世大控股有限公司

GREAT WORLD COMPANY HOLDINGS LTD

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8003)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

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.

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.

FINAL RESULTS

The board of directors (the "Board") of Great World Company Holdings Ltd (the "Company") presents the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2016 together with the comparative audited figures for the year ended 31 March 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2016

	Notes	**2016** **HK$'000**	2015 HK$'000
Turnover	*3(a)*	**18,212**	1,502
Costs of sales		**(10,561)**	(482)
Gross profit		**7,651**	1,020
Other revenue	*3(b)*	**340**	423
Gain on disposal of a subsidiary		**2,573**	–
Fair value change on investment property		**(5,956)**	1,243
Selling and distribution costs		**(411)**	–
Administrative and other operating expenses		**(20,776)**	(13,528)
Finance costs	*5*	**(10,287)**	(2,949)
Loss from operations		**(26,866)**	(13,791)
Share of loss of associates		**(3)**	(357)
Loss before tax	*7*	**(26,869)**	(14,148)
Income tax credit/(expense)	*6*	**2,938**	(1,363)
Loss for the year		**(23,931)**	(15,511)
Loss for the year attributable to:			
Owners of the Company		**(24,766)**	(15,511)
Non-controlling interests		**835**	–
		(23,931)	(15,511)
Basic and diluted loss per share	*8*	**(1.51) HK cents**	(1.26) HK cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	2016	2015
	HK$'000	*HK$'000*
Loss for the year	**(23,931)**	(15,511)
Other comprehensive (expenses)/income for the year:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(5,706)**	151
Reclassification adjustments relating to foreign operations disposed of during the year	**(1,118)**	–
Reclassification adjustments relating to associates disposed of during the year	**338**	–
Exchange differences arising on translation of associates	**(21)**	(317)
Other comprehensive expenses for the year, net of income tax	**(6,507)**	(166)
Total comprehensive expenses for the year	**(30,438)**	(15,677)
Total comprehensive (expenses)/income attributable to:		
Owners of the Company	**(30,854)**	(15,677)
Non-controlling interests	**416**	–
	(30,438)	(15,677)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	**2016** **HK$'000**	2015 *HK$'000*
Non-current assets			
Property, plant and equipment		**2,596**	291
Investment property		**61,383**	70,027
Goodwill		**49,996**	–
Other intangible asset		**–**	–
Interests in associates		**–**	29,326
Deferred tax assets		**–**	–
Prepayment	*10*	**7,122**	–
Deposit for acquisition of a subsidiary	*10*	**–**	37,500
		121,097	137,144
Current assets			
Properties held for sale		**92,014**	95,512
Trade and other receivables	*10*	**73,218**	2,380
Cash and bank deposits		**70,718**	69,377
		235,950	167,269
Current liabilities			
Trade and other payables	*11*	**(5,950)**	(5,430)
Amounts due to directors	*12*	**(9,303)**	(8,106)
Amounts due to related companies	*12*	**(59,565)**	(63,721)
		(74,818)	(77,257)
Net current assets		**161,132**	90,012
Non-current liabilities			
Amount due to a shareholder	*12*	**(35,696)**	(35,574)
Convertible notes	*13*	**(74,432)**	(84,494)
Deferred tax liabilities		**(25,076)**	(32,295)
		(135,204)	(152,363)
Net assets		**147,025**	74,793
Capital and reserves			
Share capital		**19,039**	135,313
Reserves		**115,606**	(60,520)
Total equity attributable to owners of the Company		**134,645**	74,793
Non-controlling interests		**12,380**	–
		147,025	74,793

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1. BASIS OF PREPARATION

The provisions of the new CO (Cap 622) regarding preparation of accounts and directors' report and audits became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for investment property and certain financial instruments, which are measured at fair values at the end of each reporting period.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following revised HKFRSs issued by the HKICPA, which are relevant to the Group and effective for the first time for the Group's current year's financial statements.

