



# GREAT WORLD COMPANY HOLDINGS LTD

世大控股有限公司

(incorporated in the Cayman Islands with limited liability)  
Stock Code: 8003



THIRD QUARTERLY REPORT

# 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.**

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*This report, 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 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 report 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 report misleading.*



## HIGHLIGHTS

- Turnover was approximately HK\$5,600,000 and HK\$14,438,000 respectively for the three months and nine months ended 31 December 2016, compared with the turnover of approximately HK\$8,727,000 and HK\$13,974,000 respectively for the corresponding periods of last year.
- Losses attributable to owners of the Company for the three months and nine months ended 31 December 2016 were approximately HK\$2,919,000 and HK\$10,186,000 respectively, versus the losses attributable to owners of the Company of approximately HK\$3,706,000 and HK\$13,075,000 respectively for the corresponding periods of last year.
- The Board does not recommend the payment of a quarterly dividend for the three months ended 31 December 2016 (three months ended 31 December 2015: Nil).

## RESULTS

The board of directors (the "Board") of Great World Company Holdings Ltd (the "Company") presents the financial information of the Company and its subsidiaries (the "Group"), comprising the condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income of the Group for the three months and nine months ended 31 December 2016, all of which are unaudited and in condensed format, (collectively referred to as the "Unaudited Condensed Financial Statements") along with selected explanatory notes and comparative information as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
		2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Turnover	2	5,600	8,727	14,438	13,974
Costs of sales		(5,451)	(4,873)	(13,240)	(8,132)
<b>Gross profit</b>		<b>149</b>	3,854	<b>1,198</b>	5,842
Other revenue	2	100	120	148	156
Gain recognised on disposal of a subsidiary		-	-	-	2,623
Selling and distribution costs		(3)	(112)	(6)	(399)
Administrative and other operating expenses		(2,850)	(4,270)	(9,384)	(14,042)
Finance costs		(503)	(2,620)	(3,102)	(8,000)
<b>Loss before tax</b>	4	<b>(3,107)</b>	(3,028)	<b>(11,146)</b>	(13,820)
Income tax credit	5	72	410	621	1,266
<b>Loss for the period</b>		<b>(3,035)</b>	(2,618)	<b>(10,525)</b>	(12,554)
<b>Loss for the period attributable to:</b>					
Owners of the Company		(2,919)	(3,706)	(10,186)	(13,075)
Non-controlling interests		(116)	1,088	(339)	521
		<b>(3,035)</b>	(2,618)	<b>(10,525)</b>	(12,554)
<b>Basic and diluted loss per share</b>	6	<b>HK(0.12) cents</b>	HK(0.22) cents	<b>HK(0.44) cents</b>	HK(0.85) cents

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the period	(3,035)	(2,618)	(10,525)	(12,554)
Other comprehensive expense:				
Items that may be reclassified subsequently to profit or loss				
– Exchange differences arising on translation of foreign operations during the period	(5,339)	(3,017)	(10,105)	(6,597)
Items reclassified to profit or loss				
– Release of translation reserve upon disposal of a subsidiary	–	–	–	(1,120)
Other comprehensive expense for the period, net of tax	(5,339)	(3,017)	(10,105)	(7,717)
Total comprehensive expense for the period	(8,374)	(5,635)	(20,630)	(20,271)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(7,766)	(6,470)	(19,359)	(20,267)
Non-controlling interests	(608)	835	(1,271)	(4)
	(8,374)	(5,635)	(20,630)	(20,271)

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

### 1. Basis of preparation

The amounts included in the Unaudited Condensed Consolidated Financial Statements have been computed based on the recognition and measurement requirements in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. The financial information also comply with the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2016.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2016. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and results reported for the current or prior accounting periods.

The Group has not applied the new and revised HKFRSs, which have been issued and are not yet effective, but is in the process of assessing their impact on the Group's results of operations and financial position.

The financial information are unaudited but have been reviewed by the Company's audit committee.

### 2. Revenue

	(Unaudited) Three months ended 31 December 2016		(Unaudited) Nine months ended 31 December 2016	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Turnover				
Mine processing income	–	363	–	1,106
Operating lease rental income	163	81	291	253
Sales of forestry products	–	2,356	2,328	3,548
Services income	5,437	5,927	11,819	9,067
	5,600	8,727	14,438	13,974
Other revenue				
Bank interest income	65	1	69	2
Sundry income	35	119	79	154
	100	120	148	156
Total revenue	5,700	8,847	14,586	14,130

### 3. Segment information

The Group manages its business 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 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 corporate income and unallocated corporate 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.

