hr/>
Cash and cash equivalents at 30 September	20,931	18,964
	<hr/> <hr/>	<hr/> <hr/>
Analysis of cash and cash equivalents at 30 September:		
Cash and bank deposits	20,931	18,964
	<hr/> <hr/>	<hr/> <hr/>

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 2020.

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 2020. 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)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Provision of mobile advertising media services	93,859	128,143	181,894	155,834
Sales of agricultural and forestry products	35,129	35,026	35,129	35,943
Sales of information technology, industrial and consumer products	726	5,578	20,088	62,091
Rental income	285	231	484	489
	129,999	168,978	237,595	254,357

3. OTHER GAINS OR LOSSES

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Bank interest income	5	5	6	12
Government subsidy	554	–	785	–
Provision for impairment loss recognised in respect of trade and other receivables	(4,000)	–	(9,637)	–
Sundry income	–	–	–	11
	<u>(3,441)</u>	<u>5</u>	<u>(8,846)</u>	<u>23</u>

4. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior management for the purpose of resource allocation and performance assessment, the Group has presented the following four reportable segments.

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

Intelligent advertising and railroad media business	Provision of mobile advertising media services for intelligent advertising and property market customers in the PRC, railroad magazine distribution and e-commerce platform management, advertising and product sales services
Cultivation and sales of agricultural and forestry 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
Trading (supply chain) business	Sales of information technology, industrial and 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 profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that unallocated income, finance costs and expenses are excluded from such measurement.

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

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

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

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

	(Unaudited)					(Unaudited)				
	Three months ended 30 September 2020					Six months ended 30 September 2020				
	Intelligent advertising and railroad media business	Cultivation and sales of agricultural and forestry products business	Trading (supply chain) business	Property business	Total	Intelligent advertising and railroad media business	Cultivation and sales of agricultural and forestry products business	Trading (supply chain) business	Property business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	93,859	35,129	726	285	129,999	181,894	35,129	20,088	484	237,595
Bank interest income	5	-	-	-	5	5	-	-	-	5
Depreciation of property, plant and equipment	-	(4)	(9)	(1)	(14)	-	(5)	(11)	(2)	(18)
Depreciation of right-of-use assets	(189)	-	-	-	(189)	(373)	-	-	-	(373)
Gain/(Loss) arising from changes in fair value less costs to sell of biological assets	-	(986)	-	-	(986)	-	(132)	-	-	(132)
Provision for impairment loss recognised in respect of trade and other receivables	313	(4,323)	10	-	(4,000)	(208)	(9,383)	(46)	-	(9,637)
Total profit/(loss) before tax of reportable segments	(418)	(1,342)	(911)	87	(2,584)	5,469	(7,629)	286	101	(1,773)
Total assets of reportable segments	75,744	126,004	24,150	142,085	367,983	75,744	126,004	24,150	142,085	367,983
Total liabilities of reportable segments	(67,018)	(61,250)	(15,820)	(76,424)	(220,512)	(67,018)	(61,250)	(15,820)	(76,429)	(220,512)

	(Unaudited)					(Unaudited)				
	Three months ended 30 September 2019					Six months ended 30 September 2019				
	Intelligent advertising and railroad media business	Cultivation and sales of agricultural and forestry products business	Trading (supply chain) business	Property business	Total	Intelligent advertising and railroad media business	Cultivation and sales of agricultural and forestry products business	Trading (supply chain) business	Property business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	128,143	35,026	5,578	231	168,978	155,834	35,943	62,091	489	254,357
Bank interest income	-	-	-	-	-	-	1	-	-	1
Depreciation of property, plant and equipment	-	(3)	-	(1)	(4)	-	(6)	-	(2)	(8)
Depreciation of right-of-use assets	-	-	-	-	-	(142)	-	-	-	(142)
Loss arising from changes in fair value less costs to sell of biological assets	-	(1,509)	-	-	(1,509)	-	(305)	-	-	(305)
Total profit/(loss) before tax of reportable segments	(120)	(1,210)	840	72	(418)	87	(3,383)	710	159	(2,427)
Total assets of reportable segments	78,037	101,739	46,374	140,186	366,336	78,037	101,739	46,374	140,186	366,336
Total liabilities of reportable segments	(62,863)	(20,761)	(4,445)	(73,965)	(162,034)	(62,863)	(20,761)	(4,445)	(73,965)	(162,034)

