



世大控股有限公司

**GREAT WORLD COMPANY HOLDINGS LTD**

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

**(Stock Code: 8003)**

**FIRST QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE THREE MONTHS ENDED 30 JUNE 2021**

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

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## **HIGHLIGHTS**

- Revenue was approximately HK\$125,446,000 for the three months ended 30 June 2021, compared with the revenue of approximately HK\$107,596,000 for the corresponding period of last year.
- Loss attributable to owners of the Company was approximately HK\$4,432,000 for the three months ended 30 June 2021, versus the loss attributable to owners of the Company of approximately HK\$3,821,000 for the corresponding period of last year.
- The board of directors does not recommend the payment of a quarterly dividend for the three months ended 30 June 2021 (three months ended 30 June 2020: Nil).

## RESULTS

The board of directors of Great World Company Holdings Ltd (the “**Company**”) presents the financial information of the Company and its subsidiaries (the “**Group**”), comprising the condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income of the Group for the three months ended 30 June 2021, all of which are unaudited and in condensed format, (collectively referred to as the “**Unaudited Condensed Financial Statements**”) along with selected explanatory notes and comparative information as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		(Unaudited)	
		Three months ended 30 June	
		2021	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2	<b>125,446</b>	107,596
Cost of sales		<b>(100,635)</b>	(97,021)
Gross profit		<b>24,811</b>	10,575
Other gains/(losses)	3	<b>(10,265)</b>	(5,405)
Loss arising from changes in fair value less costs to sell of biological assets		<b>(377)</b>	(1,118)
Selling and distribution costs		<b>(1,284)</b>	(741)
Administrative and other operating expenses		<b>(11,930)</b>	(5,084)
Finance costs		<b>(29)</b>	(546)
Profit/(loss) before tax	5	<b>926</b>	(2,319)
Income tax	6	<b>(40)</b>	–
<b>Profit/(loss) for the period</b>		<b>886</b>	(2,319)
<b>Profit/(loss) for the period attributable to:</b>			
Owners of the Company		<b>(4,432)</b>	(3,821)
Non-controlling interests		<b>5,318</b>	1,502
		<b>886</b>	(2,319)
			(Restated)
<b>Basic and diluted loss per share</b>	7	<b>(HK1.35)</b>	(HK1.26)
		<b>cents</b>	cents

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

	<b>(Unaudited)</b>	
	<b>Three months ended 30 June</b>	
	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the period	<u>886</u>	<u>(2,319)</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>(377)</u>	<u>1,535</u>
Other comprehensive income/(loss) for the period, net of tax	<u>(377)</u>	<u>1,535</u>
Total comprehensive income/(loss) for the period	<u><b>509</b></u>	<u>(784)</u>
Total comprehensive income/(loss) attributable to:		
Owners of the Company	<u>(7,810)</u>	<u>(1,883)</u>
Non-controlling interests	<u>8,319</u>	<u>1,099</u>
	<u><b>509</b></u>	<u>(784)</u>

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in compliance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and in accordance with the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation adopted in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those applied for the Group’s annual financial statements for the year ended 31 March 2021.

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 2021. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies and results reported for the current or prior accounting periods.

The Group has not applied the new and revised HKFRSs, which have been issued and are not yet effective, but is in the process of assessing their impact on the Group’s results of operations and financial position.

The financial information are unaudited but have been reviewed by the Company’s audit committee.

### 2. REVENUE

	(Unaudited)	
	Three months ended 30 June	
	2021	2020
	HK\$’000	HK\$’000
Provision of mobile advertising media services	124,335	88,035
Sales of agricultural, forestry and consumer products	761	–
Sales of industrial, information technology and other products	4	19,362
Rental income	346	199
	<u>125,446</u>	<u>107,596</u>

### 3. OTHER GAINS/(LOSSES)

	(Unaudited)	
	Three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Bank interest income	4	1
Gain arising from treasury investment	14	–
Government subsidy	–	231
Inventories written down	(8,100)	–
Provision for impairment loss recognised in respect of trade and other receivables	(2,183)	(5,637)
	<u>(10,265)</u>	<u>(5,405)</u>

### 4. SEGMENT INFORMATION

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

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

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

Management monitors the results of the Group's operating segments separately, for the purpose of making decisions about resource allocation and assessment of the Group's performance. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that unallocated income, finance costs and expenses are excluded from such measurement.

