



中國萬天控股有限公司

CHINA WANTIAN HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1854



2023

Interim Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Hooy Kok Wai (*Chairman*)
Mr. Zhong Xueyong
(*Vice-chairman and Chief Executive Officer*)
(*appointed as Vice-chairman on 11 October 2023*)
Mr. Liu Chi Ching
(*resigned as Vice-chairman on 11 October 2023*)

Independent non-executive Directors

Ms. Lui Choi Yiu Angela
Mr. Siu Chun Pong Raymond
Mr. Lam Chi Wing
Mr. Leung Sui Chung
(*resigned on 29 September 2023*)

BOARD COMMITTEES

Audit committee

Ms. Lui Choi Yiu Angela (*Chairman*)
Mr. Siu Chun Pong Raymond
Mr. Lam Chi Wing
Mr. Leung Sui Chung
(*ceased on 29 September 2023*)

Nomination committee

Dr. Hooy Kok Wai (*Chairman*)
Ms. Lui Choi Yiu Angela
Mr. Siu Chun Pong Raymond
Mr. Lam Chi Wing
Mr. Leung Sui Chung
(*ceased on 29 September 2023*)

Remuneration committee

Mr. Lam Chi Wing (*Chairman*)
(*appointed as Chairman on 29 September 2023*)
Mr. Liu Chi Ching
Ms. Lui Choi Yiu Angela
Mr. Siu Chun Pong Raymond
Mr. Leung Sui Chung
(*ceased on 29 September 2023*)

COMPANY SECRETARY

Mr. Lau Yau Chuen Louis

AUTHORISED REPRESENTATIVES

Mr. Liu Chi Ching
Mr. Lau Yau Chuen Louis

AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
25/F, Wing On Centre
111 Connaught Road Central
Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAW

K. B. Chau & Co.
Unit B, 31/F & Unit A2, 32/F, United Centre
No. 95 Queensway, Admiralty
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2106, 21/F
Exchange Tower
33 Wang Chiu Road, Kowloon Bay
Hong Kong

PRINCIPAL PLACES OF BUSINESS IN THE PRC

Room 2211, 22/F, T7
One Shenzhen Bay
No. 3008 Zhongxin Road, Nanshan District
Shenzhen, the PRC

Block A, 4/F, Wangu Plaza
No. 10 Xinglong Road, Shagang, East District
Zhongshan, the PRC

PRINCIPAL BANKS

OCBC Wing Hang Bank Limited
Bank of China (Hong Kong) Limited

STOCK CODE

1854

COMPANY WEBSITE

www.cwth.com.hk

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The board (the “**Board**”) of directors (the “**Directors**”) of China Wantian Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2023, together with the comparative figures for the corresponding period as follows:

For the six months ended 30 September 2023

	Notes	Unaudited Six months ended 30 September 2023 HK\$'000	2022 HK\$'000
Revenue	5	128,734	68,747
Cost of sales	7	(108,025)	(53,847)
Gross profit		20,709	14,900
Other income and gain	6	117	1,626
Selling expenses		(1,160)	(419)
Administrative expenses	7	(31,602)	(22,511)
Impairment losses under expected credit loss model	7	(3,386)	(802)
Operating loss		(15,322)	(7,206)
Finance income	8	134	36
Finance costs	8	(854)	(347)
Finance costs – net	8	(720)	(311)
Share of profit of a joint venture		–	9
Loss before income tax		(16,042)	(7,508)
Income tax expense	9	(211)	(584)
Loss for the period		(16,253)	(8,092)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		96	154
Total comprehensive expense for the period		(16,157)	(7,938)
Loss for the period attributable to:			
– Owners of the Company		(16,253)	(8,092)
– Non-controlling interests		–	–
		(16,253)	(8,092)
Total comprehensive expense for the period attributable to:			
– Owners of the Company		(16,157)	(7,938)
– Non-controlling interests		–	–
		(16,157)	(7,938)
Basic and diluted loss per share attributable to equity holders of the Company (expressed in HK cents per share)	10	(0.93)	(0.53)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	Unaudited As at 30 September 2023 HK\$'000	Audited As at 31 March 2023 HK\$'000
Non-current assets			
Property, plant and equipment	12	35,874	38,054
Right-of-use assets	13	55,216	52,991
Goodwill		42,752	42,752
Deposits, prepayments and other receivables	14	34	9
		133,876	133,806
Current assets			
Inventories		1,998	2,972
Trade receivables	14	41,208	41,012
Deposits, prepayments and other receivables	14	15,803	7,407
Amounts due from related parties		1,725	718
Cash and cash equivalents		93,327	30,415
		154,061	82,524
Current liabilities			
Trade payables	17	2,974	12,137
Accruals and other payables	17	2,709	4,006
Borrowings	16	11,638	13,350
Loans from the intermediate holding company		–	13,000
Amounts due to related parties		612	1,216
Current income tax liabilities		2,049	2,964
Lease liabilities	13	7,626	4,130
Contingent consideration payable		30,486	15,661
		58,094	66,464
Non-current liabilities			
Deferred tax liabilities		1,940	2,068
Lease liabilities	13	4,650	5,625
Contingent consideration payable		–	30,486
		6,590	38,179
Net current assets		95,967	16,060
Net assets		223,253	111,687
Capital and reserves			
Share capital	15	19,122	15,475
Reserves		204,131	96,212
Equity attributable to equity holders of the Company		223,253	111,687
Non-controlling interests		–	–
Total equity		223,253	111,687

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to equity holders of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	
As at 1 April 2022 (Audited)	15,120	82,151	100	–	–	22,653	120,024
Loss for the period	–	–	–	–	–	(8,092)	(8,092)
Exchange differences arising from translation of foreign operations	–	–	–	–	154	–	154
Total comprehensive expense	–	–	–	–	154	(8,092)	(7,938)
Recognition of equity-settled share-based payments	–	–	–	3,829	–	–	3,829
Issue of new shares upon exercise of share options	264	10,854	–	(2,682)	–	–	8,436
As at 30 September 2022 (Unaudited)	15,384	93,005	100	1,147	154	14,561	124,351
As at 1 April 2023 (Audited)	15,475	97,860	100	3,211	116	(5,075)	111,687
Loss for the period	–	–	–	–	–	(16,253)	(16,253)
Other comprehensive expense: Exchange differences arising from translation of foreign operations	–	–	–	–	96	–	96
Total comprehensive expense	–	–	–	–	96	(16,253)	(16,157)
Recognition of equity-settled share-based payments	–	–	–	1,320	–	–	1,320
Issue of new shares upon exercise of share options	277	10,885	–	(2,732)	–	–	8,430
Issue of new shares upon rights issue	3,095	99,217	–	–	–	–	102,312
Issue of new shares in consideration for the acquisition of the issued share capital of a subsidiary	275	15,386	–	–	–	–	15,661
As at 30 September 2023 (Unaudited)	19,122	223,348	100	1,799	212	(21,328)	223,253

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Unaudited	
	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Operating activities		
Cash used in operations	(26,213)	(9,508)
Income tax paid	(1,253)	–
	<hr/>	<hr/>
Net cash used in operating activities	(27,466)	(9,508)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Investing activities		
Purchases of property, plant and equipment	(1,832)	(5,649)
Interest received	134	36
	<hr/>	<hr/>
Net cash used in investing activities	(1,698)	(5,613)
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Financing activities		
Proceeds from issue of new shares upon rights issue, net of transaction costs	102,312	–
Repayment of bank borrowings	(1,712)	(8,584)
Repayment of loan from the intermediate holding company	(13,000)	–
Repayment of lease liabilities	(3,252)	(1,188)
Interest paid	(854)	(347)
Proceeds from issue of new shares upon exercise of share options	8,430	8,436
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	91,924	(1,683)
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Net increase/(decrease) in cash and cash equivalents	62,760	(16,804)
Cash and cash equivalents at the beginning of the period	30,415	44,958
Effect of foreign exchange rate changes	152	360
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	93,327	28,514
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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at Suite 2106, 21/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong.