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

	(Unaudited) Three months ended 30 September 2020		(Unaudited) Six months ended 30 September 2020	
	2019 HK\$'000	2019 HK\$'000	2019 HK\$'000	2019 HK\$'000
Revenue				
Total revenue for reportable segments	<u>129,999</u>	<u>168,978</u>	<u>237,595</u>	<u>254,357</u>
Consolidated revenue	<u>129,999</u>	<u>168,978</u>	<u>237,595</u>	<u>254,357</u>
Profit or loss before tax				
Total profit/(loss) for reportable segments	(2,584)	(418)	(1,773)	(2,427)
Unallocated corporate income	560	5	792	23
Unallocated corporate expenses	<u>(1,170)</u>	<u>(5,502)</u>	<u>(4,532)</u>	<u>(5,732)</u>
Consolidated loss before tax	<u>(3,194)</u>	<u>(5,915)</u>	<u>(5,513)</u>	<u>(8,136)</u>
			(Unaudited) 30 September 2020 HK\$'000	(Audited) 31 March 2020 HK\$'000
Assets				
Total assets for reportable segments			367,983	347,305
Unallocated corporate assets			<u>9,157</u>	<u>10,503</u>
Consolidated total assets			<u>377,140</u>	<u>357,808</u>
Liabilities				
Total liabilities for reportable segments			(220,512)	(154,802)
Unallocated corporate liabilities			<u>(25,915)</u>	<u>(79,885)</u>
Consolidated total liabilities			<u>(246,427)</u>	<u>(234,687)</u>

5. LOSS BEFORE TAX

	(Unaudited) Three months ended 30 September 2020		(Unaudited) Six months ended 30 September 2020	
	2019 HK\$'000	2019 HK\$'000	2019 HK\$'000	2019 HK\$'000
Loss before tax has been arrived at after charging:				
Staff costs (including directors' remuneration)	3,760	3,328	7,768	5,591
Cost of inventories sold	125,238	165,145	222,259	249,373
Depreciation of property, plant and equipment (note 10)	610	548	1,089	1,066
Depreciation of rights-of-use assets	450	402	894	535
Short-term lease payments	393	20	470	40
Imputed interests on convertible notes	–	643	–	1,260
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

6. INCOME TAX

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax:				
Hong Kong Profits Tax	–	–	–	–
PRC Enterprise Income Tax	<u>(1,500)</u>	–	<u>(1,500)</u>	<u>(3)</u>
	(1,500)	–	(1,500)	(3)
Deferred tax	<u>–</u>	<u>104</u>	<u>–</u>	<u>208</u>
Income tax (charge)/credit for the period	<u>(1,500)</u>	<u>104</u>	<u>(1,500)</u>	<u>205</u>

Hong Kong Profits Tax is calculated at the rate of 16.5% on the estimated assessable profit for the three months and six months ended 30 September 2020 and 2019.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate applicable to the PRC subsidiaries is 25%.

No provision for current tax had been made for the three months and six months ended 30 September 2019 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 September		(Unaudited) Six months ended 30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(i) Loss for the period attributable to owners of the Company	<u>(4,356)</u>	<u>(5,729)</u>	<u>(8,177)</u>	<u>(7,590)</u>
	'000	'000	'000	'000
(ii) Weighted average number of ordinary shares	<u>3,252,716</u>	<u>2,368,936</u>	<u>3,149,158</u>	<u>2,368,936</u>

Diluted loss per share for loss attributable to the owners of the Company for the three months and six months ended 30 September 2020 and 2019 were the same as basic loss per share because the calculation of diluted loss per share does not assume the exercise of the outstanding share options and the conversion of convertible notes of the Company, if any, as they had an anti-dilutive effect to the basic loss per share.

