



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 2017**

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (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 (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.

HIGHLIGHTS

- Turnover amounted to approximately HK\$13,169,000 and HK\$19,344,000 respectively for the three months and nine months ended 31 December 2017, compared with the turnover of approximately HK\$5,600,000 and HK\$14,438,000 respectively for the corresponding periods of last year.
- Loss attributable to owners of the Company amounted to approximately HK\$3,980,000 and HK\$7,717,000 respectively for the three months and nine months ended 31 December 2017, versus the losses attributable to owners of the Company of approximately HK\$2,919,000 and HK\$10,186,000 respectively 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 2017 (three months ended 31 December 2016: Nil).

RESULTS

The board of directors (the “Board”) of Great World Company Holdings Ltd (the “Company”) presents the financial information of the Company and its subsidiaries (the “Group”), comprising the condensed consolidated statement of profit or loss 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 2017, 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>	(Unaudited)		(Unaudited)	
		Three months ended		Nine months ended	
		31 December		31 December	
		2017	2016	2017	2016
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	2	13,169	5,600	19,344	14,438
Costs of sales		<u>(15,857)</u>	<u>(5,451)</u>	<u>(20,652)</u>	<u>(13,240)</u>
Gross profit/(loss)		(2,688)	149	(1,308)	1,198
Other revenue	2	3	100	133	148
Gain on a bargain purchase		–	–	434	–
Gain from change in fair value of biological assets		1,055	–	6,190	–
Selling and distribution costs		(274)	(3)	(295)	(6)
Administrative and other operating expenses		(3,334)	(2,850)	(9,325)	(9,384)
Finance costs		<u>(556)</u>	<u>(503)</u>	<u>(1,639)</u>	<u>(3,102)</u>
Loss before tax	4	(5,794)	(3,107)	(5,810)	(11,146)
Income tax credit/(expense)	5	<u>(691)</u>	<u>72</u>	<u>(441)</u>	<u>621</u>
Loss for the period		<u>(6,485)</u>	<u>(3,035)</u>	<u>(6,251)</u>	<u>(10,525)</u>
Profit/(loss) for the period attributable to:					
Owners of the Company		(3,980)	(2,919)	(7,717)	(10,186)
Non-controlling interests		<u>(2,505)</u>	<u>(116)</u>	<u>1,466</u>	<u>(339)</u>
		<u>(6,485)</u>	<u>(3,035)</u>	<u>(6,251)</u>	<u>(10,525)</u>
Basic and diluted loss per share	6	<u>HK(0.17) cents</u>	<u>HK(0.12) cents</u>	<u>HK(0.33) cents</u>	<u>HK(0.44) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 31 December 2017		(Unaudited) Nine months ended 31 December 2017	
	<i>HK\$'000</i>	2016 <i>HK\$'000</i>	<i>HK\$'000</i>	2016 <i>HK\$'000</i>
Loss for the period	<u>(6,485)</u>	<u>(3,035)</u>	<u>(6,251)</u>	<u>(10,525)</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	<u>4,838</u>	<u>(5,339)</u>	<u>12,811</u>	<u>(10,105)</u>
Other comprehensive income/(expense) for the period, net of tax	<u>4,838</u>	<u>(5,339)</u>	<u>12,811</u>	<u>(10,105)</u>
Total comprehensive income/(expense) for the period	<u>(1,647)</u>	<u>(8,374)</u>	<u>6,560</u>	<u>(20,630)</u>
Total comprehensive income/(expense) attributable to:				
Owners of the Company	<u>(1,453)</u>	<u>(7,766)</u>	<u>2,072</u>	<u>(19,359)</u>
Non-controlling interests	<u>(194)</u>	<u>(608)</u>	<u>4,488</u>	<u>(1,271)</u>
	<u>(1,647)</u>	<u>(8,374)</u>	<u>6,560</u>	<u>(20,630)</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 the Growth Enterprise Market 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 2017. In addition, the Group has adopted the following accounting policies on completion of the acquisition of subsidiaries as mentioned in note 9:

Agriculture

(a) Bearer plants

Bearer plants, which are used to grow produce over their productive lives, are accounted for under property, plant and equipment and are subject to depreciation calculated on a straight-line basis to write off their cost to residual value over their estimated economic productive lives.

