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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)**

**MAJOR TRANSACTION AND CONNECTED TRANSACTION  
IN RELATION TO THE PROPOSED DISPOSAL OF 51%  
OF THE ENTIRE ISSUED SHARE CAPITAL  
OF BEST SKY HOLDINGS LIMITED**

**THE DISPOSAL**

The Board is pleased to announce that, on 26 June 2018 (after trading hours), the Vendor (a direct wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares at the total consideration of HK\$34,680,000.

Completion is conditional upon the obtaining of the approval of the Shareholders to the Sale and Purchase Agreement and all transactions contemplated thereunder in compliance with the GEM Listing Rules and compliance with the other requirements of the GEM Listing Rules applicable to the Sale and Purchase Agreement and all transactions contemplated thereunder.

**IMPLICATIONS UNDER THE GEM LISTING RULES**

As one of the applicable percentage ratios in respect of the Disposal exceeds 25% but all the applicable percentage ratios are below 75%, the Disposal constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules, and is subject to the notification, publication and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Further, as the Purchaser is a substantial shareholder of the Target Company, he is a connected person at the subsidiary level of the Company under Chapter 20 of the GEM Listing Rules. Therefore, the Disposal also constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. The Board has approved the Sale and Purchase Agreement and the transactions contemplated thereunder. In addition, the Directors (including all the independent non-executive Directors) have confirmed that the terms of the Sale and Purchase Agreement are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Disposal is exempt from independent financial advice and independent shareholders' approval requirements under Rule 20.99 of the GEM Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal and the transactions contemplated thereunder. The aforesaid approval shall be obtained by way of poll. The Purchaser and his associates will abstain from voting on the resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

The Company expects that a circular containing, among other things, further details in respect of the Disposal, together with a notice convening the EGM and a form of proxy will be despatched to the Shareholders on or before 18 July 2018.

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## **THE SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are set out as follows:

### **Date**

26 June 2018

### **Parties**

- (i) Vendor: Great World Investments Limited, a direct wholly-owned subsidiary of the Company

(ii) Purchaser: Mr. Ng Wa Pang

### **Assets to be disposed of**

Subject to the terms and conditions of the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 51% of the entire issued share capital of the Target Company.

### **Consideration**

The consideration for the sale and purchase of the Sale Shares shall be the sum of HK\$34,680,000 to be paid by the Purchaser to the Vendor in cash within six(6) months from the date of Completion.

The consideration for the sale and purchase of the Sale Shares and the deferred payment arrangement were determined after arm's length negotiations between the Vendor and the Purchaser with reference to the original acquisition price of the Sale Shares; the repurchase price of the Sale Shares by the Purchaser as stated in the First Agreement and the terms and conditions of the Sale and Purchase Agreement as a whole.

The Directors (including the independent non-executive Directors) are of the view that the consideration of HK\$34,680,000 is fair and reasonable.

### **Conditions precedent to Completion**

The Disposal is conditional upon the satisfaction of the following:

- (a) all necessary consents and approvals in relation to the Disposal having been obtained by the Vendor; and
- (b) the obtaining of the approval of the Shareholders to the Sale and Purchase Agreement and all transactions contemplated thereunder in compliance with the GEM Listing Rules and compliance with the other requirements of the GEM Listing Rules applicable to the Sale and Purchase Agreement and all transactions contemplated thereunder.

The Conditions Precedent may not be waived by the Vendor or the Purchaser.

If the Conditions Precedent shall not be fulfilled on or before the Long Stop Date, all rights and obligations of the Vendor and the Purchaser under the Sale and Purchase Agreement shall cease and terminate other than certain terms thereof in relation to confidentiality, notice, expenses and jurisdiction.

## **Completion**

Completion shall take place three (3) business days after the last of the conditions precedent is satisfied in accordance with the Sale and Purchase Agreement.

## **INFORMATION ON THE PURCHASER**

The Purchaser, Mr. Ng Wa Pang, is a substantial shareholder holding 49 shares in the Target Company, representing 49% of the entire issued share capital of the Target Company. Therefore, he is a connected person at the subsidiary level of the Company under Chapter 20 of the GEM Listing Rules.

