



世大控股有限公司

**GREAT WORLD COMPANY HOLDINGS LTD**

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

**(Stock Code: 8003)**

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 31 DECEMBER 2018**

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

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

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

## **HIGHLIGHTS**

- Turnover was approximately HK\$84,016,000 and HK\$135,768,000 from continuing operations and HK\$nil and HK\$nil from discontinued operations for the three months and nine months ended 31 December 2018 respectively, compared with the turnover of approximately HK\$5,374,000 and HK\$5,657,000 from continuing operations and approximately HK\$7,795,000 and HK\$13,687,000 from discontinued operations for the corresponding periods of last year.
- Profit/loss attributable to owners of the Company was approximately HK\$2,654,000 (profit) and HK\$4,681,000 (loss) for the three months and nine months ended 31 December 2018 respectively, versus the loss attributable to owners of the Company of approximately HK\$3,980,000 and HK\$7,717,000 for the corresponding periods of last year.
- The board of directors does not recommend the payment of a quarterly dividend for the three months ended 31 December 2018 (three months ended 31 December 2017: 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 and nine months ended 31 December 2018, all of which are unaudited and in condensed format, (collectively referred to as the “Unaudited Condensed Consolidated Financial Statements”) along with selected explanatory notes and comparative information as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	<b>(Unaudited)</b>		<b>Nine months ended</b>	
		<b>Three months ended</b>		<b>31 December</b>	
		<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations</b>					
Turnover	2	<b>84,016</b>	5,374	<b>135,768</b>	5,657
Cost of sales		<b>(83,438)</b>	(5,193)	<b>(134,904)</b>	(5,228)
Gross profit		<b>578</b>	181	<b>864</b>	429
Other revenue	2	<b>13</b>	3	<b>52</b>	133
Gain on a bargain purchase		–	–	–	434
Gain/(loss) from changes in fair value less costs to sell of biological assets		<b>548</b>	1,055	<b>(305)</b>	6,190
Selling and distribution costs		–	(250)	–	(271)
Administrative and other operating expenses		<b>(3,667)</b>	(3,291)	<b>(9,696)</b>	(9,283)
Finance costs		<b>(599)</b>	(556)	<b>(1,774)</b>	(1,639)
Loss before tax from continuing operations		<b>(3,127)</b>	(2,858)	<b>(10,859)</b>	(4,007)
Income tax credit/(expense)	5	<b>98</b>	(691)	<b>299</b>	(441)
<b>Loss for the period from continuing operations</b>		<b>(3,029)</b>	(3,549)	<b>(10,560)</b>	(4,448)
<b>Discontinued operations</b>					
Profit/(loss) for the period from discontinued operations	6	<b>5,967</b>	(2,936)	<b>5,304</b>	(1,803)
Profit/(loss) for the period		<b>2,938</b>	(6,485)	<b>(5,256)</b>	(6,251)

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit/(loss) for the period attributable to:</b>				
Owners of the Company	2,654	(3,980)	(4,681)	(7,717)
Non-controlling interests	284	(2,505)	(575)	1,466
	<u>2,938</u>	<u>(6,485)</u>	<u>(5,256)</u>	<u>(6,251)</u>
<b>Basic and diluted profit/ (loss) per share</b>				
From continuing operations	(HK0.14) cents	(HK0.11) cents	(HK0.44) cents	(HK0.29) cents
From continuing and discontinued operations	<u>HK0.11 cents</u>	<u>(HK0.17) cents</u>	<u>(HK0.20) cents</u>	<u>(HK0.33) cents</u>

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

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the period	<u>2,938</u>	<u>(6,485)</u>	<u>(5,256)</u>	<u>(6,251)</u>
Other comprehensive income/ (expense):				
Items that may be reclassified subsequently to profit or loss				
– Exchange differences arising on translation of foreign operations during the period	(281)	4,838	(19,793)	12,811
Reclassification adjustment				
– Exchange differences relating to foreign operations disposed of during the period	<u>348</u>	<u>–</u>	<u>348</u>	<u>–</u>
Other comprehensive income/ (expense) for the period, net of tax	<u>67</u>	<u>4,838</u>	<u>(19,445)</u>	<u>12,811</u>
Total comprehensive income/ (expense) for the period	<u>3,005</u>	<u>(1,647)</u>	<u>(24,701)</u>	<u>6,560</u>
Total comprehensive income/ (expense) attributable to:				
Owners of the Company	2,443	(1,453)	(20,630)	2,072
Non-controlling interests	<u>562</u>	<u>(194)</u>	<u>(4,071)</u>	<u>4,488</u>
	<u>3,005</u>	<u>(1,647)</u>	<u>(24,701)</u>	<u>6,560</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” (“HKSA 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 2018.