Amendments of HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

The Group has not applied or early adopted the following new or revised HKFRSs (including their consequential amendments) that have been issued but not yet effective in these consolidated financial statements. The name and principal nature of pronouncements which may be relevant to the Group are set out below.

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[4]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plant[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]
Amendment to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associated or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[2]

1 Effective for annual periods beginning on or after 1st January 2018
2 Effective for annual periods beginning on or after 1st January 2016
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 January 2019

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a FVTOCI measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that the application of HKFRS 9 in the future may have material impact on amounts reported and disclosures made in respect of the Group's financial assets. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocated the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' for the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The Group is currently assessing the impact of these new or revised HKFRSs upon their initial application but is not yet in a position to state whether they would have any significant impact in its results of operation and financial position. It is anticipate that all of the pronouncements will be adopted in the Group's accounting policy in the accounting period when they first become effective.

3. REVENUE

(a) Turnover

	2016	2015
	HK$'000	*HK$'000*
Mine processing income	**1,464**	1,502
Rental income	**253**	–
Sale of self-bred saplings	**4,803**	–
Services income	**11,692**	–
	18,212	1,502

(b) Other revenue

	2016	2015
	HK$'000	*HK$'000*
Bank interest income	**3**	1
Gain on disposal of property, plant and equipment	**–**	3
Other	**337**	419
	340	423

4. SEGMENT INFORMATION

The Group manages its businesses 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 four reportable segments.

The Group's operations and reportable segments under HKFRS 8 are as follows:

Iron mine business	Exploration, mining and processing of iron ores
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
Landscaping and earth-rock engineering business	Constructing landscaping projects and earth-rock engineering, maintenance and planting and selling forest trees and flowers

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, assets, liabilities and other selected financial information

2016

	Iron mine business *HK$'000*	**Property business** *HK$'000*	**Forestry business** *HK$'000*	**Landscaping and earth-rock engineering** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	**1,464**	**253**	**4,803**	**11,692**	**18,212**
Bank interest income	**–**	**1**	**2**	**–**	**3**
Depreciation	**(45)**	**(6)**	**(64)**	**(187)**	**(302)**
Fair value change on investment property	**–**	**(5,956)**	**–**	**–**	**(5,956)**
Total (loss)/profit of reportable segments	**(63)**	**(6,359)**	**(26)**	**1,909**	**(4,539)**
Income tax credit/(expense)	**–**	**1,445**	**–**	**(130)**	**1,315**
Total assets of reportable segments	**499**	**153,673**	**61,816**	**4,069**	**220,057**
Additions to non-current assets	**–**	**–**	**285**	**2,462**	**2,747**
Total liabilities of reportable segments	**(7,461)**	**(80,638)**	**(566)**	**(1,412)**	**(90,077)**

2015

	Iron mine business *HK$'000*	Property business *HK$'000*	Total *HK$'000*
Revenue from external customers	1,502	–	1,502
Bank interest income	–	1	1
Depreciation	(453)	(5)	(458)
Fair value change on investment property	–	1,243	1,243
Total (loss)/profit of reportable segments	(4,615)	80	(4,535)
Impairment loss on property, plant and equipment	(3,694)	–	(3,694)
Income tax expense	–	(1,850)	(1,850)
Total assets of reportable segments	1,874	166,021	167,895
Additions to non-current assets	–	6	6
Total liabilities of reportable segments	(4,290)	(62,405)	(66,695)
Gain on disposal of property, plant and equipment	–	3	3

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Total revenue for reportable segments	**18,212**	1,502
Consolidated turnover	**18,212**	1,502
Profit or loss		
Total loss for reportable segments	**(4,539)**	(4,535)
Unallocated corporate income	**340**	419
Unallocated corporate expenses	**(22,667)**	(9,675)
Share of loss of associates	**(3)**	(357)
Consolidated loss before tax	**(26,869)**	(14,148)
Assets		
Total assets for reportable segments	**220,057**	167,895
Interests in associates	**–**	29,326
Unallocated corporate assets	**136,990**	107,192
Consolidated total assets	**357,047**	304,413
Liabilities		
Total liabilities for reportable segments	**(90,077)**	(66,695)
Unallocated corporate liabilities	**(119,945)**	(162,925)
Consolidated total liabilities	**(210,022)**	(229,620)

(c) Geographical Information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, investment property, ("specified non-current assets"). The geographical location of customer is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on (i) the physical location of the assets, in the case of property, plant and equipment and investment property; and (ii) the location of the operation to which they are allocated.