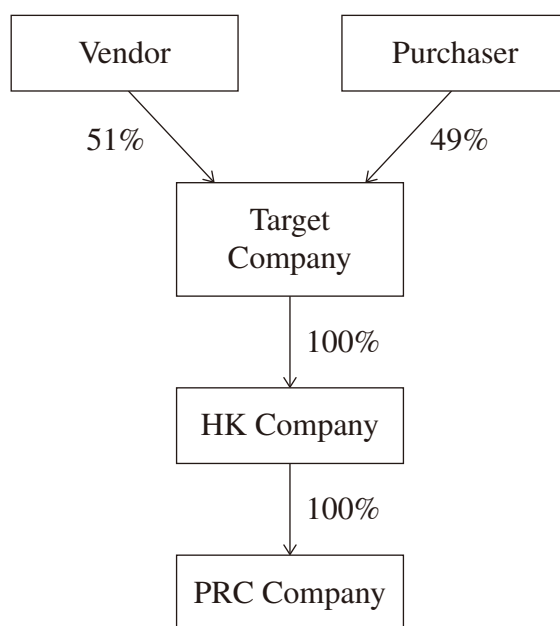
## **INFORMATION OF THE GROUP AND THE VENDOR**

The Company is an investment holding company and its subsidiaries are principally principally engaged in (i) property business, (ii) cultivation and research of the fine and new varieties of forest products together with the research and promotion of product cultivation technology for producing clean energy purposes, and (iii) constructing landscaping projects and earth-rock engineering, providing afforestation maintenance and planting and selling forest trees and flowers; operated in the PRC and the Republic of Angola.

The Vendor is an investment holding company and a direct wholly-owned subsidiary of the Company.

## INFORMATION OF THE TARGET GROUP

The Target Company is an indirect non wholly-owned subsidiary of the Company and an investment holding company incorporated in the British Virgin Islands with limited liability. Its subsidiaries are principally engaged in constructing landscaping projects and earth-rock engineering, providing afforested maintenance and planting and selling forest trees and flowers. The structure of the Target Group as at the date of the Sale and Purchase Agreement is set out as follows:



According to the unaudited consolidated financial statements of the Target Group prepared in accordance with HKFRS, the unaudited consolidated net profit or loss before and after taxation of the Target Group for the two financial years ended 31 March 2017 are as follows:

	<b>For the year ended 31 March</b>	
	<b>2017</b>	<b>2016</b>
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Consolidated net profit/(loss) before taxation	(1,067)	1,843
Consolidated net profit/(loss) after taxation	(957)	1,713

According to the unaudited consolidated financial statements of the Target Group prepared in accordance with HKFRS, the unaudited consolidated net asset value of the Target Group as at 31 March 2018 was approximately HK\$33,723,000.

## REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

Pursuant to the First Agreement and as stated in the announcement of the Company dated 29 May 2015 regarding the share transaction and discloseable transaction, the Purchaser guaranteed to the Vendor that the audited accumulated consolidated net profit after tax (prepared in accordance with HKFRS and excluding and extraordinary gain and minority interests) (the “**Accumulated Net Profit**”) of the Target Company for the period commencing on the date of the said agreement and ending on the fifth anniversary date of the said agreement shall not be less than HK\$68,000,000.

In the event that the Accumulated Net Profit is less than HK\$68,000,000, the Purchaser shall, at the option of the Vendor, among other option, purchase from the Vendor the Sale Shares at a consideration of HK\$34,680,000 within 15 business days from the date of certificate issued by the auditors designated by the Vendor certifying the amount of the Accumulated Net Profit.

Although it has only been about three years from the date of the First Agreement, it has come to the attention of the Vendor and the Purchaser that the Target Group is not likely to record the Accumulated Net Profit of HK\$68,000,000 on the fifth anniversary.

As stated in the annual report of the Company for the year ended 31 March 2017, the landscaping project operated by the Target Group in Angola was deferred due to the uncertainties of (i) political instability arisen from the abdication of President Jose Edurado Dos Santos; and (ii) fluctuation of the crude oil leading to the economic instability and increasing pressure on foreign direct investment. The Target Company’s development was adversely affected and its performance was not up to the expected level. In light of the circumstances, the Company negotiated with the Purchaser and subsequently reached an agreement to sell the Sale Shares to the Purchaser before the fifth anniversary of the First Agreement at the original acquisition price.