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 2018. 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 31 December		(Unaudited) Nine months ended 31 December	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
<b>Continuing operations</b>				
Turnover				
Operating lease rental income	185	163	491	446
Sales of forestry products	6,051	4,563	6,051	4,563
General trading	77,780	648	129,226	648
	<u>84,016</u>	<u>5,374</u>	<u>135,768</u>	<u>5,657</u>
Other revenue				
Bank interest income	13	3	16	7
Gain on foreign exchange	–	–	–	126
Sundry income	–	–	36	–
	<u>13</u>	<u>3</u>	<u>52</u>	<u>133</u>
Total revenue from continuing operations	<u><b>84,029</b></u>	<u>5,377</u>	<u><b>135,820</b></u>	<u>5,790</u>
<b>Discontinued operations</b>				
Turnover				
Services income	–	7,795	–	13,687
Total revenue from discontinued operations	<u>–</u>	<u>7,795</u>	<u>–</u>	<u>13,687</u>
Total revenue for the period	<u><b>84,029</b></u>	<u>13,172</u>	<u><b>135,820</b></u>	<u>19,477</u>

## 3. SEGMENT INFORMATION

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

The Group's operations and reportable segments under HKFRS 8 are as follows:

Property business	Property investment and development, operating and managing residential and commercial properties
Forestry business	Research and growing of forestry products for clean energy sector, cultivation, promotion and application of agricultural technologies
General trading	Sales of information technology products
Landscaping and earth-rock engineering business (discontinued on 1 November 2018)	Constructing landscaping projects and earth-rock engineering, maintenance and planting and selling forest trees and flowers

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 corporate 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 31 December 2018					(Unaudited) Nine months ended 31 December 2018				
	Property business HK\$'000	Forestry business HK\$'000	General trading HK\$'000	Landscaping and earth-rock engineering HK\$'000	Total HK\$'000	Property business HK\$'000	Forestry business HK\$'000	General trading HK\$'000	Landscaping and earth-rock engineering HK\$'000	Total HK\$'000
Revenue from external customers	185	6,051	77,780	-	84,016	491	6,051	129,226	-	135,768
Interest income	-	1	-	-	1	-	3	-	-	3
Depreciation	(1)	(12)	-	(31)	(44)	(3)	(42)	-	(383)	(428)
Total profit/(loss) of reportable segments	5	(263)	225	5,967	5,934	(75)	(817)	349	5,304	4,761
Income tax credit/(expense)	-	-	-	-	-	-	-	-	-	-

	(Unaudited) Three months ended 31 December 2017				(Unaudited) Nine months ended 31 December 2017			
	Property business HK\$'000	Forestry business HK\$'000	Landscaping and earth-rock engineering HK\$'000	Total HK\$'000	Property business HK\$'000	Forestry business HK\$'000	Landscaping and earth-rock engineering HK\$'000	Total HK\$'000
Revenue from external customers	163	4,563	7,795	12,521	446	4,563	13,687	18,696
Interest income	-	1	-	1	-	3	-	3
Depreciation	(2)	(1,482)	(177)	(1,661)	(5)	(1,514)	(487)	(2,006)
Total profit/(loss) of reportable segments	(19)	715	(2,936)	(2,240)	(77)	5,282	(1,803)	3,402
Income tax credit/(expense)	-	-	-	-	4	-	(2)	2



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

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Revenue				
Total revenue for reportable segments from:				
Continuing operations	84,016	4,726	135,768	5,009
Discontinued operations	–	7,795	–	13,687
Total revenue for general trading ( <i>note</i> )		648		648
Consolidated turnover	<u>84,016</u>	<u>13,169</u>	<u>135,768</u>	<u>19,344</u>
Profit or loss				
Total profit/(loss) for reportable segments from:				
Continuing operations	(33)	696	(543)	5,205
Discontinued operations	5,967	(2,936)	5,304	(1,803)
Total profit for general trading ( <i>note</i> )		12		12
Unallocated amounts				
– Unallocated corporate income	13	3	52	567
– Unallocated corporate expenses	<u>(3,107)</u>	<u>(3,569)</u>	<u>(10,368)</u>	<u>(9,791)</u>
Consolidated loss before tax	<u>2,840</u>	<u>(5,794)</u>	<u>(5,555)</u>	<u>(5,810)</u>

*Note:* General trading has been presented as a reportable segment since the first quarter of this financial year.