(b) Agricultural produce

Agricultural produce is stated at cost which is measured at fair value less costs to sell at the point of harvest.

(c) Biological assets

Biological assets, which represent living plants and produce growing for harvest and sale, are measured and stated at fair value less costs to sell at the end of each reporting period. Change in fair value are recognised in the statement of profit or loss.

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 2017. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies and results reported for the current or prior accounting periods.

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

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

2. Revenue

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover				
Operating lease rental income	163	163	446	291
Sales of forestry products	4,563	–	4,563	2,328
Services income	7,795	5,437	13,687	11,819
General trading	648	–	648	–
	<u>13,169</u>	<u>5,600</u>	<u>19,344</u>	<u>14,438</u>
Other revenue				
Bank interest income	3	65	7	69
Gain on foreign exchange	–	–	126	–
Sundry income	–	35	–	79
	<u>3</u>	<u>100</u>	<u>133</u>	<u>148</u>
Total revenue	<u><u>13,172</u></u>	<u><u>5,700</u></u>	<u><u>19,477</u></u>	<u><u>14,586</u></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 three 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
Landscaping and earth-rock engineering business	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 profit or loss for general trading, unallocated corporate income and unallocated corporate 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 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)				(Unaudited)			
	Three months ended 31 December 2017				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

	(Unaudited)				(Unaudited)			
	Three months ended 31 December 2016				Nine months ended 31 December 2016			
	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	-	5,437	5,600	291	2,328	11,819	14,438
Interest income	-	-	-	-	1	2	-	3
Depreciation	(1)	(14)	(65)	(80)	(4)	(45)	(198)	(247)
Total profit/(loss) of reportable segments	14	(389)	(60)	(435)	(209)	(545)	(456)	(1,210)
Income tax credit/(expense)	-	-	(11)	(11)	-	-	110	110

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

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
Total revenue for reportable segments	12,521	5,600	18,696	14,438
Total revenue for general trading	648	–	648	–
Consolidated turnover	13,169	5,600	19,344	14,438
Profit or loss				
Total profit/(loss) for reportable segments	(2,240)	(435)	3,402	(1,210)
Total profit for general trading	12	–	12	–
Unallocated amounts				
– Unallocated corporate income	3	100	567	148
– Unallocated corporate expenses	(3,569)	(2,772)	(9,791)	(10,084)
Consolidated loss before tax	(5,794)	(3,107)	(5,810)	(11,146)

(c) *Geographical information*

The following table set out information about the geographical location of the Group's revenue from external customers based on the location at which the services were provided or the goods were delivered.

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenues from external customers				
PRC	4,726	163	5,009	2,619
Republic of Angola	7,795	5,437	13,687	11,819
Total revenue for reportable segments	12,521	5,600	18,696	14,438

4. Loss before tax

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before tax has been arrived at after charging:				
Staff costs (including directors' remuneration)	1,544	1,055	3,404	3,456
Depreciation of property, plant and equipment	813	91	2,041	282
Operating lease charges in respect of land and buildings	488	277	1,131	904
Share-based payment expenses in respect of consultancy services	204	204	611	611
Imputed interests on convertible notes	553	504	1,636	3,103
	<u>553</u>	<u>504</u>	<u>1,636</u>	<u>3,103</u>

5. Income tax credit

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax:				
Hong Kong Profits Tax				
– overprovision in previous period	–	–	72	–
PRC Enterprise Income Tax	(781)	–	(780)	–
	<u>(781)</u>	<u>–</u>	<u>(708)</u>	<u>–</u>
Deferred tax	90	72	267	621
	<u>90</u>	<u>72</u>	<u>267</u>	<u>621</u>
Income tax credit/(expense) for the period	<u>(691)</u>	<u>72</u>	<u>(441)</u>	<u>621</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 2017 and 2016.

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 2017 and 2016 as the Group has no assessable profit from its operations.