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

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

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

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

	(Unaudited)				
	Three months ended 30 June 2021				
	Intelligent advertising and railroad media business HK\$'000	Agricultural, forestry and consumer products business HK\$'000	Supply- chain business HK\$'000	Property business HK\$'000	Total HK\$'000
Revenue from external customers	124,335	761	4	346	125,446
Bank interest income	3	-	-	-	3
Depreciation of property, plant and equipment	(41)	-	(3)	-	(44)
Depreciation of right-of-use assets	(204)	-	-	-	(204)
Loss arising from changes in fair value less costs to sell of biological assets	-	(377)	-	-	(377)
Inventories written down	-	(8,100)	-	-	(8,100)
Provision for impairment loss reversed/ (recognised) in respect of trade and other receivables	(2,196)	-	13	-	(2,183)
Total profit/(loss) of reportable segments	<u>11,679</u>	<u>(8,533)</u>	<u>(57)</u>	<u>152</u>	<u>3,241</u>

	(Unaudited)				
	Three months ended 30 June 2020				
	Intelligent advertising and railroad media business HK\$'000	Agricultural, forestry and consumer products business HK\$'000	Supply- chain business HK\$'000	Property business HK\$'000	Total HK\$'000
Revenue from external customers	88,035	-	19,362	199	107,596
Bank interest income	-	-	-	-	-
Depreciation of property, plant and equipment	-	(1)	(2)	(1)	(4)
Depreciation of right-of-use assets	(184)	-	-	-	(184)
Loss arising from changes in fair value less costs to sell of biological assets	-	(1,118)	-	-	(1,118)
Provision for impairment loss recognised in respect of trade and other receivables	(521)	(5,060)	(56)	-	(5,637)
Total profit/(loss) of reportable segments	<u>5,887</u>	<u>(6,287)</u>	<u>1,197</u>	<u>14</u>	<u>811</u>

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

	(Unaudited)	
	Three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Revenue:		
Total revenue for reportable segments	<u>125,446</u>	<u>107,596</u>
Consolidated revenue	<u><u>125,666</u></u>	<u><u>107,596</u></u>
Total profit for reportable segments	3,241	811
Unallocated corporate income	14	–
Unallocated corporate expenses	<u>(4,181)</u>	<u>(3,130)</u>
Consolidated profit/(loss) before tax	<u><u>926</u></u>	<u><u>(2,319)</u></u>

5. PROFIT/(LOSS) BEFORE TAX

	(Unaudited)	
	Three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Profit/(loss) before tax has been arrived at after charging:		
Staff costs (including directors' remuneration)	4,787	4,008
Cost of inventories sold	100,635	97,021
Depreciation of property, plant and equipment	447	479
Depreciation of right-of-use assets	425	444
Short-term lease payments	<u>203</u>	<u>77</u>



## 6. INCOME TAX

	(Unaudited)	
	Three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Current tax:		
PRC Enterprise Income Tax	40	–
	40	–
Deferred tax	–	–
Income tax expense for the period	<u>40</u>	<u>–</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the three months ended 30 June 2021 and 2020.

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 of the PRC subsidiaries is 25%.

No provision for current tax had been made for the three months ended 30 June 2020 as the Group had no assessable profit from its operations.

## 7. BASIC AND DILUTED LOSS PER SHARE

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

	(Unaudited)	
	Three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
(i) Loss for the period attributable to owners of the Company	<u>(4,432)</u>	<u>(3,821)</u>
	'000	'000 (Restated)*
(ii) Weighted average number of ordinary shares	<u>328,019</u>	<u>304,446</u>

Diluted loss per share for loss attributable to the owners of the Company for the three months ended 30 June 2021 and 2020 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 of the Company as they had an anti-dilutive effect to the basic loss per share for both periods.

\* The weighted average number of ordinary shares for the corresponding period of last year was restated as a result of the Share Consolidation as defined on page 15.