### 3. Segment information (continued)

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

	(Unaudited) Three months ended 31 December 2016				(Unaudited) Nine months ended 31 December 2016				
	Property business HK\$'000	Forestry business HK\$'000	Landscaping and earth-rock engineering		Property business HK\$'000	Forestry business HK\$'000	Landscaping and earth-rock engineering		Total HK\$'000
			HK\$'000	HK\$'000			HK\$'000	HK\$'000	
Revenue from external customers	163	-	5,437	5,600	291	2,328	11,819	14,438	
Interest income	-	-	-	-	1	2	-	3	
Depreciation	(1)	(14)	(65)	(80)	(4)	(45)	(198)	(247)	
Total profit/(loss) of reportable segments	14	(389)	(60)	(435)	(209)	(545)	(456)	(1,210)	
Income tax credit/(expense)	-	-	(11)	(11)	-	-	110	110	

	(Unaudited) Three months ended 31 December 2015					(Unaudited) Nine months ended 31 December 2015					
	Iron mine business* HK\$'000	Property business HK\$'000	Forestry business HK\$'000	Landscaping and earth-rock engineering		Iron mine business* HK\$'000	Property business HK\$'000	Forestry business HK\$'000	Landscaping and earth-rock engineering		Total HK\$'000
				HK\$'000	HK\$'000				HK\$'000	HK\$'000	
Revenue from external customers	363	81	2,356	5,927	8,727	1,106	253	3,548	9,067	13,974	
Interest income	-	-	1	-	1	-	-	2	-	2	
Depreciation	-	(1)	(32)	(63)	(96)	(48)	(4)	(93)	(113)	(258)	
Total profit/(loss) of reportable segments	(4)	(117)	52	2,200	2,131	(67)	(443)	(173)	1,186	503	
Income tax credit	-	-	-	-	-	-	-	-	-	-	

\* The iron mine business has been suspended on 31 March 2016 in order to concentrate the Group's resources on the other new businesses.



### 3. Segment information (continued)

#### (b) Reconciliations of reportable segment revenue and profit or loss

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December 2016	2015	31 December 2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
Total revenue for reportable segments	5,600	8,727	14,438	13,974
Consolidated turnover	5,600	8,727	14,438	13,974
Profit or loss				
Total profit/(loss) for reportable segments	(435)	2,131	(1,210)	503
Unallocated amounts				
– Unallocated corporate income	100	2,623	148	2,623
– Unallocated corporate expenses	(2,772)	(7,782)	(10,084)	(16,946)
Consolidated loss before tax	(3,107)	(3,028)	(11,146)	(13,820)

#### (c) Geographical information

The following table set out information about the geographical location of the Group's revenue from external customers based on the location at which the services were provided or the goods were delivered.

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December 2016	2015	31 December 2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenues from external customers				
PRC	163	2,800	2,619	4,907
Republic of Angola	5,437	5,927	11,819	9,067
	5,600	8,727	14,438	13,974

#### 4. Loss before tax

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss before tax has been arrived at after charging:				
Staff costs (including directors' remuneration)	1,055	1,865	3,456	4,779
Operating lease charges in respect of land and buildings	277	621	904	1,547
Depreciation	91	91	282	329
Share of loss of associates	-	3	-	3

#### 5. Income tax credit

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax:				
Hong Kong Profits Tax	-	-	-	-
PRC Enterprise Income Tax	-	-	-	-
Deferred tax	72	410	621	1,266
Income tax credit for the period	72	410	621	1,266

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the three months and nine months ended 31 December 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%.

No provision for current tax has been made for the three months and nine months ended 31 December 2016 and 2015 as the Group has no assessable profit from its operations.

## 6. Basic and diluted loss per share

The calculation of the basic loss per share is based on the following data:

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
(i) Loss for the period attributable to owners of the Company	(2,919)	(3,706)	(10,186)	(13,075)
	'000	'000	'000	'000
(ii) Weighted average number of ordinary shares in issue	2,368,936	1,671,327	2,312,209	1,543,603

The computation of diluted loss per share does not assure the conversion of the Company's outstanding convertible notes and share options since their exercise would result in a decrease in loss per share as anti-dilutive. Hence, basic and diluted loss per share are the same for the three months and nine months ended 31 December 2016 and 2015.