	Revenue from external customers		**Specified non-current assets**	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**6,520**	1,502	**61,560**	70,169
Hong Kong	**–**	–	**7,293**	149
Republic of Angola	**11,692**	–	**2,248**	–
	18,212	1,502	**71,101**	70,318

(d) Information about major customers

Revenue from customers in the current and in previous year contributing 64% and 100% of the turnover of the Group from the iron mine business and landscaping and earth-rock engineering are as follows:

	2016	2015
	HK$'000	*HK$'000*
Iron mine business:		
Customer A	**–**	1,502
Landscaping and earth-rock engineering:		
Customer B	**11,692**	–

5. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Imputed interests on convertible notes	**10,287**	2,949

6. INCOME TAX (CREDIT)/EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax	**175**	–
Deferred taxation	**(3,113)**	1,363
Income tax (credit)/expense for the year	**(2,938)**	1,363

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit subject to Hong Kong Profits Tax for the years ended 31 March 2016 and 2015.

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 of the PRC subsidiaries is 25%.

7. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2016 *HK$'000*	2015 *HK$'000*
Staff costs (Including directors' remuneration)		
– salaries and other benefits	**5,921**	3,199
– contributions to defined contribution schemes	**47**	133
– share-based payment expenses in respect of employees	**3,454**	–
	9,422	3,332
Auditors' remuneration		
– audit services	**459**	360
– other services	**–**	320
Depreciation of property, plant and equipment	**461**	585
Share-based payment expenses in respect of consultary services	**126**	–
Operating lease charges in respect of land and building	**2,116**	1,210
Loss on disposal of property, plant and equipment	**15**	–
Loss on fair value change of investment property	**5,956**	–
Impairment loss on property, plant and equipment	**–**	3,694

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares.

The calculation of the basic and diluted loss per share attributable to owners of the Company is as below:

	2016 *HK$'000*	2015 *HK$'000*
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	**(24,766)**	(15,511)

	2016 *'000*	2015 *'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,630,325**	1,227,095

No diluted loss per share has been presented for both years as the Company's outstanding convertible notes and share options are either anti-dilutive or no dilutive effect for both years.

9. DIVIDEND

No dividend has been paid nor proposed for the year (2015: Nil).

10. TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**3,611**	–
Other receivables	**65,945**	1,005
Prepayments	**8,390**	656
Deposits	**2,394**	38,219
	80,340	39,880
Less: Prepayments and deposit *(note)*	**(7,122)**	(37,500)
Amounts classified as current assets	**73,218**	2,380

Note: Prepayments made to various parties for consultation services (2015: deposit paid to acquire a further 45.46% of the issued share capital of Yenbo Gain Limited)

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**3,611**	–
Less: Allowance for doubtful debts	**–**	–
	3,611	–

The following is an aging analysis of trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates and net of allowance for doubtful debts:

	2016	2015
	HK$'000	*HK$'000*
Within 3 months	**1,269**	–
3 months – 6 months	**2,342**	–
Over 6 months	**–**	–
	3,611	–

The average credit period granted to customers is 6 months after an invoice has been sent out.

At 31 March 2016, trade receivables with the amounts of approximately HK$3,611,000 is due from the Group's one largest customer.

In determining the recoverability of receivable, the Group considers if there is any change in the credit quality of the receivable from the date when credit was initially granted up to the end of the reporting period. In the opinion of directors, no impairment was recognised for both years as there was no significant change on their credit quality.

11. TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**992**	738
Other payables	**2,834**	4,229
Income tax payables	**123**	–
Accruals	**947**	463
Deposits received	**1,054**	–
	5,950	5,430

An aged analysis of the trade payables is as follows:

Within 3 months	**–**	–
Over 3 months but within 1 year	**282**	–
Over 1 year	**710**	738
	992	738

12. AMOUNTS DUE FROM/(TO) DIRECTORS/A SHAREHOLDER/RELATED COMPANIES

The amounts due to directors/related companies are non-trade nature, unsecured, interest-free and have no fixed repayment terms.

The amount due from/(to) a shareholder are non-trade nature, unsecured, interest-free and has no fixed repayment terms. The amount which the shareholder has no intention to demand for repayment within 12 months after the reporting date is classified as non-current asset/liability.

13. CONVERTIBLE NOTES

(i) Convertible Note issued on 15 August 2011

On 15 August 2011, the Company issued a zero coupon convertible note with face value of HK$33,840,000 (the "Convertible Note") to Mr. Huang Shih Tsai as part of the consideration for the acquisition of Linkful Wise Group Holdings Limited and its subsidiaries ("Linkful Group"). The Convertible Note is unsecured, non-interest bearing and repayable upon maturity which is the fifth anniversary of the date of issue. The holder of the Convertible Note has the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the Convertible Note into ordinary shares of the Company at a conversion price of HK$0.1227 per share (adjusted from HK$0.2 to HK$0.1344 per share with effect from 30 March 2015 as detailed in the Company's announcement dated 2 April 2015, and adjusted from HK$0.1344 per share with effect from 19 October 2015 as detailed in the Company's announcement dated 15 October 2015).

The Convertible Note is a compound financial instrument containing two components, liability and equity elements. The fair value of the liability component was calculated using the discounted cash flows method at a market interest rate for the equivalent non-convertible note. The effective interest rate of the liability component on initial recognition is approximately 11%. The equity component was stated at its fair value using the Binomial Tree Pricing Model which is included in shareholders' equity as convertible notes equity reserve.

(ii) Convertible Notes issued on 30 March 2015

On 30 March 2015, the Company issued zero coupon convertible notes with an aggregate face value of HK$110,000,000 (the "New Convertible Notes") to not less than six subscribers who are independent third parties. The New Convertible Notes is unsecured, non-interest bearing and repayable upon maturity which is the fifth anniversary of the date of issue. The holders of the New Convertible Notes have the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the New Convertible Notes into ordinary shares of the Company at an initial conversion price of HK$0.08 per share (adjusted from HK$0.1 per share with effect from 19 October 2015 as detailed in the Company's announcement dated 15 October 2015).

The New Convertible Notes are compound financial instrument containing two components, liability and equity elements. The fair value of the liability component was calculated using the discounted cash flows method at a market interest rate for the equivalent non-convertible note. The effective interest rate of the liability component on initial recognition is approximately 14%. The equity component was stated at its fair value using the Binomial Tree Pricing Model which is included in shareholders' equity as convertible notes equity reserve.

The movements in the liability component of the Group's convertible notes are set out below:

	2016	2015
	HK$'000	*HK$'000*
At 1 April	**84,494**	26,408
Issued the New Convertible Notes	**–**	55,137
Conversion into ordinary shares	**(20,349)**	–
Effective interest expense	**10,287**	2,949
At 31 March	**74,432**	84,494

The movements in the equity component of the Group's convertible notes are set out below:

	2016	2015
	HK$'000	*HK$'000*
At 1 April	**51,552**	6,430
Issued the New Convertible Notes	**–**	45,122
Conversion into ordinary shares	**(16,408)**	–
At 31 March	**35,144**	51,552

14. ACQUISITION OF SUBSIDIARIES

On 8 April 2015, the Group acquired a further 45.46% of the issued share capital of Yenbo Gain Limited ("Yenbo Gain"), an unlisted company engaged in (i) research on forestry products which could be used in clean energy sector as biomass fuel; and (ii) commercialization of forestry for growing forestry products for clean energy sector, with advanced technology from breeding, silvicultural, management and protection of forests. The Group's interests in Yenbo Gain was then increased from approximately 36.36% to approximately 81.82% of the issued share capital of Yenbo Gain. As such, Yenbo Gain has become a subsidiary of the Company and the results of Yenbo Gain and its subsidiaries ("Yenbo Gain Group") as from the date of acquisition are consolidated into the consolidated financial statements of the Group for the year ended 31 March 2016.

