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世大控股有限公司
GREAT WORLD COMPANY HOLDINGS LTD
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8003)

**DISCLOSEABLE TRANSACTION
IN RELATION TO ACQUISITION OF 60% EQUITY
INTEREST IN TARGET COMPANY**

THE EQUITY ACQUISITION AGREEMENT

The Board is pleased to announce that, on 26 May 2022 (after trading hours), the Purchaser entered into the Equity Acquisition Agreement with the Vendor and the Target Company, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Equity, representing 60% equity interest in the Target Company, at the consideration of RMB10,000 (equivalent to approximately HK\$11,700), which will be settled in cash.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Acquisition under the Equity Acquisition Agreement is more than 5% but below 25%, the Acquisition constitutes a discloseable transaction on the part of the Company and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

Reference is made to the announcements dated 31 January 2022 and 29 April 2022 of the Company in relation to the Business Cooperation Agreement (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements. The Board is pleased to announce that, on 26 May 2022 (after trading hours), the Purchaser entered into the Equity Acquisition Agreement with the Vendor and the Target Company, pursuant to which the Purchaser has conditionally agreed to acquire or to procure a wholly owned subsidiary of the Purchaser to acquire and the Vendor has conditionally agreed to sell the Sale Equity, representing 60% equity interest in the Target Company, at the consideration of RMB10,000 (equivalent to approximately HK\$11,700), which will be settled in cash.

EQUITY ACQUISITION AGREEMENT

Date:

26 May 2022

Parties:

Purchaser: Guangzhou Yilvtu Commercial Development Co., Ltd.

Vendor: Shenzhen Tianhang Investment Holding Co., Ltd.

Target Company: Tianhang Technology Co., Ltd.

The Purchaser is an indirect non-wholly owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor (including its ultimate beneficial owners) and the Target Company (including its ultimate beneficial owners) are third parties independent of the Group and its connected persons in accordance with the GEM Listing Rules.

Assets to be acquired

Pursuant to the Equity Acquisition Agreement, the Purchaser has conditionally agreed to acquire or to procure a wholly owned subsidiary of the Purchaser to acquire and the Vendor has conditionally agreed to sell the Sale Equity, representing 60% equity interest in the Target Company.

Consideration and payment terms

The Consideration is RMB10,000 (equivalent to approximately HK\$11,700), which will be settled in cash within seven days after the completion of the equity transfer procedures at Shenzhen Administration for Market Regulation. The Consideration is determined based on arm's length negotiations between the Purchaser and the Vendor in view of, among others, the net liabilities position shown in the unaudited management accounts of the Target Company as at 30 April 2022. The Consideration will be settled by internal resources of the Group.

Upon completion of the Equity Acquisition Agreement, the Group shall hold a total of 60% of the equity interest in the Target Company, and the Target Company will become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

Conditions precedent

The completion of the Equity Acquisition Agreement is subject to and conditional upon the fulfilment of the following conditions:

- (1) the completion of the necessary due diligence work on the Target Company by the Purchaser, including without limitation financial affairs and legal aspects, with results acceptable to the Purchaser; and
- (2) approval of the Equity Acquisition Agreement by the shareholders of the Company, if required, in accordance with the GEM Listing Rules.

INFORMATION ABOUT THE PURCHASER, THE VENDOR AND THE TARGET COMPANY

The Purchaser is a wholly foreign-owned enterprise established in the PRC and is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in the provision of railroad media services, as well as on-board services, food and beverage on train and inside station within the Chinese high-speed railroad ecosystem.

The Vendor is a company established in the PRC and is principally engaged in investment. The Vendor owns 71% equity interest in the Target Company.

According to publicly available information and subject to due diligence work to be conducted by the Purchaser, the Target Company was established in the PRC as a limited liability company on 16 December 2013. The Target Company is principally engaged in, among other things, the development of comprehensive solutions and software systems for large-scale corporate travel, internet technology and big data services.

Set out below are financial information of the Target Company as extracted from its financial statements prepared in accordance with the PRC Accounting Standards for Business Enterprise for the financial years ended 31 December 2020 and 2021:

	For the year ended	
	31 December	
	2021	2020
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Net profit/(loss) before taxation and extraordinary items	315	(982)
Net profit/(loss) after taxation and extraordinary items	315	(982)

The net liabilities of the Target Company as at 30 April 2022 according to its unaudited financial statements amounted to approximately RMB1.15 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the businesses of (i) intelligent advertising and railroad media, (ii) agricultural, forestry and consumer products, (iii) supply-chain and (iv) property.

