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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Financial Adviser to the Company



BAOQIAO PARTNERS CAPITAL LIMITED

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 27 April 2020 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 473,780,000 Subscription Shares at the Subscription Price of HK\$0.021 per Subscription Share.

The total number of 473,780,000 Subscription Shares to be issued and allotted under the Subscription Agreement represents (i) approximately 17.05% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 14.57% of the issued share capital of the Company immediately upon Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion Date save for the issue of the Subscription Shares) as enlarged by the issue and allotment of the Subscription Shares.

The Directors considered that the Subscription represents an opportunity to raise capital for the business operations of the Group while broadening the Shareholder base of the Company. The gross proceeds of the Subscription will be approximately HK\$9.95 million. After taking into account the estimated expenses related to the Subscription, the estimated net proceeds of the Subscription will be approximately HK\$9.78 million, representing the net price of approximately HK\$0.0206 per Subscription Share. The Company intends to use the net proceeds of approximately HK\$9.78 million from the issue of the Subscription Shares as the general working capital of the Group.

Shareholders and potential investors of the Company should note that the Subscription is subject to the fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

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THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are set out as follows:

Date: 27 April 2020 (after trading hours)

Parties: (1) the Company (as issuer); and
(2) the Subscriber (as subscriber)

The Subscriber is wholly-owned by Mr. Zhao Xinyan, who is a citizen of the People's Republic of China and a businessman. He directly owns 17,500,000 Shares as at the date of this announcement. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties.

Given the Subscription Shares represent approximately 14.57% of the enlarged total number of issued Shares, the Subscriber will become a substantial shareholder of the Company immediately after the Completion.

Subscription Shares

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 473,780,000 Subscription Shares, representing (i) approximately 17.05% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 14.57% of the issued share capital of the Company immediately upon Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion Date save for the issue of the Subscription Shares) as enlarged by the issue and allotment of the Subscription Shares.

Based on the closing price of the Shares of HK0.021 per Share on 27 April 2020, being the date of the Subscription Agreement, the Subscription Shares have a market value of approximately HK9.95 million. The aggregate nominal value of the Subscription Shares is approximately HK\$4.74 million.

Subscription Price

The Subscription Price is HK\$0.021 per Subscription Share, representing:

- (i) the closing price of HK\$0.021 per Share as quoted on the Stock Exchange on 27 April 2020, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 3.67% to the average closing price per Share of HK\$0.0218 for the last five (5) consecutive trading days immediately preceding the date of the Subscription Agreement.

The total Subscription Price for the Subscription shall be paid by the Subscriber to the Company in cash upon Completion.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to the prevailing market price of the Shares. The Board considers that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent to the Subscription Agreement

Completion is conditional upon the fulfilment of the following conditions:

- (i) the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares; and

- (ii) the representation and warranties of the Company and the Subscriber remaining true and accurate in all material respects and are not misleading as of the date of the Subscription Agreement and the Completion Date.

The Subscriber shall be entitled in its absolute discretion, by written notice to the Company, to waive the condition relating to the obligations of the Company under the Subscription Agreement in condition (ii) as disclosed above in whole or in part. The Company shall be entitled in its absolute discretion, by written notice to the Subscriber, to waive the condition relating to the obligations of the Subscriber under the Subscription Agreement in condition (ii) as disclosed above in whole or in part. Neither party to the Subscription Agreement shall be entitled to waive compliance with condition (i) as disclosed above.

In the event that any of the conditions precedent shall not have been fulfilled (or waived) prior to the Long Stop Date, the Subscription Agreement shall terminate and cease to be of any effect, (i) except for certain provisions relating to representation and warranties, confidentiality and certain miscellaneous matters shall remain applicable after termination and such provisions shall remain in full force and effect, and (ii) neither party shall (save to such extent and to the extent of obligations or rights of any of the parties which have accrued prior to such termination) have any claim against the other party for costs, damages, compensation or otherwise.

