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 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Turnover	3(a)	**55,122**	18,212
Cost of sales		**(50,000)**	(10,561)
Gross profit		**5,122**	7,651
Other revenue	3(b)	**81**	340
Gain on disposal of a subsidiary		**–**	2,573
Fair value change on investment property		**–**	(5,956)
Impairment loss on goodwill		**(5,202)**	–
Selling and distribution costs		**(54)**	(411)
Administrative and other operating expenses		**(15,114)**	(20,776)
Finance costs	5	**(3,939)**	(10,287)
Loss from operations		**(19,106)**	(26,866)
Share of loss of associates		**–**	(3)
Loss before tax	6	**(19,106)**	(26,869)
Income tax credit	7	**627**	2,938
Loss for the year		**(18,479)**	(23,931)
Loss for the year attributable to:			
Owners of the Company		**(17,822)**	(24,766)
Non-controlling interests		**(657)**	835
		(18,479)	(23,931)
Basic and diluted loss per share	9	**(0.77) HK cents**	(1.51) HK cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	2017	2016
	HK$'000	*HK$'000*
Loss for the year	**(18,479)**	(23,931)
Other comprehensive (loss)/income for the year:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(8,773)**	(5,706)
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)
Other comprehensive loss for the year, net of income tax	**(8,773)**	(6,507)
Total comprehensive loss for the year	**(27,252)**	(30,438)
Total comprehensive loss attributable to:		
Owners of the Company	**(25,786)**	(30,854)
Non-controlling interests	**(1,466)**	416
	(27,252)	(30,438)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment		**2,083**	2,596
Investment property		**57,534**	61,383
Goodwill		**44,794**	49,996
Prepayment	*10*	**6,309**	7,122
		110,720	121,097
Current assets			
Properties held for sale		**86,279**	92,014
Trade and other receivables	*10*	**75,447**	73,218
Cash and bank deposits		**62,731**	70,718
		224,457	235,950
Current liabilities			
Trade and other payables	*11*	**(17,982)**	(5,950)
Amounts due to directors	*12*	**(6,576)**	(9,303)
Amounts due to related companies	*12*	**(53,615)**	(59,565)
Income tax payable		**(81)**	–
		(78,254)	(74,818)
Net current assets		**146,203**	161,132
Non-current liabilities			
Amounts due to shareholders	*12*	**(69,414)**	(35,696)
Convertible notes	*13*	**(25,606)**	(74,432)
Deferred tax liabilities		**(20,190)**	(25,076)
		(115,210)	(135,204)
Net assets		**141,713**	147,025
Capital and reserves			
Share capital		**23,689**	19,039
Reserves		**107,110**	115,606
Total equity attributable to owners of the Company		**130,799**	134,645
Non-controlling interests		**10,914**	12,380
		141,713	147,025

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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

In the current year, the Group has applied, for the first time, a number of all the new and revised standards, amendments and interpretations (the "New HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2016:

HKFRS 14	Regulatory Deferral Accounts
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle

The application of the above New HKFRSs had no material effect on the results and financial positions of the Group and on the disclosures set out in these consolidated financial statements for the current or prior accounting period.

The Group has not early applied the following New HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
Amendments to HKFRS 15	Clarification of HKFRS 15 Revenue from Contracts with Customers[2]
Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrecognised Losses[1]
Amendments to HKAS 40	Transfer of Investment Properties[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2017, with early application permitted.

2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

4 Effective for annual periods beginning on or after a date to be determined.

5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting, impairment requirements for financial assets and limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- All recognised financial assets that are within the scope of HKAS 39 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. 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.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented 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 of the Company (the "Directors") anticipate that the application of HKFRS 9 in the future may have an impact on the amounts reported and disclosures made in the consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect 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: Allocate 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' of 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.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Directors anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported as the timing of revenue recognition may be affected/and the amounts of revenue recognised are subject to variable consideration constraints, and more disclosures relating to revenue is required. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Directors perform a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all lessee by lessees, except for short-term leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents other operating lease payments as operating cash flows. Under HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and financing cash flows respectively.

In contrast to lessee accounting, HKFRS 16 substantially carried forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

The Directors do not anticipate that the applications of these will have a material effect on the Group's consolidated financial statements.

The Group is in the process of assessing the potential impact of the other new and revised HKFRSs upon initial application but is not yet in a position to state whether the above new and revised HKFRSs will have a significant impact on the Group's results of operations and financial position.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the HKICPA, accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and the disclosure requirements under the Companies Ordinance (chapter 622 of the Laws of Hong Kong) ("CO").

(b) Basis of preparation

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, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statement is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 12, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable inputs for the asset or liability.