## 7. Reserves

	Convertible notes		Translation reserve	Other reserve	Accumulated losses	Non-controlling interests		Total
	Share premium	equity reserve				Total	interests	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2015 (audited)	131,018	51,552	2,750	314	(246,154)	(60,520)	-	(60,520)
Loss for the period (unaudited)	-	-	-	-	(13,075)	(13,075)	521	(12,554)
Other comprehensive expense for the period (unaudited)								
- Release of translation reserve upon disposal of subsidiary	-	-	(1,120)	-	-	(1,120)	-	(1,120)
- Exchange realignments	-	-	(6,072)	-	-	(6,072)	(525)	(6,597)
Total comprehensive expense for the period, net of tax (unaudited)	-	-	(7,192)	-	(13,075)	(20,267)	(4)	(20,271)
Issue of consideration shares (unaudited)	13,525	-	-	-	-	13,525	-	13,525
Placement of shares (unaudited)	33,800	-	-	-	-	33,800	-	33,800
Share issuing expenses (unaudited)	(304)	-	-	-	-	(304)	-	(304)
Contributed surplus arising from capital reduction (unaudited)	-	-	-	-	142,103	142,103	-	142,103
Release of other reserve upon disposal of a subsidiary (unaudited)	-	-	-	(314)	314	-	-	-
Issue of conversion shares (unaudited)	12,250	(11,486)	-	-	-	764	-	764
Acquisition of subsidiaries (unaudited)	-	-	-	-	-	-	11,963	11,963
At 31 December 2015 (unaudited)	190,289	40,066	(4,442)	-	(116,812)	109,101	11,959	121,060

## 7. Reserves (continued)

	Convertible					Accumulated losses	Total	Non-controlling interests	
	Share premium	notes equity reserve	Share options reserve	Translation reserve	Other reserve			Total	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2016 (audited)	200,789	35,144	11,513	(3,338)	-	(128,502)	115,606	12,380	127,986
Issue of conversion shares (unaudited)	32,550	(15,260)	-	-	-	-	17,290	-	17,290
Total comprehensive expense for the period, net of tax (unaudited)	-	-	-	(9,173)	-	(10,186)	(19,359)	(1,271)	(20,630)
At 31 December 2016 (unaudited)	233,339	19,884	11,513	(12,511)	-	(138,688)	113,537	11,109	124,646

The share premium account of the Company is distributable to the owners of the Company under the Companies Law (2013 Revision) of the Cayman Islands subject to the provisions of the Company's memorandum and articles of association and provided that the Company will be in a position to payoff its debts as they fall due in the ordinary course of business immediately following the date on which the dividend is proposed to be distributed.

The convertible notes equity reserve represents the value of the equity component of unexercised convertible notes issued by the Company with related deferred tax recognised.

The share options reserve represents the fair value of the unexercised share options recognised in accordance with the accounting policy adopted for share-based payments.

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Other reserve mainly represents difference between the consideration paid/received and the equity interest acquired in subsidiaries that do not result in a change of control.

## 8. Commitments

### (a) Operating lease commitments

The Group leases certain premises under operating lease arrangements. Leases for premises are negotiated for terms ranging from 1 to 3 years.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	(Unaudited) 31 December 2016 HK\$'000	(Audited) 31 March 2016 HK\$'000
As lessee		
Premises		
– within 1 year	1,005	1,005
– after 1 year but within 5 years	377	1,130
	1,382	2,135

### (b) Capital commitments

	(Unaudited) 31 December 2016 HK\$'000	(Audited) 31 March 2016 HK\$'000
Capital expenditure contracted for but not provided for in the financial statements in respect of:		
– properties held for sale	112	120
	112	120

## 9. Related party transactions

Remuneration for key management personnel of the Group, including the Company's directors and certain senior management staff, is as follows:

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Fees, salaries and other benefits	534	508	1,579	1,492

## 10. Dividend

The Board does not recommend the payment of a dividend for the three months and nine months ended 31 December 2016 (three months and nine months ended 31 December 2015: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results of Operations

For the nine months ended 31 December 2016, the Group recorded a turnover of approximately HK\$14,438,000, representing an increase of approximately 3.32% as compared with a turnover of approximately HK\$13,974,000 for the corresponding period of last year.

Loss attributable to owners of the Company was approximately HK\$10,186,000 for the nine months ended 31 December 2016, which was approximately 22.1% lower than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$13,075,000 due to the decrease in administrative and other operating costs.

### 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 People's Republic of China ("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\$291,000 was derived from temporary leasing of the commercial portion of the property for the nine months ended 31 December 2016. The Group 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*

For the nine months ended 31 December 2016, a turnover of approximately HK\$2,328,000 was generated from the forestry business. There was no turnover for the three months ended 31 December 2016 due to no harvest. The Group expects the revenue generated from sale of forestry products to end-customers will be increasing in the coming year.