6. Basic and diluted loss per share

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

	(Unaudited) Three months ended 31 December 2017		(Unaudited) Nine months ended 31 December 2017	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
(i) Loss for the period attributable to owners of the Company	<u>(3,980)</u>	<u>(2,919)</u>	<u>7,717</u>	<u>(10,186)</u>
	'000	'000	'000	'000
(ii) Weighted average number of ordinary shares in issue	<u>2,368,936</u>	<u>2,368,936</u>	<u>2,368,936</u>	<u>2,312,209</u>

Diluted loss per share for loss attributable to the owners of the Company for the three months and nine months ended 31 December 2017 and 2016 were the same as basic loss per share because the impact of the exercise of share options and convertible notes are anti-dilutive.

7. 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 2016 (audited)	200,789	35,144	11,513	(3,338)	(128,502)	115,606	12,380	127,986
Issue of conversion shares (unaudited)	32,550	(15,260)	-	-	-	17,290	-	17,290
Total comprehensive expense for the period, net of tax (unaudited)	-	-	-	(9,173)	(10,186)	(19,359)	(1,271)	(20,630)
At 31 December 2016 (unaudited)	<u>233,339</u>	<u>19,884</u>	<u>11,513</u>	<u>(12,511)</u>	<u>(138,688)</u>	<u>113,537</u>	<u>11,109</u>	<u>124,646</u>

	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>

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.

8. 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)	(Audited)
	31 December	31 March
	2017	2017
	HK\$'000	HK\$'000
As lessee		
Premises		
– within 1 year	637	1,187
– after 1 year but within 5 years	<u>–</u>	<u>126</u>
	<u>637</u>	<u>1,313</u>

(b) At 31 December 2017, the Group had contracted with the tenant for the following future minimum lease receivable:–

	(Unaudited)	(Audited)
	31 December	31 March
	2017	2017
	HK\$'000	HK\$'000
As a lessor		
Premises		
– within one year	73	192
– in the second to fifth years inclusive	–	–
	<u>73</u>	<u>–</u>
	<u>73</u>	<u>192</u>

(c) **Capital commitments**

	(Unaudited)	(Audited)
	31 December	31 March
	2017	2017
	HK\$'000	HK\$'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of:		
– properties held for sale	–	113
– acquisition of a subsidiary	–	30,176
	<u>–</u>	<u>30,289</u>
	<u>–</u>	<u>30,289</u>

9. Acquisition of subsidiaries

On 19 May 2017, all conditions precedent for the sale and purchase agreement in respect of the acquisition of 60% equity interest in Zhifeng Holdings Limited by Yenbo Gain Limited, a non-wholly owned subsidiary of which 81.82% equity interest was indirectly held by the Company, (the “Acquisition”) had been satisfied and the Acquisition was completed. Then Zhifeng Holdings Limited and its subsidiaries (“Zhifeng Group”) became subsidiaries of the Company and the results of Zhifeng Group as from the date of acquisition are consolidated into the Unaudited Condensed Consolidated Financial Statements of the Group. Details of the Acquisition and completion of the Acquisition have been disclosed in the Company’s announcements dated 25 November 2016 and 19 May 2017 respectively.

Based on a preliminary assessment and review of the identifiable assets acquired and liabilities assumed, the non-controlling interest and the consideration transferred at the completion of the Acquisition, a gain on bargain purchase of approximately HK\$434,000 was recognised.

From the date of acquisition, Zhifeng Group's revenue and profit/(loss) included in the Group's statement of profit or loss for the three months and nine months ended 31 December 2017 are as follows:

	(Unaudited) Three months ended 31 December 2017 HK\$'000	(Unaudited) Nine months ended 31 December 2017 HK\$'000
Revenue	4,563	4,563
Profit before tax	<u>725</u>	<u>5,827</u>

The transaction costs of approximately HK\$32,000 have been expensed and are included in administrative and other operating expenses in the Group's condensed consolidated statement of profit or loss for the nine months ended 31 December 2017.

Had Zhifeng Group been consolidated from the beginning of the period, i.e. 1 April 2017, the Group's condensed consolidated statement of loss or loss would show pro-forma revenue and loss before tax for the nine months ended 31 December 2017 of approximately HK\$19,344,000 and HK\$5,810,000 respectively.