3. REVENUE

(a) Turnover

	2017	2016
	HK$'000	*HK$'000*
Mine processing income	**–**	1,464
Operating lease rental income	**362**	253
Sale of forestry products	**42,941**	4,803
Services income	**11,819**	11,692
	55,122	18,212

(b) Other revenue

	2017	2016
	HK$'000	*HK$'000*
Bank interest income	**7**	3
Other income	**74**	337
	81	340

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 three reportable segments.

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

Property business	Property investment and development, operating and managing residential and commercial properties
Forestry business	Research and growing of forestry products for clean energy sector
Landscaping and earth-rock engineering business	Constructing landscaping projects and earth-rock engineering, maintenance engineering business and planting and selling forest trees and flowers

Management monitors the results of the Group's operating segments separately, for the purpose of making decisions about resource allocation and assessment of the Group's performance. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that unallocated finance costs, gain on disposal of a subsidiary, selling and distribution costs, share of loss of associates and unallocated expenses are excluded from such measurement.

All assets are allocated to reportable segments other than goodwill and unallocated corporate assets.

All liabilities are allocated to reportable segments other than convertible notes, deferred tax liabilities, and unallocated corporate liabilities.

These segments are managed separately as they belong to different industries and require different operating systems and strategies. There were no sales or other transactions between those reportable segments. Information regarding the Group's reportable segments is presented below:

(a) Segment revenue, profit or loss, assets, liabilities and other selected financial information

2017

	Property business *HK$'000*	**Forestry business** *HK$'000*	**Landscaping and earth-rock engineering business** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	**362**	**42,941**	**11,819**	**55,122**
Bank interest income	**–**	**4**	**–**	**4**
Depreciation	**(6)**	**(60)**	**(262)**	**(328)**
Total loss of reportable segments	**(323)**	**(89)**	**(1,033)**	**(1,445)**
Income tax (expense)/credit	**–**	**(81)**	**110**	**29**
Total assets of reportable segments	**144,243**	**68,455**	**6,068**	**218,766**
Additions to non-current assets	**6**	**–**	**–**	**6**
Total liabilities of reportable segments	**(76,101)**	**(4,039)**	**(4,487)**	**(84,627)**

2016

	Iron mine business *HK$'000*	Property business *HK$'000*	Forestry business *HK$'000*	Landscaping and earth-rock engineering business *HK$'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	2,315	2,600
Total liabilities of reportable segments	(7,461)	(80,638)	(566)	(1,412)	(90,077)

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

	2017	2016
	HK$'000	*HK$'000*
Revenue		
Total revenue for reportable segments	**55,122**	18,212
Consolidated turnover	**55,122**	18,212
Profit or loss		
Total loss for reportable segments	**(1,445)**	(4,539)
Unallocated corporate income	**77**	340
Unallocated corporate expenses	**(17,738)**	(22,667)
Share of loss of associates	**–**	(3)
Consolidated loss before tax	**(19,106)**	(26,869)
Assets		
Total assets for reportable segments	**218,766**	220,057
Unallocated corporate assets	**116,411**	136,990
Consolidated total assets	**335,177**	357,047
Liabilities		
Total liabilities for reportable segments	**(84,627)**	(90,077)
Unallocated corporate liabilities	**(108,837)**	(119,945)
Consolidated total liabilities	**(193,464)**	(210,022)

(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**	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**43,303**	6,520	**57,641**	61,560
Hong Kong	**–**	–	**125**	171
Republic of Angola	**11,819**	11,692	**1,851**	2,248
	55,122	18,212	**59,617**	63,979

(d) Information about major customers

Revenue from major customers in the current year contributing 95% (2016: 91%) of the turnover of the Group from forestry business and landscaping and earth-rock engineering business are as follows:

	2017	2016
	HK$'000	*HK$'000*
Forestry business		
Customer A	**40,613**	4,803
Landscaping and earth-rock engineering business:		
Customer B	**11,819**	11,692

5. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Imputed interests on convertible notes *(note 13)*	**3,939**	10,287

6. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2017	2016
	HK$'000	*HK$'000*
Staff costs (Including directors' remuneration)		
– salaries and other benefits	**6,060**	5,921
– contributions to defined contribution schemes	**53**	47
– share-based payment expenses	**–**	3,454
	6,113	9,422
Auditors' remuneration		
– audit services	**440**	459
– other services	**128**	–
Depreciation of property, plant and equipment	**374**	461
Share-based payment expenses in respect of consultancy services	**812**	126
Operating lease charges in respect of land and building	**1,241**	2,116
Loss in disposal of property, plant and equipment	**–**	15
Decrease in fair value of investment property	**–**	5,956
Impairment loss on goodwill	**5,202**	–

7. INCOME TAX CREDIT

	2017	2016
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**81**	–
PRC Enterprise Income Tax	**–**	175
Overprovision of PRC Enterprise Income Tax in previous year	**(110)**	–
Deferred taxation	**(598)**	(3,113)
Income tax credit for the year	**(627)**	(2,938)

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the year ended 31 March 2017.