#### *Landscaping and earth-rock engineering business*

For the nine months ended 31 December 2016, a turnover of approximately HK\$11,819,000 was generated from the landscaping and earth-rock engineering business. The Group expects the revenue generated from landscaping and earth-rock engineering works will be increasing in the coming year.

### Acquisition of 60% Equity Interest in Zhifeng Holdings Limited

On 25 November 2016, Yenbo Gain Limited, a company of which 81.82% equity interest is indirectly owned by the Company, entered into a conditional sale and purchase agreement as the purchaser in respect of the acquisition of 60% equity interest in Zhifeng Holdings Limited at a consideration of RMB36 million in cash (the "Acquisition"). The due diligence exercise is being carried out. Details of the Acquisition have been set out in the Company's announcement dated 25 November 2016.

## Liquidity, Financial Resources and Capital Structure

As at 31 December 2016, the Group's cash and bank deposits amounted to approximately HK\$64,290,000 which has decreased by approximately 9.09% when comparing with the cash and bank deposits of approximately HK\$70,718,000 as at 31 March 2016.

As at 31 December 2016, the Group had net current assets of approximately HK\$76,757,000 (31 March 2016: HK\$161,132,000).

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 adopted a conservative treasury policy with almost all bank deposits being kept in Hong Kong dollars, or in Renminbi of the PRC operating subsidiaries to minimise exposure to foreign exchange risks. The Group is closely monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise. As at 31 December 2016, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes.

The share capital of the Company as at 31 December 2016 is as follows:

	Number of shares ( <i>'000</i> )	Amount ( <i>HK\$'000</i> )
Authorised	30,000,000	300,000
Issued and fully paid	2,368,936	23,689

During the nine months ended 31 December 2016, 465,000,000 new shares of the Company were allotted and issued in accordance with the terms of the convertible notes issued by the Company on 30 March 2015 of which the holder(s) exercised the conversion right.

## SHARE OPTION SCHEME

The Company has adopted a new share option scheme at the annual general meeting of the Company held on 3 August 2012 (the "2012 Share Option Scheme") which is valid and effective for a period of 10 years commencing on 3 August 2012, upon the termination of the share option scheme adopted at the annual general meeting of the Company held on 2 August 2002 (the "2002 Share Option Scheme"), under which selected persons, such as the directors, employees, customers or any individual business or entity providing goods or services, may take up options to subscribe for shares in the Company subject to the terms and conditions stipulated in the 2012 Share Option Scheme. The maximum number of shares which can be granted under the 2012 Share Option Scheme may not exceed 10% of the issued share capital of the Company at the time of granting of the option or at the date of approval by the shareholders in general meeting where the limit is refreshed.

No option was granted under the 2012 Share Option Scheme during the three months ended 31 December 2016.

On 7 January 2016, the Company granted share options under the 2012 Share Option Scheme to consultants and employees of the Company, which entitle them to subscribe for a total of 112,000,000 shares at HK\$0.264 per share.

Movements in the number of share options, granted under the 2012 Share Option Scheme, outstanding and their related weighted average exercise prices are as follows:

Participants	Date of grant	Exercisable period	Exercise price per share	No. of underlying shares comprised in option					Outstanding at 31 December 2016
				As at 1 October 2016	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
Employees of the Group	4 February 2016	4 February 2016 – 6 January 2026	HK\$0.264	33,600,000	-	-	-	-	33,600,000
Consultants	4 February 2016	4 February 2016 – 6 January 2026	HK\$0.264	78,400,000	-	-	-	-	78,400,000
				112,000,000	-	-	-	-	112,000,000

Other than as disclosed above, no other share option was granted, cancelled, exercised or lapsed pursuant to the 2012 Share Option Scheme and none of the Directors or Chief Executive of the Company or their respective spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations within the meaning of the Securities and Future Ordinance.



## CORPORATE GOVERNANCE PRACTICES

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 nine months ended 31 December 2016.

### BOARD OF DIRECTORS

The Board comprised three executive Directors, namely Ms. Ng Mui King, Joky (chairman of the Board), Mr. Zhang Yanqiang and Ms. Yang Wei, and four independent non-executive Directors, namely Mr. Chung Koon Yan, Mr. Chan Ying Cheong, Ms. Zhao Yongmei and Dr. Yang Fuyu.