10. Related party transactions

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

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Fees, salaries and other benefits	<u>555</u>	<u>534</u>	<u>1,643</u>	<u>1,579</u>

11. Dividend

The Board does not recommend the payment of a dividend for the three months and nine months ended 31 December 2017 (three months and nine months ended 31 December 2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Operations

For the nine months ended 31 December 2017, the Group recorded a turnover of approximately HK\$19,344,000, representing an increase of approximately 33.98% as compared with a turnover of approximately HK\$14,438,000 for the corresponding period of last year.

Loss attributable to owners of the Company was approximately HK\$7,717,000 for the nine months ended 31 December 2017, which was approximately 24.24% lower than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$10,186,000 due to the decrease in administrative and other operating costs.

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\$446,000 was derived from temporary leasing of the commercial portion of the property for the nine months ended 31 December 2017. 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 2017, a turnover of approximately HK\$4,563,000 was generated from the forestry business. The Group expects the revenue generated from sale of forestry products will increase in the last quarter of the financial year.

Landscaping and earth-rock engineering business

For the nine months ended 31 December 2017, a turnover of approximately HK\$13,687,000 was generated from the landscaping and earth-rock engineering business and a gross loss was recorded due to project costs near final stage increased unexpectedly. The projects in the Republic of Angola are deferred after the change of president. The Group is seeking the opportunity to extend the landscaping and earth-rock engineering business to projects in areas other than the Republic of Angola.

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. During this third quarter, revenue of approximately HK\$648,000 was generated from the trading of information technology products. 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.

Liquidity, Financial Resources and Capital Structure

As at 31 December 2017, the Group's cash and bank deposits amounted to approximately HK\$51,975,000 which has decreased by approximately 17.15% when comparing with the cash and bank deposits of approximately HK\$62,731,000 as at 31 March 2017.

As at 31 December 2017, the Group had net current assets of approximately HK\$167,210,000 (31 March 2017: HK\$146,203,000).

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. 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 2017, 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 2017 is as follows:

	Number of shares ('000)	Amount (HK\$'000)
Authorised	<u>30,000,000</u>	<u>300,000</u>
Issued and fully paid	<u>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 2017.

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 three months ended 31 December 2017.

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 2017
				As at 1 October 2017	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.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles in and complied with the requirements of the Corporate Governance Code (“CG Code”) as set out in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) throughout the nine months ended 31 December 2017.

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), who was formerly an executive Director and re-designated as a non-executive Director on 22 December 2017, and four independent non-executive Directors, namely Mr. Chung Koon Yan, Mr. Chan Ying Cheong, Ms. Zhao Yongmei and Dr. Yang Fuyu.

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

BOARD COMMITTEES

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

Audit Committee

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

Nomination Committee

The Nomination Committee comprised one executive Director, namely Mr. Zhang Yanqiang (chairman of the Nomination Committee), and two independent non-executive Directors, namely Mr. Chan Ying Cheong 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, who was formerly an executive Director and re-designated as a non-executive Director on 22 December 2017, 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 2017, 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 Securities and Future Ordinance (“SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in shares and underlying shares of the Company

Name of Director	Number of ordinary shares of HK\$0.01 each and the underlying shares			Approximate percentage of the issued share capital of the Company
	Personal interest	Corporate interest	Total number of shares	
Ms. Ng Mui King, Joky	–	337,920,000 (Note)	337,920,000	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 2017, 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 2017 was any of the Company or its subsidiaries a party to any arrangements to enable the Directors or chief executives (including their spouses or children under 18 years of age) of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTEREST OF SUBSTANTIAL SHAREHOLDERS AND OTHER SHAREHOLDERS

As at 31 December 2017, 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. <i>(Note 1)</i>	Beneficial owner	Corporate	337,920,000	14.26%
Mr. Huang Shih Tsai <i>(Note 2)</i>	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

During the nine months ended 31 December 2017, none of the Directors or their respective associates (as defined in the GEM Listing Rules) had any interests in a business which competes or might compete, either directly or indirectly, with the business of the Group or, any other conflicts of interests with the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the nine months ended 31 December 2017. 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 2017.

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 2017.

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

Hong Kong, 14 February 2018

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) four Independent Non-Executive Directors, namely Mr. Chung Koon Yan, Mr. Chan Ying Cheong, Ms. Zhao Yongmei and Dr. Yang Fuyu.