#### 4. PROFIT/LOSS BEFORE TAX FROM CONTINUING AND DISCONTINUED OPERATIONS

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/loss before tax from continuing and discontinued operations has been arrived at after charging:				
Staff costs (including directors' remuneration)	1,290	1,544	3,755	3,404
Depreciation of property, plant and equipment	551	813	1,995	2,041
Operating lease charges in respect of land and buildings	508	488	1,477	1,131
Share-based payment expenses in respect of consultancy services	–	204	–	611
Imputed interests on convertible notes	599	553	1,774	1,636
	<u>1,948</u>	<u>3,602</u>	<u>7,999</u>	<u>7,723</u>

#### 5. INCOME TAX CREDIT

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax:				
Hong Kong Profits Tax				
– overprovision in previous period	–	–	–	72
PRC Enterprise Income Tax				
– provision for the period	–	(781)	–	(780)
– overprovision in previous period	–	–	6	–
	<u>–</u>	<u>(781)</u>	<u>6</u>	<u>(708)</u>
Deferred tax	98	90	293	267
	<u>98</u>	<u>(691)</u>	<u>299</u>	<u>(441)</u>
Income tax credit/(expense) for the period				
Income tax credit/(expense) for the period attributable to:				
Continuing operations	98	(683)	299	(431)
Discontinued operations	–	(8)	–	(10)
	<u>98</u>	<u>(691)</u>	<u>299</u>	<u>(441)</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the three months and nine months ended 31 December 2018 and 2017.

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

No provision for current tax has been made for the three months and nine months ended 31 December 2018 and 2017 as the Group has no assessable profit from its operations.

## 6. DISCONTINUED OPERATIONS

On 1 November 2018, the Group disposed of Best Sky Holdings Limited ("Best Sky", together with its subsidiaries referred to as "Best Sky Group") which carried out the Group's landscaping and earth-rock engineering business (the "Disposal"). The results of Best Sky Group for the period are presented below:

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	-	7,795	-	13,687
Expenses	(49)	(10,731)	(712)	(15,490)
Gain on disposal of the landscaping and earth-rock engineering business	<u>6,016</u>	<u>-</u>	<u>6,016</u>	<u>-</u>
Profit/(loss) before tax of discontinued operations	<u>5,967</u>	<u>(2,936)</u>	<u>5,304</u>	<u>(1,803)</u>
Income tax credit/(expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(loss) for the period from discontinued operations	<u><u>5,967</u></u>	<u><u>(2,936)</u></u>	<u><u>5,304</u></u>	<u><u>(1,803)</u></u>
Profit/(loss) for the period from discontinued operations attributable to:				
Owners of the Company	<u>5,986</u>	<u>(1,486)</u>	<u>5,653</u>	<u>(953)</u>
Non-controlling interests	<u>(19)</u>	<u>(1,450)</u>	<u>(349)</u>	<u>(850)</u>
	<u><u>5,967</u></u>	<u><u>(2,936)</u></u>	<u><u>5,304</u></u>	<u><u>(1,803)</u></u>
Basis and diluted profit/(loss) per share from discontinued operations	<u><u>HK0.25 cents</u></u>	<u><u>(HK0.06) cents</u></u>	<u><u>HK0.24 cents</u></u>	<u><u>(HK0.04) cents</u></u>

Information in relation to the Disposal are set out in the Company's announcements dated 26 June 2018 and 1 November 2018 and circular dated 20 September 2018.