## 8. RESERVES AND NON-CONTROLLING INTERESTS

	Reserves attributable to owners of the Company					Non-controlling interests HK\$'000	Total HK\$'000
	Share premium HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
At 1 April 2020 (audited)	275,467	10,362	(9,849)	(224,552)	51,428	43,904	95,332
Total comprehensive income/(loss) for the period (unaudited)	-	-	1,938	(3,821)	(1,883)	1,099	(784)
Lapse of share options (unaudited)	-	(8,059)	-	8,059	-	-	-
Subscription of new shares (unaudited)	5,211	-	-	-	5,211	-	5,211
At 30 June 2020 (unaudited)	<u>280,678</u>	<u>2,303</u>	<u>(7,911)</u>	<u>(220,314)</u>	<u>54,756</u>	<u>45,003</u>	<u>99,759</u>
	Reserves attributable to owners of the Company					Non-controlling interests HK\$'000	Total HK\$'000
	Share premium HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
At 1 April 2021 (audited)	280,678	2,303	(1,495)	(238,592)	42,894	38,256	81,150
Total comprehensive income/(loss) for the period (unaudited)	-	-	(3,378)	(4,432)	(7,810)	8,319	509
Placing of new shares (unaudited)	4,500	-	-	-	4,500	-	4,500
At 30 June 2021 (unaudited)	<u>285,178</u>	<u>2,303</u>	<u>(4,873)</u>	<u>(243,024)</u>	<u>39,584</u>	<u>46,575</u>	<u>86,159</u>

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

The 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.

## 9. RELATED PARTY TRANSACTIONS

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

	(Unaudited)	
	Three months ended 30 June	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Fees, salaries and other benefits	<u>609</u>	<u>611</u>

## 10. DIVIDEND

The board of directors of the Company (the "Board") does not recommend the payment of a quarterly dividend for the three months ended 30 June 2021 (three months ended 30 June 2020: Nil).

## 11. PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 7 April 2021, the Company entered into a conditional placing agreement pursuant to which the Company had agreed to issue and allot 50,000,000 new shares (before the Share Consolidation as defined on page 15) at the placing price of HK\$0.10 per placing share (the "Placing of Shares"). The Placing of Shares was completed on 12 May 2021 and generated a net proceeds of approximately HK\$4,810,000 to be used as general working capital.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

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

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

– Railroad Media Business

The Group will continue to offer railroad media services, on-board services, food and beverage on train and inside station, and explore opportunities to expand our product offering. This channel remains to be of critical importance to increase cost effectively brand exposure and reach a high number of potential customers due to the massive traffic.

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

For the three months ended 30 June 2021, a revenue of approximately HK\$124,335,000 was generated from the provision of intelligent advertising and railroad media services.

### ***Agricultural, Forestry and Consumer Products Business***

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

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

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

For the three months ended 30 June 2021, revenue generated from the sales of agricultural, forestry and consumer products was approximately HK\$761,000. The Group will gradually shift its focus from growing agricultural and forestry products to building its brand on various online selling platforms on a growing portfolio of own-brand products.

### ***Supply-chain Business***

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

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

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

For the three months ended 30 June 2021 which was in a transitional period in shifting product lines, a total revenue of approximately HK\$4,000 was generated from the supply-chain business.

## ***Property Business***

The Group owns a property which comprises a residential and commercial development site with a site area of approximately 3,111.96 square meters (“**sq.m.**”) located at Leshan City, Sichuan Province, the PRC. The property has a gross floor area of approximately 27,134.36 sq.m. (inclusive of a basement floor) and comprises 4 different types of functions, namely residential, commercial, basement car park and facilities.

The leasing of the commercial portion of the property has commenced and the Group 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 three months ended 30 June 2021, revenue derived from short-term leasing of the commercial portion of the property was approximately HK\$346,000.

## **OUTLOOK**

The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. Slower-than-anticipated vaccine rollout would allow the virus to mutate further. Financial conditions could tighten rapidly. A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook’s baseline.

Differences in the strength of economic recovery across countries are being driven by the extent of government support to vulnerable workers and businesses, by a country’s dependency on particular sectors such as tourism, as well as by public health and vaccination policies. Trade is also playing a role. Consumers have been spending less on services and more on goods since the pandemic began. The pick-up in merchandise trade has benefited countries heavily involved in supply chains, particularly pharmaceuticals, medical supplies and IT material.

