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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 ACQUISITION OF
EQUITY INTERESTS IN YENBO GAIN LIMITED
AND
PLACING OF NEW SHARES UNDER GENERAL MANDATE**



THE ACQUISITION AGREEMENT

The Board is pleased to announce that on 10 October 2014 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Equity Interests for a consideration of HK\$30 million. The Sale Equity Interests represent approximately 36.36% of the entire issued share capital of the Target Company.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios in relation to the Acquisition exceeds 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules.

THE PLACING AGREEMENT

The Board is also pleased to announce that on the same day (after trading hours), the Company also entered into a conditional placing agreement with the Placing Agent, under which the Placing Agent will use its best efforts to place up to 225,500,000 Placing Shares to not fewer than six Placees who are Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors by a resolution of the then Shareholders passed at the annual general meeting of the Company held on 1 August 2014. If all of the Placing Shares are placed, they represent (i) approximately 20% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares pursuant to the Placing. It is expected that no Placee will become a substantial Shareholder (as defined under the GEM Listing Rules) as a result of the Placing.

The Placing Price of HK\$0.125 per Placing Share represents (i) a discount of approximately 19.87% to the closing price of HK\$0.156 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 11.97% to the average closing price per Share of HK\$0.142 for five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming 225,500,000 Placing Shares have been placed, the gross proceeds from the Placing is estimated to be approximately HK\$28.19 million, and the net proceeds from the Placing, after deducting related placing commission and other related expenses in connection with the Placing, is estimated to be approximately HK\$27.5 million. The Company intends to apply all of the net proceeds from the Placing to fund the acquisition of the Sale Equity Interests.

As the Acquisition and the Placing are subject to various conditions and may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 10 October 2014 (after trading hours), the Purchaser entered into the Acquisition Agreement with the Vendor, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Equity Interests for a consideration of HK\$30 million. Principal terms of the Acquisition Agreement are set out below:

THE ACQUISITION AGREEMENT

Date: 10 October 2014 (after trading hours)

Parties: (1) The Purchaser; and
(2) The Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Assets to be acquired

The Sale Equity Interests represent 36.36% of the entire issued capital of the Target Company. Upon Completion, the Purchaser will hold approximately 36.36% of the total issued share capital of the Target Company whilst the Vendor retains 45.46% shareholding interest in the Target Company. The remaining 18.18% shareholding in the Target Company will continue to be held by an Independent Third Party.

Consideration

The Consideration of HK\$30 million will be payable by the Purchaser to the Vendor in cash by 2 instalments.

The first instalment shall be paid within (3) Business Days upon the Company receiving the net proceeds from the Placing. The second instalment shall be paid by the Group within 3 months from the date of the Acquisition Agreement.

The Consideration was determined by the Purchaser and the Vendor on the basis of arm's length negotiations having considered the net asset value of the Target Company as at 31 August 2014 as well as taking into account the strategic opportunity for the Group to enter the bio-energy industry as a result of the Acquisition. The Consideration will primarily be funded by the full amount of the proceeds to be received from the Placing together with borrowing, internal financial resources of the Group or a combination of both.

The Directors consider that the terms of the Acquisition Agreement are determined on an arm's length basis, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Acquisition is subject to (amongst others) the following conditions having been fulfilled or waived (as the case may be):

- (a) the Purchaser conducts and completes all necessary due diligence (including but not limited to financial and legal) on the Target Company and its subsidiaries and be satisfied with the results;
- (b) all approvals, consents, authorisations and licences (where applicable) required to be obtained in relation to the transactions contemplated under the Acquisition Agreement having been obtained; and
- (c) completion of the Placing.

The Purchaser may waive all of the above conditions (except for condition (b)) by notice in writing to the Vendor. In the event that the above conditions are not fulfilled (or as the case may be, waived by the Purchaser) on or before 24 October 2014 (or such later date as the Vendor and the Purchaser may agree in writing), the Acquisition Agreement may be terminated by the Purchaser, in which case, none of the parties to the Acquisition Agreement shall have any claim against the others for costs, damages, compensation or otherwise (save in respect of any antecedent breaches of the terms thereof).

Completion

Completion shall take place on the 5th business day after the fulfilment (or waiver, as the case may be) of all of the conditions precedent in the Acquisition Agreement being fulfilled or such later date as may be agreed between the Purchaser and the Vendor.

Upon completion, the Purchaser will hold approximately 36.36% of total issued share capital of the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company incorporated in the British Virgin Islands. The Target Company and its subsidiaries are principally engaged in cultivation and research of the fine and new varieties forest products together with the research and promotion of product cultivation technology for producing clean energy purposes.