On 10 June 2015, the Group acquired 51% equity interest of Best Sky Holdings Limited ("Best Sky"), an unlisted company principally engaged in constructing landscaping projects and earth-rock engineering, providing afforested maintenance and planting and selling forest trees and flowers. Then Best Sky has become a subsidiary of the Company and the results of Best Sky and its subsidiaries ("Best Sky Group") as from the date of acquisition are consolidated into the consolidated financial statements of the Group for the year ended 31 March 2016.

Details of net identifiable assets acquired and goodwill arised are as follows:

	Yenbo Gain Group *HK$'000*	**Best Sky Group** *HK$'000*	**Total** *HK$'000*
Recognised amount of identifiable assets acquired and liabilities assumed:			
Property, plant and equipment	237	–	237
Inventory	2,949	–	2,949
Trade and other receivables	66,761	9,737	76,498
Cash and bank deposits	585	545	1,130
Trade and other payables	(201)	(11,962)	(12,163)
Total identifiable net assets/(liabilities) of subsidiaries assumed	70,331	(1,680)	(68,651)
Consideration			
– Cash	37,500	24,276	61,776
– Equity instruments (ordinary shares)	–	15,605	15,605
Consideration transferred	37,500	39,881	77,381
Fair value of pre-existing ownership (interests in associates)	29,302	–	29,302
Total consideration	66,802	39,881	106,683
Fair value of total identifiable net (assets)/liabilities (see above)	(70,331)	1,680	(68,651)
Non-controlling interests	12,786	(822)	11,964
Goodwill arised on acquisition	9,257	40,739	49,996

RESULTS OF OPERATIONS

For the year ended 31 March 2016, the Group recorded a turnover of approximately HK$18,212,000, representing an increase of approximately 12.13 times as compared to the turnover of approximately HK$1,502,000 for last year. Loss for the year was approximately HK$23,931,000 (2015: HK$15,511,000). The Board did not recommend the payment of any dividend for the year (2015: Nil).

BUSINESS REVIEW

Iron mine business

For the year ended 31 March 2016, a turnover of approximately HK$1,464,000 was generated from the processing of iron ores. The Group disposed of its entire interest in a subsidiary holding the mining right with no material activities to an independent third party on 31 July 2015 and continued to operate the iron mine business under an agreement with a term of 20 months commenced on 1 August 2015 (the "Iron Mine Operating Agreement") so as to save the operating cost and the development cost of the iron mine in respect of which the mining right will expire on 25 October 2017. The Group has terminated the Iron Mine Operating Agreement and suspended the iron mine business on 31 March 2016 in order to concentrate its resource on the new businesses.

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 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$253,000 was derived from temporary leasing of the commercial portion of the property for the year ended 31 March 2016. The Board expects to commence the selling of part of the residential portion of the property and the leasing of certain residential portion of the property and/or basement car park area when the property market appears to revive.

Forestry business

The Group's interest in Yenbo Gain Limited and its subsidiaries ("Yenbo Gain Group") was increased from approximately 36.36% to approximately 81.82% on completion of the acquisition of a further 45.46% of the issued share capital of Yenbo Gain Limited on 8 April 2015. Yenbo Gain Group is 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.

For the year ended 31 March 2016, a turnover of approximately HK$4,803,000 was generated from the newly acquired forestry business. The Group expects the revenue generated from sale of well-grown plants to end-customers will increase in the coming years.