Completion

Completion shall take place on the Completion Date in accordance with the terms of the Subscription Agreement.

Ranking

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time of issue and allotment of the Subscription Shares.

General mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the General Mandate, which has been granted to the Directors at the AGM to allot and issue up to 473,787,200 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM.

Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Subscription Shares and the issue of the Subscription Shares is not subject to the approval by the Shareholders.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

EFFECT ON THE SHAREHOLDING OF THE COMPANY

As at the date of this announcement, the Company has 2,778,936,000 Shares in issue.

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion Date save for the issue of the Subscription Shares):

Shareholders	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Subscriber and Mr. Zhao Xinyan (<i>Note 1</i>)	17,500,000	0.63	491,280,000	15.10
Gold City Assets Holdings Limited (<i>Note 2</i>)	337,920,000	12.16	337,920,000	10.39
Lin Shunping	199,000,000	7.16	199,000,000	6.12
Public Shareholders	<u>2,224,516,000</u>	<u>80.05</u>	<u>2,224,516,000</u>	<u>68.39</u>
Total	<u>2,778,936,000</u>	<u>100.00</u>	<u>3,252,716,000</u>	<u>100.00</u>

Notes:

1. The Subscriber is wholly-owned by Mr. Zhao Xinyan.
2. Gold City Assets Holdings Limited is wholly-owned by Ms. Ng Mui King, Joky, a non-executive Director.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Company is an investment holding company. The Group is principally engaged in (i) provision of advertising media services; (ii) sales of information technology products; (iii) research and growing of forestry products for clean energy sector, cultivation, promotion and application of agricultural technologies; and (iv) property investment and development, operating and managing residential and commercial properties.

The Directors considered that the Subscription represents an opportunity to raise capital for the business operations of the Group while broadening the Shareholder base of the Company. The gross proceeds of the Subscription will be approximately HK\$9.95 million. After taking into account the estimated expenses related to the Subscription, the estimated net proceeds of the Subscription will be approximately HK\$9.78 million, representing the net price of approximately HK\$0.0206 per Subscription Share. The Company intends to use the net proceeds of approximately HK\$9.78 million from the issue of the Subscription Shares as the general working capital of the Group.

The Board considers the terms of the Subscription Agreement to be normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITY OVER THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

Shareholders and potential investors of the Company should note that the Subscription is subject to the fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 27 September 2019
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, a public holiday or a day on which a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning signal is hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m.) on which licensed banks in Hong Kong are generally open for business

“Company”	Great World Company Holdings Ltd, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM (Stock Code: 8003)
“Completion”	completion of the Subscription in accordance with the terms of the Subscription Agreement
“Completion Date”	the date on which Completion takes place in accordance with the terms of the Subscription Agreement, which is not later than the seventh (7th) Business Day following the fulfillment or waiver (as the case may be) of all the conditions precedent to the Subscription Agreement, or such other date as the parties to the Subscription Agreement shall otherwise agree
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot and issue up to 473,787,200 Shares, representing 20% of the issued share capital of the Company as at the date of the passing of such resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party who is not a connected person (as defined in the GEM Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and of the connected persons (as defined in the GEM Listing Rules) of the Company
“Long Stop Date”	27 May 2020, or such later date as the parties to the Subscription Agreement may agree

“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Win Bless Limited (讚勝有限公司), a company incorporated in Hong Kong with limited liability, being the subscriber of the Subscription
“Subscription”	the subscription of 473,780,000 Subscription Shares at the Subscription Price by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber dated 27 April 2020 in relation to the Subscription
“Subscription Price”	HK\$0.021 per Subscription Share
“Subscription Shares”	473,780,000 new Shares to be issued by the Company to the Subscriber pursuant to the terms of the Subscription Agreement
“%”	per cent

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

Hong Kong, 27 April 2020

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Zhang Yanqiang, Ms. Yang Wei and Mr. Gu Zhonghai, (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.

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 Listed Company Information” 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).