The Company is an investment holding company and its principal subsidiaries are engaged in (i) green food supply; (ii) green catering services; and (iii) environmental protection and technology services.

In the opinion of the Directors, Ace Source Holdings Limited (“**Ace Source**”), a company incorporated in the British Virgin Islands (“**BVI**”), is the immediate parent and Wise Global Holding Limited, a company incorporated in the BVI, is the ultimate parent of the Company.

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand (HK\$’000), unless otherwise stated.

2 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2023 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the disclosure requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Hong Kong Companies Ordinance (Cap. 622). The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 March 2023.

The accounting policies used in preparing the interim financial statements are consistent with those of the previous financial year, except for the amended HKFRSs issued by the Hong Kong Institute of Certified Public Accountants which have become effective in this period as per below:

Standard	Subject of amendment
HKFRS 17	Insurance Contracts and the related Amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rule

The adoption of the above amended standards does not have significant financial effect to the condensed consolidated financial statements.

3 ESTIMATES

The preparation of the unaudited condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the unaudited condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the year ended 31 March 2023.

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. There have been no changes in the risk management policies since the year ended 31 March 2023.

5 SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Directors that make strategic decisions.

The Group has 3 reportable segments, namely (i) green food supply; (ii) green catering services; and (iii) environmental protection and technology services.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments for the six months ended 30 September 2023 and 2022, respectively:

	Green food supply		Green catering services		Environmental protection and technology services		Total	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Segment revenue								
Revenue from external customers	119,917	67,931	8,127	672	690	144	128,734	68,747
Segment profit	17,686	14,621	2,879	262	144	17	20,709	14,900
Unallocated corporate income							-	22
Unallocated corporate expenses							(13,007)	(12,380)
Finance costs – net							(720)	(311)
Share of profit of a joint venture							-	9
Loss before income tax							(16,042)	(7,508)
Income tax expense							(211)	(584)
Loss for the period							(16,253)	(8,092)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during these periods.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment results represent the profit earned or loss incurred by each segment without allocation of central administration expenses and income, finance costs – net and share of profit of a joint venture. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments as at 30 September 2023 and 31 March 2023, respectively:

	Green food supply		Green catering services		Environmental protection and technology services		Total	
	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
Assets before following items:								
Goodwill	152,551	148,414	17,506	16,484	191	133	170,248	165,031
	42,752	42,752	-	-	-	-	42,752	42,752
Segment assets	195,303	191,166	17,506	16,484	191	133	213,000	207,783
Unallocated assets							74,937	8,547
Consolidated assets							287,937	216,330
Segment liabilities	48,818	76,788	10,092	7,217	69	72	58,979	84,077
Unallocated liabilities							5,705	20,566
Consolidated liabilities							64,684	104,643

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments except for certain assets which are managed on a group basis; and all liabilities are allocated to reportable segments except for certain financial liabilities which are managed on a group basis.

(c) Information about major customers

Revenue from customer contributing over 10% of the total revenue of the Group for the six months ended 30 September 2023 and 2022 is as follows:

	Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000
Customer A from green food supply segment	33,215	-

(d) Geographical information

The Group's operations are located in both Hong Kong and the People's Republic of China (the "PRC").

The following is a geographical analysis of the Group's revenue from external customers (based on where the goods are sold and the services are provided) and non-current assets (based on the geographical location of the assets):

	Revenue from external customers		Non-current assets	
	Six months ended 30 September 2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Hong Kong	68,261	67,931	73,676	73,261
The PRC	60,473	816	60,200	60,545
	128,734	68,747	133,876	133,806

6 OTHER INCOME AND GAIN

	Unaudited	
	Six months ended 30 September 2023 HK\$'000	2022 HK\$'000
Government grants (Note)	–	1,388
Sundry income	117	288
	117	1,626

Note: The amount represented government grants received from the Employment Support Scheme and other programmes under the Anti-Epidemic Fund in relation to the outbreak of novel coronavirus ("COVID-19"). There are no unfulfilled conditions or other contingents attached to the grants.

7 EXPENSES BY NATURE

	Unaudited	
	Six months ended 30 September 2023 HK\$'000	2022 HK\$'000
Cost of inventories	93,492	39,713
Employee benefit expenses	19,267	15,968
Employee benefit expenses – including Directors' emoluments	17,947	12,139
Share-based payment expenses	1,320	3,829
Commission	198	168
Auditor's remuneration	68	68
Depreciation of property, plant and equipment (Note 12)	3,591	2,071
Depreciation on right-of-use assets	3,861	2,161
Operating leases (short-term lease)	226	313
Transportation expenses	7,296	6,579
Impairment losses under expected credit loss model	3,386	802
Professional and consulting fees	855	1,106

8 FINANCE COSTS – NET

	Unaudited	
	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Interest expense on bank borrowings	330	187
Interest expense on loan from the intermediate holding company	171	–
Interest expense on lease liabilities	353	160
	<hr/>	
Finance costs	854	347
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Interest income	(134)	(36)
	<hr style="border-top: 1px dashed red;"/>	
Finance costs – net	720	311
	<hr/>	

9 INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

The Hong Kong Profits Tax is calculated at the rate of 16.5% (six months ended 30 September 2022: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of qualified entity's assessable profits which is calculated at 8.25%, which is in accordance with the two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

The amount of income tax expense charged to the unaudited condensed consolidated statement of comprehensive income represents:

	Unaudited	
	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Current income tax – Current period	338	383
Deferred income tax	(127)	201
	<hr/>	
Income tax expense	211	584
	<hr/>	

10 LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

Basic loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Unaudited	
	Six months ended 30 September	
	2023	2022
Loss for the period attributable to equity holders of the Company (HK\$'000)	(16,253)	(8,092)
	<hr/>	
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,746,455,308	1,520,934,317
	<hr/>	
Basic and diluted loss per share (HK cents)	(0.93)	(0.53)
	<hr/>	

The Group did not have any dilutive potential ordinary shares in issue during the six months ended 30 September 2023 and 2022. Accordingly, the diluted loss per share was the same as the basic loss per share in both periods.

The diluted loss per share is the same as the basic loss per share for the six months ended 30 September 2023 as the impact of the dilution of the share options and the contingent consideration shares payable are anti-dilutive.