The Board is responsible for reviewing, evaluating and finalising the Company's strategies and policies, annual budgets, business plans and performance, and has full access to adequate, reliable and timely information on the Group so as to enable them to make a timely decision. The Board also has the collective responsibility for leadership and control of, and for promoting the success of, the Group by directing and supervising the Group's affairs.

### BOARD COMMITTEES

The Board has established three committees in accordance with the CG Code, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. These committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice when appropriate and upon request.

#### Audit Committee

The Audit Committee comprised three independent non-executive Directors, namely Mr. Chung Koon Yan (chairman of the Audit Committee), Ms. Zhao Yongmei and Dr. Yang Fuyu. The Audit Committee meets with the Group's senior management regularly to review the effectiveness of the internal control system and the quarterly, interim and annual reports of the Group.

#### Nomination Committee

The Nomination Committee comprised one executive Director, namely Mr. Zhang Yanqiang (chairman of the Nomination Committee), and two independent non-executive Directors, namely Mr. Chan Ying Cheong and Dr. Yang Fuyu. The Nomination Committee reviews the composition of the Board and nominates suitably qualified candidates to the Board, if necessary.

#### Remuneration Committee

The Remuneration Committee comprised one executive Director, namely Ms. Ng Mui King, Joky, and two independent non-executive Directors, namely Ms. Zhao Yongmei (chairman of the Remuneration Committee) and Dr. Yang Fuyu. The Remuneration Committee reviews and determines the policy for the remuneration of directors and senior management of the Group.

## INTERESTS OF DIRECTORS

As at 31 December 2016, the interests and short positions of the Directors or chief executive of the Company in the shares, the underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

### Long position in shares and underlying shares of the Company

Name of Directors	Number of ordinary shares of HK\$0.01 each and the underlying shares			Approximate percentage of the issued share capital of the Company
	Personal interest	Corporate interest	Total number of shares	
Ms. Ng Mui King, Joky	–	337,920,000 (Note)	337,920,000	14.26%

Note: These shares are held by Gold City Assets Holdings Ltd. which is owned as to 51% by Ms. Ng Mui King, Joky and 49% by Fine Day Asset Holdings Inc.. Ms. Ng Mui King, Joky is also a director of Gold City Assets Holdings Ltd..

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company had interests and short positions in the shares, the underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the nine months ended 31 December 2016 was any of the Company or its subsidiaries a party to any arrangements to enable the Directors or chief executives (including their spouses or children under 18 years of age) of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## INTEREST OF SUBSTANTIAL SHAREHOLDERS AND OTHER SHAREHOLDERS

As at 31 December 2016, save as disclosed below, so far as is known to the Directors and chief executives of the Company, no person (other than a Director or a chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or, who is directly or indirectly, interested in 5% or more of the issued share capital of the Company.

### Long positions in shares of the Company

Name of shareholder	Capacity	Nature of interest	Total number of ordinary shares of HK\$0.01 each	Approximate percentage of the issued share capital of the Company
Gold City Assets Holdings Ltd. (Note 1)	Beneficial owner	Corporate	337,920,000	14.26%
Fine Day Asset Holdings Inc. (Note 1)	Interest of a controlled corporation	Corporate	337,920,000	14.26%
Mr. Huang Shih Tsai (Note 2)	Beneficial owner	Personal	155,000,000	6.54%

#### Notes:

- Pursuant to the SFO, Fine Day Asset Holdings Inc. is deemed interested in this shareholding interest through Gold City Assets Holdings Ltd., which is a company owned as to 51% by Ms. Ng Mui King, Joky and 49% by Fine Day Asset Holdings Inc.. Ms. Ng Mui King, Joky is an executive Director of the Company and also a director of Gold City Assets Holdings Ltd..*
- Mr. Huang Shih Tsai ("Mr. Huang") has an interest in 155,000,000 shares which were allotted to Mr. Huang on 15 August 2011 as partial consideration for the acquisition of 100% equity interest in a company wholly-owned by Mr. Huang.*

## COMPETING INTEREST

During the nine months ended 31 December 2016, none of the Directors of the Company or their respective associates (as defined in the GEM Listing Rules) had any interests in a business which competes or might compete, either directly or indirectly, with the business of the Company or, any other conflicts of interests with the Company.

## PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the nine months ended 31 December 2016. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the nine months ended 31 December 2016.

## CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 directors' securities transaction in securities of the Company. Having made specific enquiry of all Directors of the Company, 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 the directors' securities transaction throughout the nine months ended 31 December 2016.

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

Hong Kong, 14 February 2017

*As at the date of this report, 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.*