FINANCIAL INFORMATION OF THE TARGET COMPANY

According to the unaudited consolidated management accounts of the Target Company and its subsidiaries prepared under the Hong Kong accounting standards, from 8 November 2013 (i.e. the date of incorporation) to 31 August 2014, the Target Group recorded a loss of approximately HK\$889,000 before and after taxation. The net asset value of the Target Group as at 31 August 2014 was approximately HK\$71,930,000.

INFORMATION ON THE VENDOR

The Vendor is the existing legal and beneficial owner of the Target Company as to 81.82%.

REASONS FOR ENTERING INTO THE ACQUISITION AGREEMENT

The Group is principally engaged in (i) iron mine business and (ii) property business, both operated in the PRC.

The terms of the Acquisition Agreement were arrived at after arm's length negotiations between the Purchaser and the Vendor. The Directors consider that the transactions and the terms contemplated under the Acquisition Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Directors seek to explore new opportunities to improve the performance of the Group. Acquisition of an interest in the Target Company will allow the Group to participate in the business of bio-technology in the PRC and in the new energy sector. The Acquisition is expected to diversify the Group's investment portfolio and sources of earnings. The Directors are optimistic about the long term prospects of the Target Group's business.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios in relation to the Acquisition exceeds 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules.

THE PLACING AGREEMENT

The Company has entered into the Placing Agreement, details of which are as follows:

Date

10 October 2014 (after trading hours)

Issuer

The Company

Placing Agent

RHB OSK Securities Hong Kong Limited. Having made all reasonable enquiries and to the best of the knowledge, information and belief of the Directors, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Agent will use its best efforts to place up to 225,500,000 Placing Shares to not fewer than six Placees who are Independent Third Parties and are professional, institutional or other investors approved, selected and/or procured by or on behalf of the Placing Agent as contemplated under the Placing Agreement. It is expected that no Placee will become a substantial Shareholder (as defined under the GEM Listing Rules) as a result of the Placing.

Number of Placing Shares

Pursuant to the Placing Agreement, up to 225,500,000 Placing Shares will be allotted and issued to the Placees. The 225,500,000 Placing Shares (assuming all of them are placed) represent:

- (a) approximately 20% of the issued share capital of the Company as at the date of this announcement; and
- (b) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares pursuant to the Placing.

The aggregate nominal value of all the Placing Shares is HK\$22,550,000. The Placing Shares are not subject to any lock-up or other disposal restriction under the terms of the Placing Agreement.

Placing Price

The Placing Price of HK\$0.125 per Placing Share represents:

- (i) a discount of approximately 19.87% to the closing price of HK\$0.156 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 11.97% to the average closing price per Share of HK\$0.142 for five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Agent will receive a fixed fee of HK\$100,000 and a placing commission of 0.5% of the aggregate Placing Price of the number of Placing Shares successfully placed by the Placing Agent.

The Placing Agreement, the Placing Price and the placing commission mentioned above were arrived at after arm's length negotiations between the Company and the Placing Agent and with reference to the recent trading prices of the Shares.

Condition of the Placing

Completion of the Placing contemplated under the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting a listing of and permission to deal in all of the Placing Shares.

Completion of the Placing shall take place on or before the 5th Business Day immediately after the satisfaction of the condition set out above, or at such other date as may be agreed between the Company and the Placing Agent in writing.

If the above condition is not fulfilled by 24 October 2014 or such later date as may be agreed, the Placing Agreement shall lapse and all rights, obligations and liabilities of the Company and the Placing Agent thereunder shall cease and determine and neither the Company nor the Placing Agent shall have any claim against each other in respect of the Placing save for any antecedent breaches.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to allot and issue new Shares

The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors by a resolution of the then Shareholders passed at the annual general meeting of the Company held on 1 August 2014. Under the general mandate, the Company is authorised to issue up to 225,525,600 Shares.

The Company has not exercised the power to allot and issue any new Shares pursuant to such mandate prior to the date of the Placing Agreement. Upon completion of the Placing, up to 225,500,000 Placing Shares will be issued under such general mandate. The issue of the Placing Shares is not subject to Shareholders' approval.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank pari passu in all respects with the Shares in issue as at the date of issue of the Placing Shares.

Termination

The Placing Agent has the right to terminate the Placing Agreement by notice in writing at or prior to 10:00 a.m. on the date of completion of the Placing (or such later date as may be agreed between the Parties), if in its absolute opinion, the success of the Placing would be materially and adversely affected by any of the following events:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether

or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or such Placing Agent to proceed with the Placing; or
- (d) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (e) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of any announcement relating to the Placing Agreement or circulars relating to the Placing and/or the sale and purchase agreement and the ancillary agreements thereto; or
- (f) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate, in material respects, if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

REASONS FOR AND BENEFITS OF THE PLACING

As set out in this announcement, the Purchaser has entered into the Acquisition Agreement to acquire the Sale Equity Interests for a total consideration of HK\$30 million. The Group would like to raise funds to fund the Acquisition and, at the same time, broaden the capital base and shareholder base of the Company. The Company intends to apply all of the net proceeds from the Placing to fund the acquisition of the Sale Equity Interests.