11 DIVIDENDS

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

12 PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Unaudited					
Six months ended					
30 September 2023					
Net book value as at 1 April 2023	16,794	15,871	4,126	1,263	38,054
Additions	–	555	516	761	1,832
Depreciation (Note 7)	(318)	(1,887)	(827)	(559)	(3,591)
Exchange alignment	–	(293)	(128)	–	(421)
Net book value as at 30 September 2023	16,476	14,246	3,687	1,465	35,874
Audited					
Year ended					
31 March 2023					
Net book value as at 1 April 2022	17,429	9,481	2,038	2,251	31,199
Additions	–	8,816	3,357	–	12,173
Depreciation	(635)	(2,426)	(1,269)	(988)	(5,318)
Net book value as at 31 March 2023	16,794	15,871	4,126	1,263	38,054

13 LEASES

(a) Amounts recognised in the condensed consolidated statement of financial position

The condensed consolidated statement of financial position shows the following amounts relating to leases:

	Unaudited As at 30 September 2023 HK\$'000	Audited As at 31 March 2023 HK\$'000
Right-of-use assets		
Leasehold lands	42,486	43,382
Buildings	10,953	9,609
Motor vehicles	1,777	–
	55,216	52,991
Lease liabilities		
Current	7,626	4,130
Non-current	4,650	5,625
	12,276	9,755

During the six months ended 30 September 2023, additions to the right-of-use assets were approximately HK\$7,357,000 (six months ended 30 September 2022: HK\$3,899,000).

(b) Amounts recognised in the condensed consolidated statement of comprehensive income

The statement shows the following amounts relating to leases:

	Unaudited Six months ended 30 September 2023 HK\$'000	2022 HK\$'000
Depreciation charge of right-of-use assets		
Leasehold lands	896	896
Buildings	2,871	1,265
Motor vehicles	94	–
	3,861	2,161
Interest expenses (included in finance costs)	301	160
Expenses relating to short-term leases (included in cost of sales, selling expenses and administrative expenses)	226	313

The total cash outflow of leases for the six months ended 30 September 2023 was approximately HK\$3,779,000 (six months ended 30 September 2022: approximately HK\$1,188,000).



14 TRADE RECEIVABLES AND DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Unaudited As at 30 September 2023 HK\$'000	Audited As at 31 March 2023 HK\$'000
Trade receivables (Note (a))		
– Related parties	–	–
– Third parties	41,208	41,012
	41,208	41,012
Other prepayments	8,449	4,798
Other receivables	4,872	1,561
Deposits	2,516	1,057
	15,837	7,416
Less: non-current portion: deposits, prepayments and other receivables	(34)	(9)
Deposits, prepayments and other receivables included in current assets	15,803	7,407

Note:

(a) Trade receivables

	Unaudited As at 30 September 2023 HK\$'000	Audited As at 31 March 2023 HK\$'000
Trade receivables	60,265	56,683
Less: loss allowance	(19,057)	(15,671)
	41,208	41,012

The carrying amounts of trade receivables approximate their fair values and are denominated in HK\$.

The Group normally grants credit terms to its customers ranging from 0 to 120 days (31 March 2023: 0 to 120 days). The ageing analysis of the trade receivables based on invoice dates is as follows:

	Unaudited As at 30 September 2023 HK\$'000	Audited As at 31 March 2023 HK\$'000
1 to 30 days	22,788	33,201
31 to 60 days	2,573	3,166
61 to 90 days	4,447	1,627
91 to 120 days	2,481	929
Over 120 days	27,976	17,760
	<hr/>	
Total	60,265	56,683
	<hr/>	

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the days past due.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables mentioned above. The Group does not hold any collateral as security.

15 SHARE CAPITAL

Ordinary shares of HK\$0.01 each	Number of shares (in thousand)	Nominal amount HK\$'000
Authorised:		
At 31 March 2023 and 30 September 2023	2,000,000	20,000
	<hr/>	
Issued and fully paid:		
At 31 March 2023	1,547,520	15,475
Issue of new shares upon rights issue	309,504	3,095
Issue of new shares upon exercise of share options	27,700	277
Issue of new shares in consideration for the acquisition of the issued share capital of a subsidiary	27,490	275
	<hr/>	
At 30 September 2023	1,912,214	19,122
	<hr/>	



16 BORROWINGS

	Unaudited As at 30 September 2023 HK\$'000	Audited As at 31 March 2023 HK\$'000
Current, secured		
Bank borrowings due for repayment within 1 year which contain a repayment on demand clause (Note)	3,518	3,469
Bank borrowings due for repayment after 1 year which contain a repayment on demand clause (Note)	8,120	9,881
Total borrowings	11,638	13,350

Note: As at 30 September 2023, bank borrowings of approximately HK\$11,638,000 (31 March 2023: approximately HK\$13,350,000) are secured by buildings and right-of-use assets for the carrying amounts of approximately HK\$5,948,000 and approximately HK\$36,324,000 respectively (31 March 2023: approximately HK\$6,073,000 and approximately HK\$37,089,000 respectively) and corporate guarantee provided by the Company.

All bank borrowings contain a repayment on demand clause, which are carried at amortised cost.

17 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	Unaudited As at 30 September 2023 HK\$'000	Audited As at 31 March 2023 HK\$'000
Trade payables (Note (a))		
– Related parties	–	65
– Third parties	2,974	12,072
	2,974	12,137
Other payables and accruals		
– Accruals for staff costs	2,181	2,214
– Other accruals and other payables	528	1,792
	2,709	4,006
	5,683	16,143

Note:

(a) Trade payables

The ageing analysis of the trade payables based on invoice dates is as follows:

	Unaudited As at 30 September 2023 HK\$'000	Audited As at 31 March 2023 HK\$'000
0 to 30 days	969	8,535
31 to 60 days	4	1,411
61 to 90 days	34	1,456
91 to 120 days	1,967	735
	2,974	12,137

The carrying amounts of the Group's trade payables approximate their fair values.

18 COMMITMENTS

The Group has no material commitments as at 30 September 2023 and 31 March 2023.

19 SHARE OPTION SCHEME

The share option scheme of the Company (the "**Share Option Scheme**") was adopted pursuant to the resolutions passed on 26 September 2016. The purpose of the Share Option Scheme is to, among others, recognise the eligible participants for their contribution to the Group, and retain and provide incentives for them to promote the success of the Group's business. The Share Option Scheme will remain in force for a period of ten years commencing on 26 September 2016 and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders at a general meeting of the Company.

Pursuant to the terms of the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the total number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme must not exceed 10% of the total number of the Company's issued shares as at the date of adopting the Share Option Scheme. The principal terms of the Share Option Scheme are set out in the annual report of the Company for the year ended 31 March 2023.