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

9. RIGHT-OF-USE ASSETS

	Land use right <i>HK\$'000</i>	Office premises <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2020 (audited)			
Carrying amount	5,250	3,590	8,840
At 30 September 2020 (unaudited)			
Carrying amount	5,432	2,788	8,220
For the six months ended 30 September 2020 (unaudited)			
Depreciation Charges	(40)	(894)	(934)
Exchange alignment	222	92	314
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16 (unaudited)			145
Total cash outflows for leases (unaudited)			1,059
Additions to right-of-use assets (unaudited)			–

The land use right of the Group is located in the PRC with the remaining period of 62 years.

The Group leases various offices premises for its operations. Lease contracts are entered into for fixed term of one year to four years, but may have extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

10. PROPERTY, PLANT AND EQUIPMENT

	<i>HK\$'000</i>
Cost:	
At 1 April 2020 (audited)	10,535
Additions (unaudited)	17
Exchange alignment (unaudited)	425
	<hr/>
At 30 September 2020 (unaudited)	10,977
	<hr/>
Accumulated depreciation and impairment loss:	
At 1 April 2020 (audited)	6,317
Depreciation provided for the period (unaudited)	1,089
Exchange alignment (unaudited)	276
	<hr/>
At 30 September 2020 (unaudited)	7,682
	<hr/>
Carrying amounts:	
At 30 September 2020 (unaudited)	3,295
	<hr/> <hr/>
At 31 March 2020 (audited)	4,218
	<hr/> <hr/>

Depreciation provided for the period amounted to approximately HK\$1,089,000 of which approximately HK\$26,000 has been charged as expense and approximately HK\$1,063,000 has been included in additions to biological assets.

11. INVESTMENT PROPERTY

	<i>HK\$'000</i>
Fair value:	
At 1 April 2020 (audited)	53,931
Exchange alignment (unaudited)	2,292
	<hr/>
At 30 September 2020 (unaudited)	56,223
	<hr/> <hr/>

Investment property, which comprises portions of commercial, basement car park and facilities of a property located in the People's Republic of China held under medium-term lease to earn rentals or for capital appreciation purpose, is measured using the fair value model.

No fair value change on the investment property was recognised in profit or loss for the three months and six months ended 30 September 2020. The direct operating expenses for the investment property are approximately HK\$68,000 and HK\$129,000 for the three months and six months ended 30 September 2020 (three months and six months ended 30 September 2019: HK\$36,000 and HK\$74,000) respectively and the rental income generated from the investment property are approximately of HK\$285,000 and HK\$484,000 for the three months and six months ended 30 September 2020 (three months and six months ended 30 September 2019: HK\$231,000 and HK\$489,000) respectively.

12. GOODWILL

	<i>HK\$'000</i>
Cost:	
At 1 April 2019 (audited)	9,257
Addition/disposal (unaudited)	<u>–</u>
At 30 September 2020 (unaudited)	<u>9,257</u>
Accumulated impairment:	
At 1 April 2019 (audited)	9,257
Provision/elimination (unaudited)	<u>–</u>
At 30 September 2019 (unaudited)	<u>9,257</u>
Carrying amounts:	
At 30 September 2019 (unaudited)	<u><u>–</u></u>
At 31 March 2019 (audited)	<u><u>–</u></u>

Goodwill acquired has been recognised and allocated for impairment testing purposes to the following cash generating unit:

- Yenbo Gain Group (Cultivation and sales of agricultural and forestry products business segment)

The Group tests goodwill for impairment at the end of each reporting period, or more frequently if there are indications that goodwill may be impaired.

13. BIOLOGICAL ASSETS

	<i>HK\$'000</i>
At 1 April 2020 (audited)	38,483
Increase due to plantation (unaudited)	2,409
Decrease due to harvest (unaudited)	–
Loss arising from changes in fair value less costs to sell (unaudited)	(124)
Exchange alignment (unaudited)	<u>1,637</u>
At 30 September 2020 (unaudited)	<u><u>42,405</u></u>

Biological assets represent living plants and produce growing for sale, measured at fair value less costs to sell by income approach based on discounted cash flow model and analysed into:

	(Unaudited) 30 September 2020 <i>HK\$'000</i>	(Audited) 31 March 2020 <i>HK\$'000</i>
Non-current portion	41,047	37,344
Current portion	1,358	1,139
	42,405	38,483

14. INVENTORIES

	(Unaudited) 30 September 2020 <i>HK\$'000</i>	(Audited) 31 March 2020 <i>HK\$'000</i>
Finished goods (for sale)	1,415	23

15. PROPERTIES HELD FOR SALE

	<i>HK\$'000</i>
At 1 April 2020 (audited)	82,165
Additions (unaudited)	35
Exchange alignment (unaudited)	3,492
At 30 September 2020 (unaudited)	85,692

Properties held for sale represent residential portion of a property located in the People's Republic of China and held under medium-term lease.