No provision for Hong Kong Profits Tax made in the consolidated financial statements for the year ended 31 March 2016 as the Group had no assessable profit subject to Hong Kong Profits Tax.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

8. DIVIDEND

No dividend has been paid nor proposed for the year (2016: Nil).

9. 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:

	2017	2016
	HK$'000	*HK$'000*
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	**(17,822)**	(24,766)

	2017	2016
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,326,196**	1,630,325

Diluted loss per share for loss attributable to the owners of the Company for the years ended 31 March 2017 and 2016 were the same as basic loss per share because the impact of the exercise of share options and convertible bonds are anti-dilutive.

10. TRADE AND OTHER RECEIVABLES

		2017	2016
	Note	***HK$'000***	*HK$'000*
Trade receivables		**1,516**	3,611
Other receivables	*(i)*	**59,068**	65,945
Prepayments	*(ii)*	**7,287**	8,390
Deposits		**13,885**	2,394
		81,756	80,340
Less: Prepayments classified as non-current assets		**(6,309)**	(7,122)
Amounts classified as current assets		**75,447**	73,218

Note:

(i) Other receivables represent the amounts paid to different suppliers for growing and supply of forestry products in 2017 and 2016 and amounts paid for a tender for landscaping and earth-rock engineering business. Both of the suppliers and offeror are independent third parties.

(ii) Prepayments recognised in respect of share-based payment to various independent parties for consulting services.

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**1,516**	3,611
Less: Allowance for doubtful debts	**–**	–
	1,516	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:

	2017	2016
	HK$'000	*HK$'000*
Within 3 months	**–**	1,269
3 months – 6 months	**26**	2,342
Over 6 months	**1,490**	–
	1,516	3,611

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

At 31 March 2017, no trade receivables (2016: 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.

Trade receivables disclosed above include amounts (see below for aging analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Aging of trade receivables which are neither past due nor impaired and are past due but not impaired:

	2017	2016
	HK$'000	*HK$'000*
Neither past due nor impaired	**26**	3,611
Less than one month past due but not impaired	**221**	–
One to three months past due but not impaired	**337**	–
More than three months past due but not impaired	**932**	–
	1,516	3,611

11. TRADE AND OTHER PAYABLES

		2017	2016
	Note	***HK$'000***	*HK$'000*
Trade payables		**6,624**	992
Other payables	*(i)*	**10,329**	2,834
PRC income tax payables	*(ii)*	**6**	123
Accruals		**980**	947
Deposits received		**43**	1,054
		17,982	5,950

	2017	2016
	HK$'000	*HK$'000*
An aged analysis of the trade payables is as follows:		
Within 3 months	**1,692**	–
Over 3 months but within 1 year	**4,002**	282
Over 1 year	**930**	710
	6,624	992

Notes:

(i) Other payables included the amounts due to ex-director of the Company, a director and a shareholder of the Company's subsidiaries amounting to approximately HK$2,500,000, HK$1,791,000 and HK$2,622,000 respectively which have no fixed repayment terms and are and unsecured free of interest.

(ii) PRC income tax payable represents Enterprise Income Tax (the "EIT"). Under the Law of the PRC on the EIT Law and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

12. AMOUNTS DUE TO DIRECTORS/RELATED COMPANIES/SHAREHOLDERS

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

The amounts due to shareholders 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 liability.

13. CONVERTIBLE NOTES

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

	2017	2016
	HK$'000	*HK$'000*
At 1 April	**74,432**	84,494
Conversion into ordinary shares	**(18,925)**	(20,349)
Released upon expiry	**(33,840)**	–
Effective interest expense *(note 5)*	**3,939**	10,287
At 31 March	**25,606**	74,432

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

	2017	2016
	HK$'000	*HK$'000*
At 1 April	**35,144**	51,552
Released upon expiry	**(6,430)**	–
Conversion into ordinary shares	**(15,260)**	(16,408)
At 31 March	**13,454**	35,144

(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. 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.

During the year, the Convertible Note was released on maturity when the conversion period was expired. The amount has included in amount due to a shareholder and the shareholder has no intention to demand for repayment within 12 months after the reporting date.

(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.