During the six months ended 30 September 2023, no share options were granted under the Share Option Scheme. Details of the outstanding share options granted under the Share Option Scheme and their movements during the six months ended 30 September 2023 are set out below:

Name or category of participants	Date of grant	As at 1 April 2023	Adjusted after the rights issue ¹	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	As at 30 September 2023	Exercisable period	Exercise price prior to the rights issue (HK\$)	Exercise price after the rights issue ¹ (HK\$)
Directors and substantial shareholders										
Dr. Hooy Kok Wai ¹ ("Dr. Hooy")	13/04/2022	30,000,000	1,546,391	-	(15,770,000)	-	15,776,391	01/07/2022 to 30/06/2025	0.320	0.3043
Mr. Zhong Xueyong ¹ ("Mr. Zhong")	13/04/2022	15,340,000	790,721	-	(8,060,000)	-	8,070,721	01/07/2022 to 30/06/2025	0.320	0.3043
Subtotal		45,340,000	2,337,112	-	(23,830,000)	-	23,847,112			
Employee participants ²	13/04/2022	7,400,000	381,439	-	(3,670,000)	-	3,911,439	13/04/2022 to 12/04/2025	0.320	0.3043
Total		52,740,000	2,718,551	-	(27,700,000)	-	27,758,551			
Exercisable at the end of the period		-	-	-	-	-	-			
Weighted average exercise price		N/A	N/A	N/A	0.3043	N/A	0.3043			
Weighted average share price at dates of exercise		N/A	N/A	N/A	0.69	N/A	N/A			

Notes:

- The share options were conditionally granted to Dr. Hooy and Mr. Zhong, who are executive Directors and substantial shareholders of the Company, on 13 April 2022 and approved at the extraordinary general meeting of the Company held on 8 June 2022. They are vested and exercisable as to (i) the first one third from 1 July 2022 to 30 June 2025 without being subject to any performance target; (ii) the next one third from 1 July 2023 to 30 June 2025 only if the audited revenue of the Group for the year ended 31 March 2023 is no less than 120% of the audited revenue of the Group for the year ended 31 March 2022; and (iii) the remaining one third from 1 July 2024 to 30 June 2025 only if the audited revenue of the Group for the year ending 31 March 2024 is no less than 140% of the audited revenue of the Group for the year ended 31 March 2022 (the "**Vesting Condition**").

Given the change of the financial year end date of the Company from 31 March to 31 December, adjustments to the Vesting Condition were approved at the extraordinary general meeting of the Company held on 21 November 2023, of which the remaining one third of the outstanding share options are vested and exercisable by Dr. Hooy and Mr. Zhong from 13 April 2024 to 12 April 2025 only if the annualised figure of the audited revenue of the Group for the nine months ending 31 December 2023 is no less than 140% of the audited revenue of the Group for the year ended 31 March 2022.

2. The share options were granted to employees of the Company. They are vested and exercisable without being subject to any performance target as to (i) the first one third from 13 April 2022 to 12 April 2025; (ii) the next one third from 13 April 2023 to 12 April 2025; and (iii) the remaining one third from 13 April 2024 to 12 April 2025.
3. As disclosed in the announcement of the Company dated 12 June 2023, upon completion of a rights issue on the basis of one rights share for every five existing shares then held on the record date on 18 May 2023 (the "**Rights Issue**"), the number of outstanding share options and the exercise price in respect of the share options granted on 13 April 2022 have been adjusted effective on 13 June 2023.
4. The weighted average closing price per share immediately before the respective dates on which the share options were exercised was approximately HK\$0.68.
5. No share options granted were cancelled or lapsed during the six months ended 30 September 2023.
6. None of the grants of share options to the employees of the Company is in excess of the 1% individual limit.
7. The total number of share options available for grant under the scheme mandate of the Share Option Scheme as at 1 April 2023 and 30 September 2023 were 48,900,000 and 46,181,449, respectively.
8. The total number of shares that may be issued in respect of the share options granted under all schemes of the Company during the period divided by the weighted average number of shares in issue for the period was 1.59%.
9. On 11 October 2023, the Board resolved to grant 46,180,000 share options at the exercise price of HK\$0.93 per share to 17 eligible persons under the Share Option Scheme, of which 24,000,000 share options and 12,200,000 share options conditionally granted to Dr. Hooy and Mr. Zhong, respectively, were approved at the extraordinary general meeting of the Company held on 21 November 2023 in accordance with Rule 17.04(3) of the Listing Rules. Details of the grant were set out in the circular of the Company dated 2 November 2023 and the announcements of the Company dated 11 October 2023 and 21 November 2023.

The estimated fair values of the share options granted are approximately HK\$8,233,000, which were calculated using the Binominal model. The inputs into the model were as follows:

	Directors	Other employees
Number of share options	68,000,000	11,100,000
Exercise price (HK\$)	0.32	0.32
Option life (Year)	3.1	3.0
Expected volatility (%)	53.87	53.79
Dividend yield (%)	—	—
Risk-free interest rate (%)	2.06	1.92

Expected volatility used in the valuation of options was determined by using the annualised historical daily volatility of the Company's share price as at the measurement date. Expected dividend yield was based on the annualised historical dividend yield of the Company. Risk-free rate was determined with reference to the interpolated Hong Kong Government Bond yield.

The Binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

During the period ended 30 September 2023, the Group recognised total expenses of approximately HK\$1,320,000 (six months ended 30 September 2022: HK\$3,829,000) in relation to the share options granted by the Company.



20 RELATED PARTY TRANSACTIONS

The Directors are of the view that the following companies were related parties that had material transactions or balances with the Group during the periods ended 30 September 2023 and 2022:

Name of the related party	Relationship with the Group
Winning Tender Limited	Mr. Liu Chi Ching (“ Mr. Liu ”), who is an executive Director and a substantial shareholder of the Company, has beneficial interest
WG International Group Limited	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive Directors and substantial shareholders of the Company
China Wantian International Group Limited	The intermediate holding company of the Group
Zhongshan Wangu Sky Farm Co., Limited* (中山萬谷天空農場有限公司)	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive Directors and substantial shareholders of the Company
Zhongshan Wangu Property Management Co., Ltd.* (中山市萬谷物業管理有限公司)	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive Directors and substantial shareholders of the Company
Zhongshan Wangu Business Management Co., Ltd.* (中山萬谷商業管理有限公司)	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive Directors and substantial shareholders of the Company
Zhongshan Wangu Real Estate Investment and Development Co., Ltd.* (中山市萬谷房地產投資開發有限公司)	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive Directors and substantial shareholders of the Company
Zhongshan Wangu Basket Plaza Investment and Management Co., Ltd.* (中山市萬谷菜籃子廣場投資管理有限公司)	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive Directors and substantial shareholders of the Company

* The English translation is not the official name and is for reference purposes only.

In addition to the related party information disclosed above, the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the period, and the balances arising from related party transactions as at period end.

(a) **Transactions with related parties**

	Unaudited	
	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Continuing related parties' transactions		
Sales of goods to related companies		
– Winning Tender Limited	–	262
Purchase of goods from a related party		
– Zhongshan Wangu Sky Farm Co., Limited* (中山萬谷天空農場有限公司)	527	126
Short-term lease, management fees and utilities expenses paid to		
– Zhongshan Wangu Property Management Co., Ltd.* (中山市萬谷物業管理有限公司)	112	212
– Zhongshan Wangu Business Management Co., Ltd.* (中山萬谷商業管理有限公司)	2,036	246
– Zhongshan Wangu Real Estate Investment and Development Co., Ltd.* (中山市萬谷房地產投資開發有限公司)	785	204
– Zhongshan Wangu Basket Plaza Investment and Management Co., Ltd.* (中山市萬谷菜籃子廣場投資管理有限公司)	2,400	–
Service fee received from the intermediate holding company		
– China Wantian International Group Limited	557	–
Interest expense on loan from the intermediate holding company		
– China Wantian International Group Limited	171	–
Service fee paid to a related company		
– WG International Group Limited	–	184

* The English translation is not the official name and is for reference purposes only.

(b) **Key management compensation**

Key management includes executive Directors. The compensation paid or payable to key management for employee services is disclosed as follows:

	Unaudited	
	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Wages, salaries and allowances	1,428	1,724
Retirement benefit costs	9	18
Share-based payments	1,213	3,270
	2,650	5,012

21 FAIR VALUE MEASUREMENT

The following presents the assets and liabilities that are measured at fair value or required to disclose their fair values in these condensed consolidated financial statements on a recurring basis as at 30 September 2023 across the three levels of the fair value hierarchy defined in HKFRS 13 Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 (lowest level): unobservable inputs for the asset or liability.