16. TRADE AND OTHER RECEIVABLES

	(Unaudited) 30 September 2020 HK\$'000	(Audited) 31 March 2020 HK\$'000
Trade receivables	58,718	51,828
Allowance for credit losses	(295)	(565)
	<u>58,423</u>	<u>51,263</u>
Other receivables	16,411	22,004
Prepayments	73,772	82,775
Deposits	10,353	821
	<u>158,959</u>	<u>156,863</u>

Notes:

- (i) Other receivables as at 30 September 2020 mainly include contribution receivable from non-controlling interests of approximately HK\$8,673,000.
- (ii) Prepayments mainly include the amounts paid to suppliers for the procurement of services and products in the ordinary course of business. These amounts are classified as current because the Group expects the balances to be settled in normal operating cycle within 12 months after the reporting period.
- (iii) Deposits as at 30 September 2020 mainly include rental deposit of approximately HK\$537,000, deposit for water saving technology irrigation system of approximately HK\$6,076,000 and warranty deposit of approximately HK\$3,740,000 under an advertising service agreement and the supplemental advertising service agreement entered into between Beijing Tencent Cultural Media Company Limited and the Group.

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:

	(Unaudited) 30 September 2020 HK\$'000	(Audited) 31 March 2020 HK\$'000
Within 3 months	54,569	39,947
3 months to 6 months	3,854	8,247
Over 6 months	–	3,069
	<u>58,423</u>	<u>51,263</u>

The average credit period granted to customers is 6 months after an invoice has been sent out.

In determining the recoverability of receivables, the Group considers if there is any change in the credit quality of each receivable from the date when credit was initially granted up to the end of the reporting period. Impairment was recognised on receivables when there was indication of significant change on their credit quality.

17. CASH AND BANK DEPOSITS

	(Unaudited) 30 September 2020 <i>HK\$'000</i>	(Audited) 31 March 2020 <i>HK\$'000</i>
Cash at banks and cash on hand		
Hong Kong Dollar (“HK\$”)	7,925	3,645
United States Dollar (“USD”)	503	104
Euro (“Euro”)	317	136
Renminbi (“RMB”)	12,186	9,400
	<u>20,931</u>	<u>13,285</u>

RMB is currently not a freely convertible currency in the international market. The conversion of RMB into foreign currencies and remittance of RMB out of the PRC are subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

18. TRADE AND OTHER PAYABLES

	(Unaudited) 30 September 2020 <i>HK\$'000</i>	(Audited) 31 March 2020 <i>HK\$'000</i>
Trade payables	39,217	32,111
Other payables	15,425	22,851
Accruals	82	1,599
	<u>54,724</u>	<u>56,561</u>
An aging analysis of the trade payables is as follows:		
Within 3 months	11,597	1,858
3 months to 12 months	–	30,253
Over 12 months	27,620	–
	<u>39,217</u>	<u>32,111</u>

Notes:

- (i) Other payables as at 30 September 2020 mainly include (a) amounts due to an ex-director of the Company and a director of the Company’s subsidiaries of approximately HK\$2,500,000 and HK\$1,794,000 respectively which have no fixed repayment terms and are unsecured and interest-free; and (b) advances from third parties of approximately HK\$7,088,000 which are repayable within 12 months, unsecured and bearing interest at the rate of 12% per annum.
- (ii) Contract liabilities represent advance payments and deposits received from customers in respect of the provision of mobile advertising media services giving rise to the start of contracts until the revenue recognised on each relevant contract exceeds the amount of the advance payment and deposit. These contract liabilities are classified as current because the Group expects the balances to be settled in normal operating cycle within 12 months after the end of the reporting period.