As represented by the management of the Target Company, the Target Company has built its proprietary “Tianhang Corporate Travel” system, which focuses on providing one-stop corporate travel applications with full data analysis, travel reservations, itinerary services, flexible payment, settlement and billing services to a wide range of customers, including state-owned enterprises, listed companies, companies, government bodies and institutions. By streamlining the whole travel process, the traditional travel process can be managed in an efficient, digital and intelligent manner.

The Group has accumulated extensive expertise and exclusive access to high-speed railroad resources since it started providing railroad media services in 2019 and expanding organically within the high-speed railroad ecosystem to broaden the services provided. The COVID-19 pandemic caused massive disruption in travel and tourism industries, preventing the high-speed railroad to reach its expected growth potential. However, with the development of vaccine and the low mortality of recent variants, borders open up gradually and travel is resuming around the world. The Board considers that this is a good chance to start expanding the Group’s business on top of its existing railroad business into the recovering travel sector as it will very likely benefit from a post-pandemic explosive growth and therefore has been looking at investment opportunities in the space.

The Board takes the view that the acquisition of the Target Company may represent such an opportunity, as it synergizes positively with the principal businesses and existing business units of the Group. The Group may potentially leverage the 12306 platform and high-speed railroad travel services and create an innovative new concept of air-rail combined service by adding the airline travel business of the Target Company, relying on innovative traffic data processing. This will be the first step to the Group’s expansion into the travel industry and will help build the framework to support further development. The Group will continue to regularly and closely monitor the development of the COVID-19 outbreak and adjust its business plan from time to time, the Group will make further announcement in compliance with the Listing Rules when a detailed plan is formulated.

In view of the above, the Directors consider that the terms of the Equity Acquisition Agreement are on normal commercial terms, which are fair and reasonable and the transaction contemplated thereunder is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Acquisition under the Equity Acquisition Agreement is more than 5% but below 25%, the Acquisition constitutes a discloseable transaction on the part of the Company and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the Sale Equity by the Purchaser or its wholly owned subsidiary (as applicable) under the Equity Acquisition Agreement
“Board”	the board of Directors of the Company from time to time
“Business Cooperation Agreement”	the business cooperation agreement entered into by Green Apex Investments Limited (a wholly-owned subsidiary of the Company) and the Target Company on 31 January 2022
“Company”	Great World Company Holdings Ltd, a company incorporated in the Cayman Islands whose shares are listed and traded on GEM of the Stock Exchange (Stock Code: 8003)
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	RMB10,000 which is the consideration for acquisition of the Sale Equity
“Director(s)”	the director(s) of the Company
“Equity Acquisition Agreement”	the equity acquisition agreement entered into by the Purchaser, the Vendor and the Target Company on 26 May 2022
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as updated, amended and modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Guangzhou Yilvtu Commercial Development Limited* (廣州易旅途商業發展有限公司), a wholly foreign-owned enterprise established in the PRC, which is an indirect non-wholly owned subsidiary of the Company

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity”	60% equity interest in the Target Company
“Shareholders”	the shareholders of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Tianhang Technology Co., Ltd.* (天航科技有限公司), a company established in the PRC
“Vendor”	Shenzhen Tianhang Investment Holding Co., Ltd.* (深圳天航投資控股有限公司), a company established in the PRC
“%”	per cent

* For identification purposes only

For the purpose of this announcement, conversion of RMB into HK\$ is calculated at the approximate exchange rate of HK\$1.17 to RMB1. This exchange rate is for illustration purpose only and does not represent that any amounts have been, could have been, or may be, exchanged at this rate.

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

Hong Kong, 26 May 2022

As at the date of this announcement, the Board comprises (i) three executive directors, namely Mr. Zhang Yanqiang, Mr. Gu Zhonghai and Mr. Zhao Xinyan; (ii) one non-executive director, namely Ms. Ng Mui King, Joky; and (iii) three independent non-executive directors, namely Mr. Chung Koon Yan, Ms. Zhao Yongmei and Mr. Jing Baoli.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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. This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication and on the Company’s website (www.gwchl.com).