The Directors believe that the estimated fair values resulting from the valuation techniques are reasonable, and that they were the most appropriate values at the end of the reporting period. The table below provides information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques(s) and inputs used):

Financial assets and financial liabilities	Fair values as at 30 September 2023	Fair value hierarchy	Valuation technique(s) and significant input(s)
Contingent consideration payable classified as financial liabilities at fair value through profit or loss	HK\$30,386,000 (30 September 2022: HK\$Nil)	Level 3	Income approach and forecasted net profit of Shenzhen Wealth Source Trading Development Company Limited* (深圳豐源貿易發展有限公司) for the year ending 31 March 2024

* The English translation is not the official name and is for reference purposes only.

During the periods ended 30 September 2023 and 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

22 EVENTS AFTER THE REPORTING PERIOD

On 11 October 2023, the Company announced that the Board resolved (i) to grant 46,180,000 share options at the exercise price of HK\$0.93 per share to 17 eligible persons under the share option scheme adopted by the Company on 26 September 2016, of which 24,000,000 share options and 12,200,000 share options were conditionally granted to Dr. Hooy and Mr. Zhong, respectively (the "**Conditional Grant**"); and (ii) to approve the proposed adjustments to the basis of the performance target attached to and the exercise period of the outstanding share options granted to Dr. Hooy and Mr. Zhong on 13 April 2022 (the "**Proposed Adjustments**"). The Conditional Grant and the Proposed Adjustments were approved at the extraordinary general meeting of the Company held on 21 November 2023 in accordance with the Listing Rules, details of which were set out in the circular of the Company dated 2 November 2023 and the announcements of the Company dated 11 October 2023 and 21 November 2023.

Save as disclosed herein, there was no significant event after the six months ended 30 September 2023 and up to the date of this report.

23 COMPARATIVE FIGURES

Certain comparative figures in the condensed consolidated financial statements have been re-presented to conform with current period presentation.

24 APPROVAL OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The unaudited condensed interim financial statements were approved and authorised for issue by the Board on 28 November 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

2023 was the first year of recovery from the haze of the pandemic, with a challenging global economic environment. Despite the uncertainties in the economic environment, the Group took a prudent and pragmatic approach to promote its business development and significantly increased its business scale in the supply chain of food ingredients. Through its management's network of contacts, the Group has successfully identified sources of quality healthy food ingredients from around the world and established its upstream and downstream sales channels to introduce these premium items to major cities in the Greater Bay Area ("GBA") and Southern China, aiming to benefit local people's livelihood. During the six months ended 30 September 2023 (the "Reporting Period"), the Group continued to seize opportunities in various food industries both domestically and internationally. Benefiting from the vast market space in the GBA and the increasing public interest in healthy food, the Group has achieved significant revenue growth.

During the Reporting Period, the Group's revenue substantially increased by approximately 87.3% from approximately HK\$68.7 million for the six months ended 30 September 2022 to approximately HK\$128.7 million for the corresponding period in 2023. Such substantial increase in revenue was mainly attributable to the Group's food supply business, which commenced in the fourth quarter of 2022.

The Group recorded a net loss of approximately HK\$16.3 million for the Reporting Period as compared to a net loss of approximately HK\$8.1 million for the six months ended 30 September 2022. The increase in the net loss was mainly attributable to (i) the increase in the start-up costs and other indirect costs in connection with the newly opened restaurants in the GBA during the Reporting Period; and (ii) the increase in the impairment loss of trade receivables due to the longer repayment cycle.

Rights issue

On 11 April 2023, the Company announced the Rights Issue and upon completion of the Rights Issue, 309,504,000 new shares were issued at HK\$0.36 per share to the qualifying shareholders and the subscribers, including Asia Pacific Structured Equity Fund LPF, an alternative investment fund advised and managed by Franklin Templeton Investments (Asia) Limited, and ChinaAMC Summerbrook Fund, a fund managed by China Asset Management (Hong Kong) Limited. Under the Rights Issue, net proceeds of approximately HK\$102.3 million were raised. This exercise has substantially strengthened the Company's shareholder structure and capital base, which will not only help enhance the Group's capability to expand its businesses in the GBA, but also reflect market confidence in the Group's business direction and strategy of creating a comprehensive food industry chain.

Development of food supply business

The Group is a green enterprise that actively promotes sustainable development and focusses on the development of its food supply business. Subsequent to the acquisition of Shenzhen Wealth Source Trading Development Company Limited* (深圳豐源貿易發展有限公司) in 2022, the Company has taken one further step forward in its expansion plan by importing premium fruits, including durians, from Southeast Asia to the GBA market via the cooperation with an industry leader in August 2023. This type of cooperation kicked off the Group's development of large single product lines of healthy food ingredients. In view of the growing demand for high quality and healthy ingredients from various regions, the Group has been sourcing premium items (including but not limited to strawberries, white sugar, eggs and beef) from around the world and making proactive arrangements. By doing so, the Group aims to develop large single product lines of food ingredients with competitive edges and continuously expand the scale and market share of its food supply business so as to ensure sustainable revenue growth.

* The English translation is not the official name and is for reference purposes only.



Expansion of catering business

Following the opening of several restaurants in the city of Zhongshan in the year of 2022, which serve Chinese-style steamed seafood and Japanese grilled dishes, the Group has made a significant move in its expansion plan in the year of 2023. In August 2023, to offer customers diverse dining experience, the Group further expanded its restaurant network in the GBA by opening more restaurants of various styles, including traditional Chinese dishes and dim sum, Chaoshan cuisine, Thai dishes, casual dining, made-to-order seafood and curry dishes. Some of these eateries have become well-known and popular among consumers in the localities. The Group is gradually expanding the scale of its catering business and strengthening the synergies of its comprehensive food industry chain and its chain catering brands to satisfy the public's demand for high-quality catering services in a multidimensional manner.

OUTLOOK

The Group has long been focussing on the supply of high-quality ingredients and the healthy food sector by adopting extremely strict selection standards in identifying business partners. Apart from persisting in the principles of food safety and quality, the Group also actively establishes strategic partnerships with industry leaders and renowned brands for complementary advantages, which fosters a rapid expansion of its diversified business areas and ensures a sustainable development.

Amid enormous market opportunities, the Group has fully utilised the capital market and succeeded in obtaining financing from well-known investment institutions at home and abroad. The brand recognition and track record as a listed company has enabled the Company to attract more premium investment partners, which helps to accelerate the establishment of its position and scale advantage in the industry. The Group will continue to optimise its shareholder structure and actively identify like-minded industry elites so that each other's resource advantages can be fully utilised to build a sustainable supply of healthy food and green lifestyle services. In return, the Group will bring greater values to its customers, businesses, shareholders and society.

During the Reporting Period, the Group has completed the initial layout and is prepared to invest more resources in the development of individual healthy food sector in the next six months. The Group is fully confident in achieving sustainable growth in the foreseeable future. At the same time, its management team is actively monitoring the development prospects of the Southeast Asian and Middle Eastern markets with a view to leading quality healthy food ingredients and sustainable development concepts from mainland China to the global stage and embodying the Company's aspirations to be a premium green enterprise.