19. CONTRACT LIABILITIES

	(Unaudited) 30 September 2020 <i>HK\$'000</i>	(Audited) 31 March 2020 <i>HK\$'000</i>
Provision of mobile advertising media services	<u>27,123</u>	<u>26,115</u>

When the Group receives deposit before providing advertising display services, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives a deposit on acceptance of a contract.

These contract liabilities are classified as current because the Group expects them to be settled in normal operating cycle within 12 months after the end of the reporting period.

20. LEASE LIABILITIES

The Group had lease liabilities repayable as follows:

	(Unaudited) 30 September 2020		(Audited) 31 March 2020	
	Present value of the minimum lease payments <i>HK\$'000</i>	Total minimum lease payments <i>HK\$'000</i>	Present value of the minimum lease payments <i>HK\$'000</i>	Total minimum lease payments <i>HK\$'000</i>
Within one year	1,415	1,532	1,745	1,903
After one year but within two years	<u>1,584</u>	<u>1,660</u>	<u>2,031</u>	<u>2,164</u>
	<u>2,999</u>	3,192	<u>3,776</u>	4,067
Total future interest expenses		<u>(193)</u>		<u>(291)</u>
Present value of lease liabilities		2,999		3,776
Amount due for settlement within 12 months (shown under current liabilities)		<u>1,415</u>		<u>(1,745)</u>
Amount due for settlement after 12 months (shown under non-current liabilities)		<u>1,584</u>		<u>2,031</u>

21. AMOUNTS DUE TO DIRECTORS/RELATED COMPANIES/NON-CONTROLLING INTERESTS/ A SHAREHOLDER

The amounts due to directors/related companies/non-controlling interests are non-trade nature, unsecured, interest-free and regarded as repayable on demand although there are no fixed repayment terms.

The amount due to a shareholder is non-trade nature, unsecured, interest-free and has no fixed repayment terms. The amounts which the shareholder has no intention to demand for repayment within 12 months after the end of the reporting period are classified as non-current liabilities.

22. SHARE CAPITAL

	Number of shares		Amount	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September	31 March	30 September	31 March
	2020	2020	2020	2020
	'000	'000	HK\$'000	HK\$'000
Ordinary shares of HK\$0.01 each				
Authorised	30,000,000	30,000,000	300,000	300,000
Issued and fully paid	3,252,716	2,778,936	32,527	27,789

On 11 May 2020, 473,780,000 shares were issued and allotted at a subscription price of HK\$0.021 per share pursuant to a subscription agreement entered into by the Company on 27 April 2020 (the "Subscription"). Details of the Subscription have been disclosed in the Company's announcement issued on 27 April 2020.

23. RESERVES

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

The convertible notes equity reserve represents the value of the equity component of unexercised convertible notes issued by the Company with related deferred tax recognised.

The share options reserve represents the fair value of the unexercised share options recognised in accordance with the accounting policy adopted for share-based payments.

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

Other reserve represents difference between the consideration paid and the equity interest acquired in subsidiaries that do not result in a change of control to be dealt with in accumulated losses.

24. RELATED PARTY TRANSACTIONS

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

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Fees, salaries and other benefits	612	666	1,223	1,326

- (b) Amounts due to directors/related companies/non-controlling interests/a shareholder of the Company as at 30 September 2020 and 31 March 2020 are disclosed in the condensed consolidated statement of financial position; other details are disclosed in note 21.

SHARE OPTION SCHEME

The Company has adopted a new 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 (the “2002 Share Option Scheme”), under which selected persons, such as the directors, employees, customers or any individual business or entity providing goods or services, may 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 can be granted under the 2012 Share Option Scheme may 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 is refreshed.

No option was granted under the 2012 Share Option Scheme during the six months ended 30 September 2020.

Movements in the number of share options, granted under the 2012 Share Option Scheme, outstanding and their related weighted average exercise prices are as follows:

Participants	Date of grant	Exercisable period	Exercise price per share	No. of underlying shares comprised in option					As at 30 September 2019
				As at 1 April 2020	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
Employees and others (in aggregate)	4 February 2016	4 February 2016 – 6 January 2026	HK\$0.264	100,800,000	-	-	78,400,000	-	22,400,000

Other than as disclosed above, no other share option was granted, exercised, lapsed or cancelled pursuant to the 2012 Share Option Scheme and none of the Directors or chief executive of the Company or their respective spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations within the meaning of the Securities and Future Ordinance (“SFO”).