On one hand, the Disposal gives the Company an opportunity to realise its interest in the Target Group in advance and to reduce further resource to be put into the operation of the Target Group as the Company does not foresee there would be any significant growth in the business or any significant return to be generated by the Target Group. On the other hand, by selling the Sale Shares to the Purchaser, the Group could utilise the net sale proceeds of the Disposal, which is estimated to be approximately HK\$34,030,000, to fund its general working capital for its existing business and look for other possible business opportunities with better financial return and to enhance the shareholder value of the Company.

In light of the above, the Directors (including the independent non-executive Directors) consider the terms of the Sale and Purchase Agreement (including the consideration) are on normal commercial terms, and fair and reasonable, and that the Disposal is in the interests of the Shareholders and the Company as a whole.

## **FINANCIAL IMPACT OF THE DISPOSAL**

Upon Completion, the Company will cease to own any share in the Target Company. Each of the Target Company and its subsidiaries will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the financial results of the Company.

The Group expects to record a gain of approximately HK\$275,000 from the Disposal. The expected gain from the Disposal is calculated based on the consideration less (i) the unaudited consolidated net asset value of the Target Group of approximately HK\$33,723,000 as at 31 March 2018; and (ii) the estimated transaction costs of HK\$650,000; and (iii) the release of translation reserve upon the Disposal of approximately HK\$32,000. However, as the Group may record an impairment of goodwill on the Target Group prior to Completion, the gain on Disposal would be different from the amount mentioned above. The expected gain is subject to audit. The actual amount of the gain to be recognised by the Group can only be determined when the consolidated net asset value of the Target Group upon Completion and the transaction costs attributable to the Disposal are ascertained, and therefore may be different from the aforesaid amount.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

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The Company expects that a circular containing, among other things, further details in respect of the Disposal, together with a notice convening the EGM and a form of proxy will be despatched to the Shareholders on or before 18 July 2018.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Great World Company Holdings Ltd, a company incorporated in the Cayman Islands whose shares are listed and traded on the GEM
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Conditions Precedent”	the conditions for Completion as disclosed in the paragraph headed “Conditions precedent to Completion” in this announcement
“connected person(s)”	has the meaning as ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving, among other matters, the Sale and Purchase Agreement and the transactions contemplated thereunder
“First Agreement”	the sale and purchase agreement dated 29 May 2015 entered into between the Vendor and the Purchaser pursuant to which the Vendor has conditionally agreed to purchase and the Purchaser has conditionally agreed to sell the Sale Shares
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards



“HK Company”	Asset Express Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which are held by the Target Company as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Long Stop Date”	25 December 2018 (or such other date as may be agreed by the Vendor and the Purchaser)
“PRC”	the People’s Republic of China excluding, for the purposes of this announcement, Hong Kong and Macau Special Administrative Region of the PRC
“PRC Company”	Jiangsu Guangcheng Ecology Landscape Co., Ltd* (江蘇廣誠生態景觀有限公司), a company established in the PRC with limited liability, the equity interest of which is held by the HK Company as at the date of this announcement
“Purchaser”	Mr. Ng Wa Pang
“Sale and Purchase Agreement”	the conditional sale and purchase agreement entered into between the Vendor and the Purchaser dated 26 June 2018 in respect of the Disposal
“Sale Shares”	51 shares of US\$1.00 each of the Target Company, representing 51% of the entire issued share capital of the Target Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Best Sky Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, of which 51 % and 49% of the entire issued share capital are held by the Vendor and the Purchaser respectively as at the date of this announcement
“Target Group”	the Target Company, the HK Company and the PRC Company

“Vendor”

Great World Investments Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company

“%”

per cent.

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

26 June 2018

*As at the date of this announcement, the Board comprises of (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.*

*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 GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at [www.gwchl.com](http://www.gwchl.com).*

\* *For identification purposes only*