FINANCIAL REVIEW

The Group's operating results for the Reporting Period were contributed by its three businesses, namely (i) green food supply; (ii) green catering services; and (iii) environmental protection and technology services.

Revenue

The Group's revenue for the Reporting Period was approximately HK\$128.7 million, which increased by approximately 87.3% from approximately HK\$68.7 million for the period ended 30 September 2022. The substantial increase in revenue benefited from the Group's expansion of the green food supply business into the GBA market in the fourth quarter of 2022.

The green food supply business remains the main revenue stream of the Group, which has soared approximately 76.5% to approximately HK\$119.9 million for the Reporting Period as compared with approximately HK\$67.9 million for the same period in 2022, representing approximately 93.2% of the total revenue. The increase was mainly attributable to the revenue derived from the GBA market which recorded approximately HK\$51.6 million and accounted for approximately 43.1% of the segment revenue. Revenue derived from the provision of vegetables and fruit in Hong Kong amounted to approximately HK\$68.3 million, representing approximately 56.9% of the segment revenue.

The green catering services and the environmental protection and technology services, which commenced in the second half of 2022, together contributed a total revenue of approximately HK\$8.8 million to the Group for the Reporting Period, accounting for approximately 6.8% of the Group's revenue. The green catering business, comprising the operation of various restaurants in the city of Zhongshan, contributed approximately HK\$8.1 million in revenue to the Group during the Reporting Period. The environmental protection and technology business, comprising the provision of services for building a comprehensive practice base to promote the ideas of green, environmental protection and low-carbon concepts, recorded a revenue of approximately HK\$0.7 million during the Reporting Period.

Gross profit and gross profit margin

The Group's gross profit for the Reporting Period increased by 39.0% to approximately HK\$20.7 million from approximately HK\$14.9 million for the period ended 30 September 2022.

Gross profit of the green food supply business for the Reporting Period increased by approximately 21.0% from approximately HK\$14.6 million to approximately HK\$17.7 million, of which approximately HK\$2.2 million was contributed by the GBA market. Gross profit of the local green food supply business increased slightly by approximately 5.8% from approximately HK\$14.6 million to approximately HK\$15.5 million, with a stable gross profit margin maintained at 22.7%, representing a slight improvement of 1.2% for the same period in 2022.

Gross profit of the green catering services business and the environmental protection and technology services business for the Reporting Period were approximately HK\$2.9 million and HK\$0.1 million, representing gross profit margins of 35.4% and 20.9% respectively.

Other income

The Group's other income for the Reporting Period was approximately HK\$0.1 million as compared to approximately HK\$1.6 million for the same period in 2022. The decrease was primarily due to the absence of government grants related to COVID-19.

Selling expenses

The Group's selling expenses for the Reporting Period were approximately HK\$1.2 million, representing an increase of approximately 176.8% from approximately HK\$0.4 million for the same period in 2022, which was mainly due to the additional expenses incurred for the promotion and delivery services platform in the green catering services business.

Administrative expenses

The Group's administrative expenses for the Reporting Period were approximately HK\$31.6 million, representing an increase of approximately 40.4% from approximately HK\$22.5 million for the same period in 2022. The increase was mainly attributable to the increase in the start-up costs and other indirect costs associated with the newly opened restaurants.

Impairment losses under expected credit loss model

The Group recorded an impairment loss under expected credit loss model of approximately HK\$3.4 million for the Reporting Period, representing an increase of approximately 322.2% from approximately HK\$0.8 million for the same period in 2022, which was primarily due to the longer repayment cycle from the customers.

Finance costs

The Group's finance costs for the Reporting Period were approximately HK\$0.7 million, representing an increase of approximately 131.5% as compared with approximately HK\$0.3 million for the same period in 2022, mainly due to the increase in interest of approximately HK\$0.3 million on lease liabilities as a number of new lease agreements entered into by the Group for business expansion.

Loss for the Reporting Period

Taking into consideration the above-mentioned factors, loss for the Reporting Period increased to approximately HK\$16.3 million, as compared with a loss of approximately HK\$8.1 million for the same period in 2022.

USE OF NET PROCEEDS FROM SHARE SUBSCRIPTION

On 16 August 2021, the Company completed the share subscription to allot and issue 252,000,000 new shares to Ace Source and raised net proceeds of approximately HK\$37.7 million. Details of the share subscription were set out in the joint announcements of the Company and Ace Source dated 6 July 2021 and 16 August 2021, and the circular of the Company dated 28 July 2021.

As stated in the announcement of the Company dated 24 November 2022, the Board resolved to change the planned use of the unutilised net proceeds in the amount of approximately HK\$10.0 million from establishing two retail outlets to catering for the opening of new eateries and operation of the catering business in Zhongshan, the PRC (the “**Reallocation**”).

As at 30 September 2023, the net proceeds were fully utilised. The utilisation of the net proceeds from the share subscription is summarised as follows:

	Planned use of net proceeds after the Reallocation HK\$ million	Unutilised net proceeds up to 1 April 2023 HK\$ million	Actual use of net proceeds during the Reporting Period HK\$ million	Unutilised net proceeds up to 30 September 2023 HK\$ million
Repayment of bank loans	22.0	–	–	–
General working capital	5.7	–	–	–
Capital expenditure for opening two eateries	5.5	–	–	–
Working capital for the catering business	4.5	1.3	(1.3)	–
Total	37.7	1.3	(1.3)	–

USE OF NET PROCEEDS FROM RIGHTS ISSUE

On 11 April 2023, the Company announced the Rights Issue at a subscription price of HK\$0.36 per rights share by issuing up to 309,504,000 ordinary shares to the qualifying shareholders of the Company, whose names appear on the register of members of the Company as at the close of business on 18 May 2023. On the same date, the Company entered into an underwriting agreement (the “**Underwriting Agreement**”) with RaffAello Securities (HK) Limited (the “**Underwriter**”), pursuant to which the Underwriter agreed to fully underwrite the subscription for up to 309,504,000 rights shares.

On 13 June 2023, the Company allotted and issued 309,504,000 ordinary shares pursuant to the Rights issue with an aggregate nominal value of approximately HK\$3.10 million and a total market value of approximately HK\$191.89 million, based on the closing price of HK\$0.62 per share on 11 April 2023, being the date of the Underwriting Agreement. The gross proceeds from the Rights Issue were approximately HK\$111.42 million and the net proceeds from the Rights Issue (after deducting the relevant expenses) were approximately HK\$102.31 million, with a net price per rights share was approximately HK\$0.33.

The reasons for the Rights Issue were to enlarge the shareholder base and the capital base of the Company, and to raise capital for the development and expansion of the Group's businesses in the GBA.