Landscaping and earth-rock engineering business

The Group's acquisition of 51% equity interest of Best Sky Holdings Limited was completed on 10 June 2015. Best Sky Holdings Limited and its subsidiaries ("Best Sky Group") are principally engaged in constructing landscaping projects and earth-rock engineering, providing afforested maintenance and plating and selling forest trees and flowers.

For the year ended 31 March 2016, a turnover of approximately HK$11,692,000 was generated from the newly acquired landscaping and earth-rock engineering business. The Group expects the revenue generated from landscaping and earth-rock engineering works will increase in the coming years.

PROSPECT

As the global economy endures sluggish performance, slow growth and weak recovery, it would be difficult for Hong Kong, being a highly externally oriented economy, to fare any better. It is clear that 2016 will continue to be challenging and tough. However, the Chinese government's policy of openness remained unchanged. The general direction of the continual integration of China's capital market with the global capital market has never wavered. The further opening-up of Mainland's services and financial markets, internationalization of the Renminbi, and the "One Belt, One Road" strategy shall hopefully bring ample opportunities for Hong Kong's long term economic progress.

As in the past, Hong Kong will serve as an important window to connect China with other countries in the world, to assist the flow of foreign capital into and out of mainland China through the "Shanghai-Hong Kong Stock Connect" and other channels, and to accelerate the pace of internationalization of Renminbi. Meanwhile, the process of promoting the internationalization of Renminbi will bring the financial markets of both China and Hong Kong a new scene.

The Group is also mindful that the apparent slowing of the global economy will require us to adopt sound housekeeping practices in every aspect of our business. The Group will continue to prudently evaluate new investment opportunities and leverage its experienced management team and business partners to further diversify the Group's portfolio, develop its reputation as an asset manager and maximise future returns for shareholders. The Group will also continue to actively manage its ongoing investments in the Greater China region and overseas to support its future performance and unlock value for shareholders in a timely manner.

FINANCIAL REVIEW

Liquidity and financial resources

The Group's operations and investments were financed principally by cash generated from its business operations, borrowings and shares issued. As at 31 March 2016, cash and bank deposits of the Group amounted to approximately HK$70,718,000, representing an increase of 1.93% comparing with the cash and bank deposits of approximately HK$69,377,000 as at 31 March 2015. The Group's net current assets, which comprised properties held for sale, trade and other receivables, cash and bank deposits, trade and other payables, amounts due to directors and amounts due to related companies, amounted to approximately HK$161,132,000 as at 31 March 2016 (31 March 2015: HK$90,012,000).

The Group's gearing ratio, which was defined as the ratio of net debt to equity, was 29% as at 31 March 2016 (31 March 2015: 68%).

The decrease in gearing ratio as at 31 March 2016 as compared to that of 31 March 2015 is mainly attributable to the increase in equity arising from new shares issued during the year ended 31 March 2016.

Fund raising activities

On 2 July 2015, the Company issued 65,000,000 new shares under a placing agreement and generated a net proceeds of approximately HK$39.9 million to enhance the Group's general working capital base for developing the existing business and preparing to take up investment opportunities in the future with readily available fund. Details of the placing of the 65,000,000 new shares are disclosed in the announcement of the Company dated 22 June 2015.

Save as disclosed above, the Group had no material fund raising activities during the year ended 31 March 2016.

Treasury policies

The Group adopted a conservative treasury policy with almost all bank deposits being kept in Hong Kong dollars, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risk. Since most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars and Renminbi, the Group did not experience any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year under review. As at 31 March 2016, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose.

Capital commitments

As at 31 March 2016, the Group had outstanding commitments in respect of capital expenditure for the construction of a property in Leshan City of approximately HK$120,000 (31 March 2015: for the construction of a property in Leshan City of approximately: HK$134,000 and for the acquisition of subsidiaries of approximately HK$37.5 million).

Charges on assets and contingent liabilities

As at 31 March 2016, the Group did not have charges on assets (31 March 2015: Nil) and did not have any material contingent liabilities (31 March 2015: Nil).