The COVID has shifted the consumers habits from offline to online and the trend continues to grow. Consumer acceptance of digital solutions for online shopping is growing in countries with more developed e-commerce infrastructures, including the USA, Germany, India, Japan, Korea and China. Under this background of total digitalization, the Group will continue to contribute to the digital transformation of enterprises by providing businesses with AI powered intelligent advertising services.

Even with a slower than anticipated recovery, there are high growth opportunities in some industries, particularly those revolving around NEV and batteries. The Group will also keep growing its supply-chain solution business by optimizing its product portfolio. The Group is seeking technology investment opportunities that would enable to tap into promising market segments and get involved directly in the manufacturing phase upstream and the distribution and retail downstream to secure a larger share of the profit while leveraging its digital marketing experience and technological capabilities. A key direction would be to develop cross border e-commerce channels to extend its reach to overseas market, especially in the South East Asian region.

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

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2021, the Group's cash and bank deposits amounted to approximately HK\$9,743,000 which has decreased by approximately 21.7% when comparing with the cash and bank deposits of approximately HK\$12,439,000 as at 31 March 2021. As at 30 June 2021, the Group had net current assets of approximately HK\$32,397,000 (31 March 2021: HK\$27,822,000).

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

Most of the trading transactions, assets and liabilities of the Group were currently denominated in Hong Kong dollars, United States Dollars and Renminbi. The Group did not experience any material difficulties on its operations or liquidity as a result of fluctuation in currency exchange rates during the period under review. As at 30 June 2021, the Group had no foreign exchange contracts, interest of currency swaps or other financial derivatives for hedging purpose. The Group is closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should the need arise.

The share capital of the Company as at 30 June 2021 is as follows:

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

On 5 May 2021, the board of directors of the Company proposed to implement a share consolidation on the basis that every ten issued and unissued existing shares of HK\$0.01 each in the share capital of the Company be consolidated into one consolidated share of HK\$0.1 each (the “**Share Consolidation**”), further details of which are disclosed in the Company's announcement dated 5 May 2021. The Share Consolidation was approved by shareholders of the Company at an extraordinary general meeting held on 17 June 2021.

On 12 May 2021, 50,000,000 new shares (before the Share Consolidation) were issued and allotted at the placing price of HK\$0.10 per placing share pursuant to a conditional placing agreement entered into by the Company on 7 April 2021 (the “**Placing of Shares**”). Details of the Placing of Shares have been disclosed in the Company’s announcement issued on 7 April 2021.

## **DEBT-TO-EQUITY RATIO**

The Group’s debt-to-equity ratio, which was defined as the ratio of net debt (borrowings less cash and cash equivalents) to equity, was approximately 43% as at 30 June 2021 (31 March 2021: 78%). The decrease in debt-to-equity ratio as at 30 June 2021 as compared to that of 31 March 2021 is mainly attributable to the decrease in cash and bank deposits.

## **CONTINGENT LIABILITIES**

As at 30 June 2021, the Group did not have any material contingent liabilities (31 March 2021: Nil).

## **RESULTS OF OPERATIONS**

For the three months ended 30 June 2021, the Group recorded a total revenue of approximately HK\$125,446,000, representing an increase of approximately 16.6% as compared with a total revenue of approximately HK\$107,596,000 for the corresponding period of last year, mainly attributable to the increase in revenue generated from the intelligent advertising business.

Loss attributable to owners of the Company was approximately HK\$4,432,000 for the three months ended 30 June 2021, which was approximately 16% higher than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$3,821,000 due to, among others, the increase in (i) administrative and other operating expenses; and (ii) other losses on inventories written down in relation to damage to agricultural products caused by heavy downpour in China.

## **OTHER INFORMATION**

### **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, 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 three months ended 30 June 2021.

Movements in the number of share options granted under the 2012 Share Option Scheme are as follows:

Participants	Date of grant	Exercisable period	Exercise price per share (Adjusted)*	No. of underlying shares comprised in option					
				As at 1 April 2021 (Restated)*	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding at 30 June 2021
Employees and others (in aggregate)	4 February 2016	4 February 2016 – 6 January 2026	HK\$2.64	2,240,000	-	-	-	-	2,240,000

Save as disclosed above, during the three months ended 30 June 2021, 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”).