## 7. BASIC AND DILUTED LOSS PER SHARE

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

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
(i) Loss for the period attributable to owners of the Company from:				
Continuing operations	<b>(3,332)</b>	(2,494)	<b>(10,334)</b>	(6,764)
Discontinued operations	<b>5,986</b>	(1,486)	<b>5,653</b>	(953)
	<u>2,654</u>	<u>(3,980)</u>	<u>(4,681)</u>	<u>(7,717)</u>
Continuing and discontinued operations	<b>2,654</b>	(3,980)	<b>(4,681)</b>	(7,717)
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
(ii) Weighted average number of ordinary shares in issue	<b>2,368,936</b>	2,368,936	<b>2,368,936</b>	2,368,936

Diluted loss per share for loss attributable to the owners of the Company for the three months and nine months ended 31 December 2018 and 2017 were the same as basic loss per share because the impact of the exercise of share options and convertible notes are anti-dilutive.

## 8. RESERVES AND NON-CONTROLLING INTERESTS

	Reserves attributable to owners of the Company						Non-controlling interests	Total
	Share premium	Convertible notes equity reserve	Share options reserve	Translation reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2017 (audited)	233,339	13,454	11,513	(11,302)	(139,894)	107,110	10,914	118,024
Acquisition of subsidiaries (unaudited)	-	-	-	-	-	-	27,410	27,410
Total comprehensive expense for the period, net of tax (unaudited)	-	-	-	9,789	(7,717)	2,072	4,488	6,560
At 31 December 2017 (unaudited)	<u>233,339</u>	<u>13,454</u>	<u>11,513</u>	<u>(1,513)</u>	<u>(147,611)</u>	<u>109,182</u>	<u>42,812</u>	<u>151,994</u>

	Reserves attributable to owners of the Company							
	Share	Convertible	Share	Translation	Accumulated	Total	Non-	Total
	premium	notes equity	options	reserve	losses		controlling	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April 2018 (audited)	233,339	13,454	11,513	7,334	(178,623)	87,017	47,750	134,767
Disposal of subsidiaries (unaudited)	-	-	-	32	-	32	1,741	1,773
Total comprehensive expense for the period, net of tax (unaudited)	-	-	-	(15,949)	(4,681)	(20,630)	(4,071)	(24,701)
At 31 December 2018 (unaudited)	<u>233,339</u>	<u>13,454</u>	<u>11,513</u>	<u>(8,583)</u>	<u>(183,304)</u>	<u>66,419</u>	<u>45,420</u>	<u>111,839</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 convertible notes equity reserve represents the value of the equity component of unexercised convertible notes issued by the Company with related deferred tax recognised.

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

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

## 9. Commitments

### (a) Operating lease commitments

The Group leases certain premises under operating lease arrangements. Leases for premises are negotiated for terms ranging from 1 to 3 years.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	(Unaudited) 31 December 2018 <i>HK\$'000</i>	(Audited) 31 March 2018 <i>HK\$'000</i>
As lessee		
Premises		
– within 1 year	659	1,239
– after 1 year but within 5 years	35	129
	<u>694</u>	<u>1,368</u>

- (b) At the end of the reporting period, the Group had contracted with the tenant for the following future minimum lease receivable:

	<b>(Unaudited)</b> <b>31 December</b> <b>2018</b> <b>HK\$'000</b>	(Audited) 31 March 2018 HK\$'000
As a lessor		
Premises		
– within one year	<b>755</b>	342
– in the second to fifth years inclusive	<b>961</b>	45
	<b>1,716</b>	387

(c) **Capital commitments**

At the end of the reporting period, the Group did not have outstanding commitments in respect of capital expenditure contracted for but not provided for in the Unaudited Condensed Financial Statements (31 March 2018: Nil).

**10. INVESTMENT IN A SUBSIDIARY**

On 12 December 2018, the Group, through an indirect wholly-owned subsidiary, Wonderful Imagine Limited, entered into a capital increase agreement to participate in investment of a company, 深圳智訊派信息科技有限公司, which has been established in the PRC and is engaged in the business of advertisement; details have been disclosed in the Company's announcement dated 12 December 2018. The change of business registration in relation to the Group's investment in 深圳智訊派信息科技有限公司 was approved by the relevant PRC authorities on 1 February 2019.