Employees and remuneration policy

As at 31 March 2016, the Group had approximately 52 employees (31 March 2015: 21 employees). The Group reviewed employees' remuneration from time to time and salary adjustment was normally made on an annual basis. Special adjustment based on length of service and good performance could be made at any time when warranted. In addition to salaries, the Group provided employees' benefits such as medical insurance and provident fund. Share options and bonuses were also available to employees of the Group at the discretion of the directors and depending upon the financial performance of the Group.

MATERIAL ACQUISITION

On 8 April 2015, the Group completed the acquisition of an additional interest of approximately 45.46% in the issued share capital of Yenbo Gain Limited at a consideration of HK$37.5 million pursuant to a conditional sale and purchase agreement entered into on 9 January 2015. Yenbo Gain Limited and its subsidiaries ("Yenbo Gain Group") 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. Yenbo Gain Group then became subsidiaries of the Group as the Group's interest in Yenbo Gain Group was increased to 81.82%. The acquisition of the additional 45.46% interest in the issued share capital of Yenbo Gain Limited was principally financed by funds generated from the issue of convertible notes in an aggregate principal amount of HK$110 million by the Company on 30 March 2015 under a placing agreement. Details of the acquisition of the additional 45.46% interest in the issued share capital of Yenbo Gain Limited and the placing of the convertible notes were disclosed in the Company's announcement dated 9 January 2015 and circular dated 26 February 2015.

On 10 June 2015, the Group completed the acquisition of 51% interest in the issued share capital of Best Sky Holdings Limited at a consideration of HK$39,881,000 on completion. Best Sky Holdings Limited and its subsidiaries ("Best Sky Group") are principally engaged in constructing landscaping projects and earth-rock engineering, providing afforested maintenance and planting and selling forest trees and flowers. Best Sky Group then became subsidiaries of the Group. The consideration for the acquisition of the 51% of the issued share capital of Best Sky Holdings Limited was satisfied by: (i) payment of cash of HK$24,276,000 and (ii) issue of 20,808,000 consideration shares by the Company at the issue price of HK$0.75 per consideration share. Details of the acquisition of the 51% of the issued capital of Best Sky Holdings Limited was disclosed in the Company's announcement dated 29 May 2015.

Save as disclosed above, the Group had no material acquisitions completed during the year ended 31 March 2016.

EVENTS AFTER THE REPORTING PERIOD

(a) Memorandum of understanding ("MOU") in relation to the acquisition of 100% equity interest in Jiaqi Network Holdings Limited

The Company announced on 21 May 2016, Field Source Capital Resources Limited, a directly owned subsidiary of the Company (the "Purchaser") and Ms. Hsu Jing-yea, Amy, C^2 Capital Limited, Investgold Limited and Mr. Hei Li (the "Four Vendors") entered into the MOU indicating the intention of the Purchaser and the Four Vendors to enter into the Acquisition Agreement in respect of the Possible Acquisition of 100% equity interest in the JiaQi Network Holding Limited, ("Target Company") during the Exclusivity Period.

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability and is owned by the Four Vendors, as at the date of the announcement. The Target Company holds the entire equity interest in the Hong Kong Company, which in turn holds the entire equity interest in the PRC Company A. The PRC Company A holds the entire equity interest in the PRC Company B. The Target Group includes the Target Company, the Hong Kong Company, the PRC Company A and the PRC Company B.

The Target Company was established in 2010 and is an online travel agent company based in the PRC. It operates online stores on Taobao.com and TMALL.com. Through the Target Group's online stores, travelers can make hotel reservations and purchase catering vouchers, travel tickets and admission tickets for various types of attractions (including the world's best amusement parks and museums) for their visits in Hong Kong, Macau, the PRC, Japan, Korea, Singapore, Malaysia and the United States of America.