The planned use of proceeds as stated in the prospectus of the Company dated 19 May 2023 (the "Prospectus"), the actual use of proceeds during the Reporting Period and the unutilised amount as at 30 September 2023 are set out as below:

	Percentage of net proceeds as shown in the Prospectus %	Planned use of net proceeds HK\$ million (<i>approx.</i>)	Actual use of net proceeds during the Reporting Period HK\$ million (<i>approx.</i>)	Unutilised net proceeds up to 30 September 2023 HK\$ million (<i>approx.</i>)	Expected timetable for fully utilising net proceeds
Launching of a live cattle breeding site project	30	30.69	–	30.69	By 30 June 2024
Development of live cattle trading business	25	25.58	–	25.58	15% by 31 December 2023 and 10% by 30 June 2024
Expansion of fresh food supply business	10	10.23	(3.96)	6.27	By 31 December 2023
Development of catering business	10	10.23	–	10.23	5% by 31 December 2023 and 5% by 30 June 2023
Repayment of outstanding borrowing	10	10.23	–	10.23	By 30 June 2024
Enhancement and upgrading of offices in the GBA	5	5.12	(0.09)	5.03	4% by 31 December 2023 and 1% by 30 June 2024
General working capital of the Group	10	10.23	(6.75)	3.48	31 December 2024
Total	100	102.31	(10.8)	91.51	

The unutilised net proceeds are expected to be fully utilised on or before 31 December 2024 in accordance with the expected timeline as set out above. Such expected timeline and the planned use of proceeds were based on the estimation made by the Group and the assumption of future market conditions at the time of preparing the Prospectus. The Directors will constantly evaluate and review the Group's business development plan, and may change or modify the planned use of proceeds against the change in market conditions from time to time and the business development of the Group.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the Reporting Period and up to the date of this report. The capital of the Group only comprises ordinary shares.



LIQUIDITY AND FINANCIAL RESOURCES

The Group has funded the liquidity and capital requirements principally from cash generated from operations, bank borrowings and proceeds from the Rights Issue.

As at 30 September 2023, the Group had bank borrowings of approximately HK\$11.6 million (31 March 2023: approximately HK\$13.4 million), which were denominated in Hong Kong dollars. The Group's bank borrowings were primarily obtained at variable rates and used in financing the working capital requirement for its operations and the purchase of the existing premises.

As at 30 September 2023, the Group had approximately HK\$93.3 million in bank balance (31 March 2023: approximately HK\$30.4 million), posting a 206.8% increase due to the proceeds received from the Rights Issue. The Group had no bank overdraft as at 30 September 2023 (31 March 2023: Nil). The Directors believe that the Group is in a healthy financial position to expand its core business and to achieve its business objectives.

As at 30 September 2023, total assets, which included current assets of approximately HK\$154.1 million (31 March 2023: approximately HK\$82.5 million) and non-current assets of approximately HK\$133.9 million (31 March 2023: approximately HK\$133.8 million), increased by approximately 33.1% to approximately HK\$287.9 million (31 March 2023: approximately HK\$216.3 million), which was primarily attributable to the increase in bank balance as a result of the Rights Issue.

As at 30 September 2023, total liabilities, which included current liabilities of approximately HK\$58.1 million (31 March 2023: approximately HK\$66.5 million) and non-current liabilities of approximately HK\$6.6 million (31 March 2023: approximately HK\$38.1 million), decreased by approximately 38.1% to approximately HK\$64.7 million (31 March 2023: approximately HK\$104.6 million), which was mainly due to the repayment of payables.

As at 30 September 2023, the current ratio of the Group, being current assets divided by current liabilities, increased to approximately 2.7 (31 March 2023: approximately 1.2) as bank balance increased.

GEARING RATIO

As at 30 September 2023, the gearing ratio of the Group, being total borrowings (including total lease liabilities) divided by total equity, decreased to approximately 10.7% (31 March 2023: approximately 32.3%), reflecting the improvement of the Group's capital structure upon completion of the Rights Issue.

CHARGE ON GROUP ASSETS

As at 30 September 2023, the Group had pledged its leasehold lands under right-of-use assets and buildings with a net book value amounting to approximately HK\$42.5 million (31 March 2023: approximately HK\$43.2 million) for certain banking facilities granted to the Group.

SIGNIFICANT INVESTMENT HELD AND FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSET

Save as disclosed in this report, the Group had no significant investment with a value of 5% or more of the Group's total assets as at 30 September 2023. There were no other plans for material investment or capital asset as at 30 September 2023.

FOREIGN EXCHANGE EXPOSURE

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's revenue, expenses, assets and liabilities are denominated in HK\$ and Renminbi ("RMB"). The appreciation or devaluation of RMB against HK\$ may have an impact on the Group's results. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. The Group will continue to closely monitor the foreign currency exposure and take appropriate measures to minimise the risk when necessary.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 September 2023 (31 March 2023: Nil).

CAPITAL COMMITMENTS

As at 30 September 2023, the Group did not have capital commitments in respect of acquisition of property, plant and equipment (31 March 2023: Nil).

SEGMENT INFORMATION

The Group has 3 reportable segments, namely (i) green food supply; (ii) green catering services; and (iii) environmental protection and technology services.

INFORMATION ON EMPLOYEES

As at 30 September 2023, the Group had 223 employees working in Hong Kong and the PRC (31 March 2023: 146). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonuses. Various types of trainings are provided to the employees from time to time. The total staff cost (including remuneration of Directors and mandatory provident funds contributions) for the Reporting Period amounted to approximately HK\$17.9 million (30 September 2022: approximately HK\$12.1 million).

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Reporting Period (30 September 2022: Nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 September 2023, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which (a) 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 and short positions which they were taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

(i) Long positions in the shares and underlying shares of the Company

Name of Director	Capacity/ Nature of interest	Number of shares held	Number of underlying shares pursuant to share options ²	Total	Approximate percentage of shareholding
Dr. Hooy	Member of concert party group ¹	1,040,372,000	–	1,040,372,000	54.41%
	Beneficial owner	30,770,000	15,776,391	46,546,391	2.43%
Mr. Zhong	Member of concert party group ¹	1,040,372,000	–	1,040,372,000	54.41%
	Beneficial owner	15,720,000	8,070,721	23,790,721	1.24%
Mr. Liu	Interest of a controlled corporation ³	200,000,000	–	200,000,000	10.46%

Notes:

- These shares were held by Ace Source, which is a company incorporated in the BVI. The shareholding of Ace Source is set out under the section headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares". As Dr. Hooy and Mr. Zhong are parties acting in concert with Ace Source, each of them is deemed to be interested in the same number of shares in which Ace Source is interested for the purposes of the SFO.
- These underlying shares represent the interests of share options granted to each of Dr. Hooy and Mr. Zhong on 13 April 2022 under the Share Option Scheme to subscribe for shares of the Company. On 11 October 2023, Dr. Hooy and Mr. Zhong have been conditionally granted 24,000,000 share options and 12,200,000 share options under the Share Option Scheme, respectively, which were each approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 21 November 2023.
- These shares were held by Classic Line Holdings Limited ("**Classic Line**"), which is a company incorporated in the BVI and wholly-owned by Mr. Liu. Therefore, Mr. Liu is deemed, or taken to be, interested in the shares held by Classic Line for the purposes of the SFO. Mr. Liu is the sole director of Classic Line.

(ii) **Long positions in the shares of associated corporations of the Company**

Name of Director	Name of associated corporation^{Note}	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding
Dr. Hooy	Ace Source	Interest of a controlled corporation	81	81%
	China Wantian International Group Limited (" China Wantian International ")	Interest of a controlled corporation	6,000	60%
	Wise Global Holding Limited (" Wise Global ")	Beneficial owner	1	100%
Mr. Zhong	Ace Source	Interest of a controlled corporation	81	81%
	China Wantian International	Interest of a controlled corporation	4,000	40%

Note: The respective shareholdings of these associated corporations are set out under the section headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares".