**11. RELATED PARTY TRANSACTIONS**

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

	<b>(Unaudited)</b> <b>Three months ended</b> <b>31 December</b> <b>2018</b> <b>HK\$'000</b>		<b>(Unaudited)</b> <b>Nine months ended</b> <b>31 December</b> <b>2018</b> <b>HK\$'000</b>	
	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000
Fees, salaries and other benefits	555	<b>534</b>	1,643	<b>1,659</b>

**12. DIVIDEND**

The Board does not recommend the payment of a dividend for the three months and nine months ended 31 December 2018 (three months and nine months ended 31 December 2017: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results of operations

For the nine months ended 31 December 2018, the Group recorded a total turnover from continuing and discontinued operations of approximately HK\$135,768,000, representing an increase of approximately 7.02 times as compared with a total turnover of approximately HK\$19,344,000 for the corresponding period of last year.

Loss attributable to owners of the Company was approximately HK\$4,681,000 for the nine months ended 31 December 2018, which was approximately 39.34% lower than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$7,717,000, mainly attributable to the gain from disposal of 51% equity interest in Best Sky Holdings Limited.

### Business review and prospects

#### *Property business*

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

Revenue of approximately HK\$491,000 was derived from temporary leasing of the commercial portion of the property for the nine months ended 31 December 2018. The Group expects to commence the selling of part of the residential portion of the property and the leasing of certain residential portion and/or basement car park area of the property when the property market there appears to revive.

#### *Forestry business*

For the nine months ended 31 December 2018, revenue of approximately HK\$6,051,000 was generated from the sale of forestry products. The Group expects to enhance the revenue stream of forestry business by diversifying its products in the coming years.

#### *Landscaping and earth-rock engineering business*

For the nine months ended 31 December 2018, no revenue was generated from the landscaping and earth-rock engineering business, after the completion of existing projects, as new projects in the Republic of Angola are deferred after the change of president. The Company negotiated with Mr. Ng Wa Pang (“Mr. Ng”) from whom the Group acquired 51% equity interest in Best Sky Holdings Limited (“Best Sky”) which, together with its subsidiaries, carried on the

landscaping and earth-rock engineering business and reached an agreement to sell the 51% equity interest in Best Sky to Mr. Ng at the original acquisition price, i.e. HK\$34,680,000 (the “Disposal”). The Disposal was approved by the shareholders of the Company at an extraordinary general meeting held on 12 October 2018 and was completed on 1 November 2018. Upon completion of the Disposal, the Company has ceased to have any interests in Best Sky and its subsidiaries as well as the landscaping and earth-rock engineering business. Details of the Disposal have been disclosed in the Company’s announcement dated 26 June 2018 and circular dated 20 September 2018.

### ***General trading***

For the nine months ended 31 December 2018, a total gross revenue of approximately HK\$129,226,000 was generated from the trading business commenced after the formation of a joint venture in March 2018. The Group is trying to introduce different lines of products and marketing channels to extend its trading business, and proactively exploring the development opportunities in upstream and downstream.

### ***Other business development***

The Group is proactively seeking for business opportunities and exploring new investment opportunities in order to further diversify its activities to strengthen and broaden the revenue base.

On 12 December 2018, the Group, through an indirect wholly-owned subsidiary, entered into a capital increase agreement to participate in investment of a company which has been established in the PRC and is engaged in the business of advertisement; details have been disclosed in the Company’s announcement dated 12 December 2018. The change of business registration in relation to the Group’s investment was approved by the relevant PRC authorities on 1 February 2019.

### **Liquidity, financial resources and capital structure**

As at 31 December 2018, the Group’s cash and bank deposits amounted to approximately HK\$36,170,000 which has decreased by approximately 38.82% when comparing with the cash and bank deposits of approximately HK\$59,116,000 as at 31 March 2018.

As at 31 December 2018, the Group had net current assets of approximately HK\$134,870,000 (31 March 2018: HK\$112,986,000).

Most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars, United States dollars and Renminbi except for certain cost of sales, which was denominated in Angolan Kwanza, incurred for landscaping and earth-rock engineering works carried out in the Republic of Angola for the corresponding period of last year. The Group adopted a conservative treasury policy with almost all bank deposits being kept in Hong Kong dollars or in Renminbi of the PRC operating subsidiaries to minimise exposure to foreign



exchange risks. The Group is closely monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise. As at 31 December 2018, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes.

The share capital of the Company as at 31 December 2018 is as follows:

	<b>Number of shares ( '000)</b>	<b>Amount (HK\$'000)</b>
Authorised	<u>30,000,000</u>	<u>300,000</u>
Issued and fully paid	<u>2,368,936</u>	<u>23,689</u>

No new shares of the Company were allotted and issued during the nine months ended 31 December 2018.