\* The exercise price per share was adjusted and the number of underlying shares comprised in option as at 1 April 2021 was stated as a result of the Share Consolidation as defined on page 15.

## CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles in and complied with the requirements of the Corporate Governance Code (“CG Code”) as set out in Appendix 15 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) throughout the three months ended 30 June 2021.

## BOARD OF DIRECTORS

The board of directors (the “Board”) of the Company comprised four executive Directors, namely Mr. Zhang Yanqiang, Ms. Yang Wei, Mr. Gu Zhonghai and Mr. Zhao Xinyan, one non-executive Director, namely Ms. Ng Mui King, Joky (chairman of the Board), and three independent non-executive Directors, namely Mr. Chung Koon Yan, Ms. Zhao Yongmei and 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 Nomination Committee and the Remuneration Committee. These committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice when appropriate and upon request.

### **AUDIT COMMITTEE**

The Audit Committee comprised three independent non-executive Directors, namely Mr. Chung Koon Yan (chairman of the Audit Committee), Ms. Zhao Yongmei and 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 Mr. Zhang Yangqiang (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, 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 June 2021, the interests and short positions of the Directors or chief executive of the Company in the shares, the underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

## LONG POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of Directors	Number of ordinary shares of HK\$0.10 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	–	33,792,000 (Note 1)	33,792,000	10.23%
Mr. Zhao Xinyan	1,750,000	47,378,000 (Note 2)	49,128,000	14.88%

### Notes:

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

Save as disclosed above, as at 30 June 2021, none of the Directors and chief executive of the Company had interests and short positions in the shares, the underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the three months ended 30 June 2021 was any of the Company or its subsidiaries a party to any arrangements to enable the Directors or chief executives (including their spouses or children under 18 years of age) of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## INTEREST OF SUBSTANTIAL SHAREHOLDERS AND OTHER SHAREHOLDERS

As at 30 June 2021, 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 positions in shares of the Company

Name of shareholder	Capacity/Nature of interest	Total number of ordinary shares of HK\$0.10 each	Approximate percentage of the issued share capital of the Company
Gold City Assets Holdings Ltd.	Beneficial owner/Corporate	33,792,000 (Note 1)	10.23%
Ms. Ng Mui King, Joky	Interest in a controlled corporation	33,792,000 (Note 1)	10.23%
Ms. Lin Shunping	Beneficial owner/Personal	19,900,000 (Note 2)	6.03%
Win Bless Limited	Beneficial owner/Corporate	47,378,000 (Note 3)	14.35%
Mr. Zhao Xinyan	Interest in a controlled corporation	47,378,000 (Note 3)	14.35%
	Beneficial owner/Personal	1,750,000	0.53%

#### Notes:

1. These shares are held by Gold City Assets Holdings Ltd., a company incorporated in the British Virgin Islands of which the issued share capital is beneficially owned by Ms. Ng Mui King, Joky, a non-executive Director of the Company.
2. These shares were issued to Ms. Lin Shunping on 27 March 2020, pursuant to the convertible notes issued by the Company on 30 March 2015.
3. These shares are held by Win Bless Limited, a company incorporated in Hong Kong of which the issued share capital is beneficially owned by Mr. Zhao Xinyan, an executive Director of the Company.

## COMPETING INTEREST

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company (as defined in the GEM Listing Rules) nor any of their respective close associates that competes or may compete, either directly or indirectly, with the business of the Group or, of any other conflicts of interest which any such person has or may have with the Group during the three months ended 30 June 2021.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company has not redeemed any of its shares during the three months ended 30 June 2021. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the three months ended 30 June 2021.

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding the directors' securities transaction in securities of the Company. Having made specific enquiry of all Directors, each of the Directors has confirmed that he/she has complied with the required standard of dealings as set out in the adopted code of conduct regarding the directors' securities transaction throughout the three months ended 30 June 2021.

The Audit Committee has reviewed the Unaudited Condensed Financial Statements of the Group for the three months ended 30 June 2021.

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

Hong Kong, 12 August 2021

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

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