Save as disclosed above, as at 30 September 2023, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) 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 and short positions which they were taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors, as at 30 September 2023, the following persons (other than the Directors and chief executives of the Company) had or were taken or deemed to have interests or short positions in the shares, underlying shares and debentures of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO:

Long positions in the shares and underlying shares of the Company

Name of shareholder	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding
Ace Source ^{1, 2}	Beneficial owner/member of concert party group	1,040,372,000	54.41%
China Wantian International ^{1, 2}	Member of concert party group	1,040,372,000	54.41%
Courage Rise Holdings Limited ^{1, 2} (" Courage Rise ")	Member of concert party group	1,040,372,000	54.41%
Wise Global ^{1, 2}	Member of concert party group	1,040,372,000	54.41%



Name of shareholder	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding
Hooy Investment Limited ²	Member of concert party group	1,040,372,000	54.41%
Yap Global Investment Limited ²	Member of concert party group	1,040,372,000	54.41%
Mr. Hooy Kok Kuen ²	Member of concert party group	1,040,372,000	54.41%
Mr. Hooy Kwok Pun ²	Member of concert party group	1,040,372,000	54.41%
Mr. Hooy Say Kai ²	Member of concert party group	1,040,372,000	54.41%
Ms. Hooy Siew Kuen ²	Member of concert party group	1,040,372,000	54.41%
Ms. Leong Kwai Ho ²	Member of concert party group	1,040,372,000	54.41%
Mr. Yap Fong Kee ²	Member of concert party group	1,040,372,000	54.41%
Ms. Yap Hong Akiw ²	Member of concert party group	1,040,372,000	54.41%
Ms. Yap Hong Kek ²	Member of concert party group	1,040,372,000	54.41%
Ms. Yap Hong Leng ²	Member of concert party group	1,040,372,000	54.41%
Mr. Yap Kong Meng ²	Member of concert party group	1,040,372,000	54.41%
Ms. Yap Siew Chow ²	Member of concert party group	1,040,372,000	54.41%
Ms. Yap Siew Ngho ²	Member of concert party group	1,040,372,000	54.41%
Ms. Yap Su Chai ²	Member of concert party group	1,040,372,000	54.41%
Ms. Yap Yuk Kiew ^{2, 3}	Member of concert party group/ interest of spouse	1,086,918,391	56.84%
Mr. Yek Hon Su ²	Member of concert party group	1,040,372,000	54.41%
Classic Line	Beneficial owner	200,000,000	10.46%
Ms. Wu Shuk Kwan ⁴	Interest of spouse	200,000,000	10.46%
Mr. Kwong Ping Man ⁵	Beneficial owner	86,520,000	4.52%
	Interest of a controlled corporation	27,030,000	1.41%

Notes:

- These shares were held by Ace Source, which is owned as to 81% equity interest by China Wantian International, 12% equity interest by Yap Global Investment Limited and 7% equity interest by Hooy Investment Limited. China Wantian International is a company incorporated in Hong Kong with limited liability and is owned as to 60% and 40% equity interest by Wise Global and Courage Rise respectively. Each of Wise Global and Courage Rise is wholly-owned by Dr. Hooy and Mr. Zhong respectively.
- As China Wantian International, Courage Rise, Wise Global, Hooy Investment Limited, Yap Global Investment Limited, Mr. Hooy Kok Kuen, Mr. Hooy Kwok Pun, Mr. Hooy Say Kai, Ms. Hooy Siew Kuen, Ms. Leong Kwai Ho, Mr. Yap Fong Kee, Ms. Yap Hong Akiw, Ms. Yap Hong Kek, Ms. Yap Hong Leng, Mr. Yap Kong Meng, Ms. Yap Siew Chow, Ms. Yap Siew Ngho, Ms. Yap Su Chai, Ms. Yap Yuk Kiew (the spouse of Dr. Hooy) and Mr. Yek Hon Su are parties acting in concert with Ace Source, each of them is deemed to be interested in the same number of shares in which Ace Source is interested for the purposes of the SFO.

3. Ms. Yap Yuk Kiew is the spouse of Dr. Hooy. Under the SFO, Ms. Yap Yuk Kiew is deemed to be interested in the same number of shares in which Dr. Hooy is interested, including the 30,770,000 shares and the 15,776,391 underlying shares beneficially owned by Dr. Hooy as set out under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares or Debentures".
4. Ms. Wu Shuk Kwan is the spouse of Mr. Liu. Under the SFO, Ms. Wu Shuk Kwan is deemed to be interested in the same number of shares in which Mr. Liu is interested.
5. The 86,520,000 shares beneficially owned by Mr. Kwong Ping Man are inclusive of the 55,010,000 shares to be allotted and issued by the Company to him pursuant to the share purchase agreement dated 7 November 2022 entered into between Great Point Limited, a direct wholly-owned subsidiary of the Company, and Mr. Kwong Ping Man in relation to the acquisition of all the issued shares of Champion Point Limited. Details of the acquisition are set out in the announcements of the Company dated 7 November 2022 and 25 November 2022.

Save as disclosed above, as at 30 September 2023, the Company had not been notified of any other persons (other than the Directors and chief executives of the Company) who had or were deemed to have interests or short positions in the shares, underlying shares and debentures of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

CHANGES OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Below is the change of Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the annual report for the year ended 31 March 2023 and up to the date of this report:

Mr. Lam Chi Wing has been the chairman of the remuneration committee of the Company since 29 September 2023 in place of Mr. Leung Sui Chung. In addition, with effect from 24 November 2023, he has been appointed as a non-executive director and the chairman of DreamEast Group Limited (stock code: 593), the shares of which are listed on the Main Board of the Stock Exchange.

Mr. Zhong Xueyong has been the vice-chairman of the Board since 11 October 2023 in place of Mr. Liu Chi Ching.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions in the securities of the Company. Based on specific enquiries with the Directors, all Directors confirmed that they had complied with the required standard of dealings set out in the Model Code and there was no event of non-compliance during the Reporting Period.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving and maintaining high standards of corporate governance as the Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders and other stakeholders of the Company, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to promote the interests of the shareholders of the Company. Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal control, stringent disclosure practices, transparency and accountability to all stakeholders.

The Company's corporate governance practices are based on the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules and amended from time to time. To the best knowledge and belief of the Directors, the Company has complied with the applicable code provisions of the CG Code throughout the Reporting Period.



AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 26 September 2016 and comprises the three independent non-executive Directors, namely Ms. Lui Choi Yiu Angela (Chairman), Mr. Siu Chun Pong Raymond and Mr. Lam Chi Wing. The written terms of reference of the Audit Committee are posted on the websites of the Stock Exchange and the Company.

The primary duties of the Audit Committee are to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Group’s unaudited condensed consolidated financial statements for the Reporting Period have not been audited nor reviewed by the Company’s independent auditor, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the Reporting Period comply with the applicable accounting standards and the Listing Rules, and that adequate disclosures have been made.

By order of the Board
China Wantian Holdings Limited
Hooy Kok Wai
Chairman and Executive Director

Hong Kong, 28 November 2023

As at the date of this report, the Board comprises Dr. Hooy Kok Wai, Mr. Zhong Xueyong and Mr. Liu Chi Ching as executive Directors; and Ms. Lui Choi Yiu Angela, Mr. Siu Chun Pong Raymond and Mr. Lam Chi Wing as independent non-executive Directors.