#### **SHARE OPTION SCHEME**

The Company has adopted a new share option scheme at the annual general meeting of the Company held on 3 August 2012 (the “2012 Share Option Scheme”) which is valid and effective for a period of 10 years commencing on 3 August 2012, upon the termination of the share option scheme adopted at the annual general meeting of the Company held on 2 August 2002 (the “2002 Share Option Scheme”), under which selected persons, such as the directors, employees, customers or any individual business or entity providing goods or services, may take up options to subscribe for shares in the Company subject to the terms and conditions stipulated in the 2012 Share Option Scheme. The maximum number of shares which can be granted under the 2012 Share Option Scheme may not exceed 10% of the issued share capital of the Company at the time of granting of the option or at the date of approval by the shareholders in general meeting where the limit is refreshed.

On 7 January 2016, the Company granted share options under the 2012 Share Option Scheme to consultants and employees of the Company, which entitle them to subscribe for a total of 112,000,000 shares at HK\$0.264 per share.

No option was granted under the 2012 Share Option Scheme during the nine months ended 31 December 2018.

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

Participants	Date of grant	Exercisable period	Exercise price per share	No. of underlying shares comprised in option					Outstanding at 31 December 2018
				As at 1 April 2018	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
Employees of the Group	4 February 2016	4 February 2016 – 6 January 2026	HK\$0.264	33,600,000	-	-	-	-	33,600,000
Consultants	4 February 2016	4 February 2016 – 6 January 2026	HK\$0.264	78,400,000	-	-	-	-	78,400,000
				<u>112,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,000,000</u>

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

## CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles in and complied with the requirements of the Corporate Governance Code (“CG Code”) as set out in Appendix 15 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) throughout the nine months ended 31 December 2018.

## BOARD OF DIRECTORS

The Board comprised two executive Directors, namely Mr. Zhang Yanqiang and Ms. Yang Wei, 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. Mr. Chan Ying Cheong resigned as an independent non-executive Director on 21 September 2018.

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

## **BOARD COMMITTEES**

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

### **Audit Committee**

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

### **Nomination Committee**

The Nomination Committee comprised one executive Director, namely Mr. Zhang Yanqiang (chairman of the Nomination Committee), and two independent non-executive Directors, namely Ms. Zhao Yongmei (appointed on 21 September 2018 after Mr. Chan Ying Cheong resigned on the same day) 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 non-executive Director, namely Ms. Ng Mui King, Joky, 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 31 December 2018, 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**

<b>Name of Director</b>	<b>Number of ordinary shares of HK\$0.01 each and the underlying shares</b>			<b>Approximate percentage of the issued share capital of the Company</b>
	<b>Personal interest</b>	<b>Corporate interest</b>	<b>Total number of shares</b>	
Ms. Ng Mui King, Joky	–	337,920,000 <i>(Note)</i>	337,920,000	14.26%

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

Save as disclosed above, as at 31 December 2018, 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 nine months ended 31 December 2018 was any of the Company or its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### **INTEREST OF SUBSTANTIAL SHAREHOLDERS AND OTHER SHAREHOLDERS**

As at 31 December 2018, 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\$0.01 each	Approximate percentage of the issued share capital of the Company
Gold City Assets Holdings Ltd. (Note 1)	Beneficial owner	Corporate	337,920,000	14.26%
Mr. Huang Shih Tsai (Note 2)	Beneficial owner	Personal	155,000,000	6.54%

### Notes:

1. Gold City Assets Holdings Ltd. is a company incorporated in the British Virgin Islands of which the issued share capital is beneficially owned by Ms. Ng Mui King, Joky, a non-executive Director of the Company.
2. The shares held by Mr. Huang Shih Tsai (“Mr. Huang”) were allotted on 15 August 2011 as partial consideration for the acquisition of 100% equity interest in a company wholly-owned by Mr. Huang.

## COMPETING INTEREST

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company (as defined in the GEM Listing Rules) nor any of their respective close associates that competes or may compete, either directly or indirectly, with the business of the Group or, any other conflict of interest which any such person has or may have with the Group during the nine months ended 31 December 2018.

## PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the nine months ended 31 December 2018. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the nine months ended 31 December 2018.

## **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 nine months ended 31 December 2018.

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

Hong Kong, 14 February 2019

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