RESULTS OF OPERATIONS

The Group recorded a turnover of approximately HK$55,122,000 (2016: HK$18,212,000), representing an increase by approximately 3.03 times as compared to last year. The overall increase in turnover was generated mainly from the forestry business. Administrative and other expenses decreased to approximately HK$15,114,000 compared to approximately HK$20,776,000 of the previous corresponding year, representing a decrease of approximately 27.25%. The decrease in administrative and other expenses was primarily due to decrease in legal and professional fee, consultancy fee and rental expenses. Loss attributable to owners of the Company for the year ended 31 March 2017 was approximately HK$17,822,000, which was approximately 28.04% lower than the loss attributable to owners of the Company incurred for last year (2016: HK$24,766,000).

BUSINESS REVIEW

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$362,000 was derived from temporary leasing of the commercial portion of the property for the year ended 31 March 2017. 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 carries on business 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 2017, a turnover of approximately HK$42,941,000 was generated from the 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 is also 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 2017, a turnover of approximately HK$11,819,000 was generated from the landscaping and earth-rock engineering business. Due to President Jose Eduardo Dos Santos of the Republic of Angola has announced his stepping-down before August 2017 and fluctuation of the crude oil leading to the economic instability and increasing pressure on foreign direct investment, the Group's landscaping project was deferred, resulting in impact on the related income trend.

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 2017, cash and bank deposits of the Group amounted to approximately HK$62,731,000, representing an decrease of 11.29% comparing with the cash and bank deposits of approximately HK$70,718,000 as at 31 March 2016. 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$146,203,000 as at 31 March 2017 (2016: HK$161,132,000).

The Group's gearing ratio, which was defined as the ratio of net debt to equity, was 25% as at 31 March 2017 (2016: 29%).

The decrease in gearing ratio as at 31 March 2017 as compared to that of 31 March 2016 is mainly attributable to the decrease in equity during the year ended 31 March 2017.

Fund raising activity

The Group had no material fund raising activity during the year ended 31 March 2017.

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. Most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars, United States dollars and Renminbi, except for certain cost of sales, which was denominated in Angolan Kwanza, incurred for landscaping and earth-rock engineering works carried out in the Republic of Angola. The Group 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 2017, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose.

The Group is closely monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

Capital commitments

As at 31 March 2017, the Group had outstanding commitments in respect of capital expenditure for the construction of a property in Leshan City of approximately HK$113,000 (2016: HK$120,000) and acquisition of a subsidiary of approximately HK$30,176,000.

PROSPECT

With the slowdown of economy in the People's Republic of China together with the pace of US Federal Fund Rate-hike Cycle, the worldwide economic outlook clouded with uncertainty. It is clear that 2017 will still be challenging.

The Company intends to continue the existing businesses of the Group and is reviewing the exiting business strategies so as to formulate business plans for future development of the Group. The management may explore and consider whether any asset acquisition/disposal, fund raising activity and business diversification will be appropriate in order to further diversify the Group's portfolio and maximize future returns for shareholders.

Employees and remuneration policy

As at 31 March 2017, the Group had approximately 192 employees (2016: 52 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.

EVENTS AFTER THE REPORTING PERIOD

Zhifeng Holdings Limited and its subsidiaries

On 25 November 2016, Yenbo Gain Limited ("Yenbo Gain"), a company of which 81.82% equity interest is indirectly owned by the Company, entered into a conditional sale and purchase agreement with the Vendor, an independent third party, in relation to the acquisition 60% of the issued share capital of Zhifeng Holdings Limited and its subsidiaries ("Zhifeng Group"), which are engaged in (i) forestry cultivation and application of agricultural technologies; and (ii) information consultation, at a consideration of approximately HK$40,176,000 (equivalents to RMB36,000,000) (the "Acquisition"). The Acquisition was completed on 19 May 2017. The remaining balance of the consideration for the Acquisition in the amount of approximately HK$30,176,000 shall be paid within 12 months after the completion date. Details of the Acquisition were disclosed in the Company's announcements dated 19 May 2017 and 25 November 2016.

Up to the date on the approval of these consolidated financial statements, the Directors are still assessing the fair values of Zhifeng Group's assets and liabilities to be recognised at the date of the Acquisition. The fair value assessment of goodwill and biological asset, if any, of Zhifeng Group had not been finalised and thus, the recognition of Zhifeng Group's assets and liabilities may subject to change upon finalisation of the valuation. The Directors expect the valuation will be finalised in 2017.

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 2017.

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 2017.

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;

(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; and

(vi) Considering the engagement of an external independent consultant "Infinity Assurance Limited" to provide internal audit function for the year ended 31 March 2017, which comprises, *inter alia*, enterprise risk assessment , review the internal control system and corporate governance compliance/practice of the Group.

For the year ended 31 March 2017, the audit committee reviewed the financial results, the accounting policies and practices adopted, the report of the external independent consultant on reviewing the risk management and internal control procedures of the Group and 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 2017 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 2017

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 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 GEM website at 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.