While the final amount of the consideration of the Possible Acquisition is yet to be agreed between the Four Vendors and the Purchaser, pursuant to the MOU, the Four Vendors and the Purchaser intended that the consideration of the Possible Acquisition shall be RMB10,000,000 which shall be settled in cash and/or by issuance of convertible notes of the Company. The amount and method of payment of the consideration once agreed will be set forth in the Acquisition Agreement.

The MOU shall remain in effect for a term of two (2) months from the date of the MOU. The Four Vendors have agreed that they shall not engage in any discussion, negotiation or arrangement or enter into any agreement in relation to the disposal of the Target Group (including its business and assets) with any other party during the Term, and the Term may be extended upon written agreement of the Four Vendors and the Purchaser. If the Acquisition Agreement is entered into between the Four Vendors and the Purchaser (or any party nominated by the Purchaser) within the Term, the MOU shall be terminated and cease to have effect. Save for the terms in relation to confidentiality, the Term, exclusivity, expenses and governing laws contained in the MOU, the MOU is not legally binding or enforceable.

(b) Issue of conversion shares

On 12 April 2016, 95,000,000 conversion shares were issued respectively at the conversion price of HK$0.08 per share to certain holders of the Convertible Notes 2015 pursuant to the Convertible Notes 2015.

On 26 April 2016, 125,000,000 conversion shares were issued respectively at the conversion price of HK$0.08 per share to certain holders of the Convertible Notes 2015 pursuant to the Convertible Notes 2015.

On 13 May 2016, 150,000,000 conversion shares were issued respectively at the conversion price of HK$0.08 per share to certain holders of the Convertible Notes 2015 pursuant to the Convertible Notes 2015.

On 25 May 2016, 95,000,000 conversion shares were issued respectively at the conversion price of HK$0.08 per share to certain holders of the Convertible Notes 2015 pursuant to the Convertible Notes 2015.

CORPORATE GOVERNANCE PRACTICES

The board of directors (the "Board") of Great World Company Holdings Ltd (the "Company") has been committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group") in order to enhance the transparency in disclosure of material information. The Board considers such commitment is essential for internal management, financial management and protection of shareholders' interest and believes that maintaining a high standard of corporate governance benefits all shareholders, investors and the business of the Company as a whole. 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 year ended 31 March 2016.

DIRECTORS' SECURITIES TRANSACTIONS

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 Director's transactions 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 Directors' securities transaction throughout the year ended 31 March 2016.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (chairman of the Audit Committee), Ms. Zhao Yongmei and Dr. Yang Fuyu (appointed on 14 June 2016 after Mr. Chan Ying Cheong resigned on the same day). The Audit Committee meets with the Group's senior management regularly to review the effectiveness of the internal control systems and the quarterly, interim and annual reports of the Group.

The primary responsibilities of the Audit Committee are:

(i) making recommendation to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor and any resignation and dismissal of that auditor;

(ii) reviewing and monitoring the independence and objectivity of the external auditor and the effectiveness of the audit process in accordance with applicable standard;

(iii) liaising with the Board, senior management and the auditors to monitor the integrity of financial statements, the quarterly, interim and annual reports in particular on accounting policies and practices and compliance with accounting standards, the GEM Listing Rules and other legal requirements in relation to financial reporting;

(iv) reviewing the financial control, internal control and risk management system to ensure the management of the Company discharges its duty under an effective internal control system; and

(v) reviewing the report and management letter submitted by external auditor; and considering any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response.

For the year ended 31 March 2016, the audit committee reviewed the financial results, the accounting policies and practices adopted, the report on reviewing the financial system and internal control procedures of the Group and eight audit committee meetings were held.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The result announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.gwchl.com under "Announcement". The annual report for the year ended 31 March 2016 will be published on the above website and despatched to shareholders in due course.

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

Hong Kong, 28 June 2016

As at the date of this announcement, the Board comprises (i) three executive directors, namely Ms. Ng Mui King, Joky, Mr. Zhang Yanqiang and Ms. Yang Wei; and (ii) 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 of the Company (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).