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles in and complied with the requirements of the Corporate Governance Code (“CG Code”) as set out in Appendix 15 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) throughout the six months ended 30 September 2019.

BOARD OF DIRECTORS

The Board comprised four executive Directors, namely Mr. Zhang Yanqiang, Ms. Yang Wei, Mr. Guo Zhonghai and Mr. Zhao Xinyan (appointed on 16 October 2020), 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 Dr. Yang Fuyu.

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

BOARD COMMITTEES

The Board has established three committees in accordance with the CG Code, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. These committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice when appropriate and upon request.

Audit Committee

The Audit Committee comprised three independent non-executive Directors, namely Mr. Chung Koon Yan (chairman of the Audit Committee), Ms. Zhao Yongmei and Dr. Yang Fuyu. 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 Ms. Zhang Yanqiang (chairman of the Nomination Committee), and two independent non-executive Directors, namely Ms. Zhao Yongmei and Dr. Yang Fuyu. 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 (appointed on 16 October 2020 when Ms. Ng Mui King, Joky, a non-executive Director, ceased to be a member of the Remuneration Committee), and two independent non-executive Directors, namely Ms. Zhao Yongmei (chairman of the Remuneration Committee) and Dr. Yang Fuyu. The Remuneration Committee reviews and determines the policy for the remuneration of directors and senior management of the Group.

INTERESTS OF DIRECTORS

As at 30 September 2020, the interests and short positions of the Directors or chief executive of the Company in the shares, the underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long Position in Shares and Underlying Shares of the Company

Name of Director	Number of ordinary shares of HK\$0.01 each and the underlying shares			Approximate percentage of the issued share capital of the Company
	Personal interest	Corporate interest	Total number of shares	
Ms. Ng Mui King, Joky	–	337,920,000 (Note)	337,920,000	10.39%

Note: These shares are held by Gold City Assets Holdings Ltd. of which Ms. Ng Mui King, Joky is the beneficial owner.

Save as disclosed above, as at 30 September 2020, none of the Directors and chief executive of the Company had interests and short positions in the shares, the underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 September 2020 was any of the Company or its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTEREST OF SUBSTANTIAL SHAREHOLDERS AND OTHER SHAREHOLDERS

As at 30 September 2020, save as disclosed below, so far is known to the Directors and chief executives of the Company, no person (other than a Director or a chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or, who is directly or indirectly, interested in 5% or more of the issued share capital of the Company.

Long Position in Shares of the Company

Name of shareholder	Capacity	Nature of interest	Total number of ordinary shares of HK\$0.01 each	Approximate percentage of the issued share capital of the Company
Gold City Assets Holdings Ltd. (Note 1)	Beneficial owner	Corporate	337,920,000	10.39%
Ms. Lin Shunping (Note 2)	Beneficial owner	Personal	199,000,000	6.12%
Win Bless Limited (Note 3)	Beneficial owner	Corporate	491,280,000	15.10%

Notes:

1. Gold City Assets Holdings Ltd. is 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.
2. The shares held by Ms. Lin Shunping were issued on 27 March 2020 pursuant to the convertible notes issued by the Company on 30 March 2015.
3. Win Bless Limited is a company incorporated in Hong Kong which is wholly-owned by Mr. Zhao Xinyan who has been appointed as an executive director of the Company on 16 October 2020.

COMPETING INTEREST

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company (as defined in the GEM Listing Rules) nor any of their respective close associates that competes or may compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person has or may have with the Group during the six months ended 30 September 2020.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the six months ended 30 September 2020. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the six months ended 30 September 2020.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding the directors' transaction in securities of the Company. Having made specific enquiry of all Directors, each of the Directors has confirmed that he/she has complied with the required standard of dealings as set out in the adopted code of conduct regarding the directors' securities transaction throughout the six months ended 30 September 2020.

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

Hong Kong, 12 November 2020

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 Company Announcements" 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).