Assuming all 225,500,000 Placing Shares have been placed, the gross proceeds from the Placing are estimated to be approximately HK\$28.19 million, and the net proceeds from the Placing, after deducting related placing commission and other related expenses in connection with the Placing, are estimated to be approximately HK\$27.5 million. The net placing price for the Placing is approximately HK\$0.122 per Placing Share.

The Directors consider that the Placing Agreement (including the terms relating to the Placing Price and the placing commission) has been entered into on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities during the past twelve months immediately prior to the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and upon completion of the Placing (assuming all the Placing Shares are placed and no other changes in the shareholding structure occur from the date of this announcement till then) is set out below:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing (assuming all 225,500,000 Placing Shares are placed)	
	No. of Shares	%	No. of Shares	%
Gold City Assets Holdings Ltd. (Note 1)	337,920,000	29.97	337,920,000	24.97
Mr. Tong Wang Chow (Note 2)	72,904,000	6.47	72,904,000	5.39
Spouse of Mr. Tong Wang Chow	5,000,000	0.44	5,000,000	0.37
Mr. Huang Shih Tsai (Note 3)	155,000,000	13.75	155,000,000	11.45
Public Shareholders				
– Placees	–	–	225,500,000	16.67
– Other public Shareholders	556,804,000	49.38	556,804,000	41.15
Total	1,127,628,000	100	1,353,128,000	100

Notes:

- Gold City Assets Holdings Ltd. is a company owned as to 51% by Ms. Ng Mui King, Joky and 49% by Fine Day Asset Holdings Inc.. Ms. Ng Mui King, Joky is an executive Director and also a director of Gold City Assets Holdings Ltd.. Ms. Yang Cheng is the 100% beneficial owner of Fine Day Asset Holdings Inc..
- Mr. Tong Wang Chow is the elder brother of Mr. Tong Wang Shun, an executive Director.
- Mr. Huang Shih Tsai (“Mr. Huang”) has a total interest in 324,200,000 shares, of which (i) 155,000,000 shares were allotted to Mr. Huang on 15 August 2011 as partial consideration for the acquisition of 100% equity interest in a company wholly-owned by Mr. Huang; and (ii) 169,200,000 shares relate to Mr. Huang’s derivative interests in a convertible note.

Shareholders and potential investors should note that completion of the Acquisition and the Placing are subject to fulfillment of the conditions under the Acquisition Agreement and the Placing Agreement respectively. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition”	the purchase by the Company from the Vendor of the Sale Equity Interests pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement entered into between the Company and the Vendor on 10 October 2014 for the sale of the Sale Equity Interests from the Vendor to the Company
“associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Great World Company Holdings Ltd, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Growth Enterprise Market of the Stock Exchange
“Completion”	completion of the Acquisition
“Completion Date”	the date of Completion
“connected person(s)”	the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	the total consideration for the Acquisition, being HK\$30 million
“Director(s)”	the director(s) of the Company
“GEM”	The Growth Enterprise Market 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 at the annual general meeting of the Company held on 1 August 2014 to issue and allot a maximum of 225,525,600 Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on that date
“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
“Independent Third Party(ies)”	parties which are not connected persons (as defined in the GEM Listing Rules) of the Company and are independent of the Company and its connected persons
“Placees”	the placees to be procured by the Placing Agent pursuant to the terms and condition of the Placing Agreement
“Placing”	the placing of the Placing Shares in accordance with the terms of the Placing Agreement
“Placing Agent”	RHB OSK Securities Hong Kong Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 10 October 2014 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.125 being the subscription price for each Placing Share (exclusive of any brokerage, commission, SFC transaction levy and Stock Exchange trading fee payable)
“Placing Shares”	up to 225,500,000 new Shares to be subscribed for by the Placees in accordance with the terms of the Placing Agreement
“PRC”	the People’s Republic of China
“Purchaser”	Hi-Smart Technology Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Sale Equity Interests”	8 Shares representing approximately 36.36% of the entire issued share capital of the Target Company

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares which have a par value of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Yenbo Gain Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Mr. Zhang Yong, a 81.82% legal and beneficial owner of the Target Company as at the date of this announcement
“%”	per cent.

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

Hong Kong, 10 October 2014

As at the date of this announcement, the Board comprises (i) four executive directors, namely Ms. Ng Mui King, Joky, Mr. Tong Wang Shun, Ms. Zeng Jieping and Mr. Zhang Yanqiang; and (ii) two independent non-executive directors, namely Mr. Chung Koon Yan and Mr. Chan Ying Cheong.

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 (<http://www.hkgem.com>) for at least 7 days from the date of its publication and on the Company’s website (<http://www.gwchl.com>).