



世大控股有限公司
GREAT WORLD COMPANY HOLDINGS LTD
(incorporated in the Cayman Islands with limited liability)
(Stock code: 8003)

2ND QUARTERLY RESULTS ANNOUNCEMENT 2016/2017

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.

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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 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.

HIGHLIGHTS

- Turnover was approximately HK\$5,566,000 and HK\$8,838,000 for the three months and six months ended 30 September 2016 respectively, compared with the turnover of approximately HK\$4,872,000 and HK\$5,247,000 for the corresponding periods of last year.
- Loss attributable to owners of the Company for the three months and six months ended 30 September 2016 was approximately HK\$2,680,000 and HK\$7,267,000 respectively, versus the loss attributable to owners of the Company of approximately HK\$1,696,000 and HK\$9,369,000 for the corresponding periods of last year.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2016 (six months ended 30 September 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, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group for the three months and six months ended 30 September 2016 and the condensed consolidated statement of financial position of the Group as at 30 September 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 30 September		(Unaudited) Six months ended 30 September	
		2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Turnover	2	5,566	4,872	8,838	5,247
Costs of sales		(4,824)	(3,259)	(7,789)	(3,259)
Gross profit		742	1,613	1,049	1,988
Other revenue	2	3	35	48	36
Gain recognised on disposal of a subsidiary		–	2,623	–	2,623
Selling and distribution costs		(1)	(287)	(3)	(287)
Administrative and other operating expenses		(2,808)	(3,508)	(6,534)	(9,772)
Finance costs		(942)	(2,728)	(2,599)	(5,380)
Loss before tax	4	(3,006)	(2,252)	(8,039)	(10,792)
Income tax credit	5	276	418	549	856
Loss for the period		(2,730)	(1,834)	(7,490)	(9,936)
Loss for the period attributable to:					
Owners of the Company		(2,680)	(1,696)	(7,267)	(9,369)
Non-controlling interests		(50)	(138)	(223)	(567)
		(2,730)	(1,834)	(7,490)	(9,936)
Basic and diluted loss per share	6	HK(0.11) cents	HK(0.11) cents	HK(0.32) cents	HK(0.63) cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2016	2015	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period	(2,730)	(1,834)	(7,490)	(9,936)
Other comprehensive expense:				
Items that may be reclassified				
subsequently to profit or loss				
– Exchange differences arising on				
translation of foreign operations				
during the period	(2,409)	(3,622)	(4,766)	(3,580)
Items reclassified to profit or loss				
– Release of translation reserve upon				
disposal of foreign operations	–	(1,120)	–	(1,120)
Other comprehensive expense				
for the period, net of tax	(2,409)	(4,742)	(4,766)	(4,700)
Total comprehensive expense for the period	(5,139)	(6,576)	(12,256)	(14,636)
Total comprehensive expense attributable				
to:				
Owners of the Company	(5,040)	(6,155)	(11,593)	(13,797)
Non-controlling interests	(99)	(421)	(663)	(839)
	(5,139)	(6,576)	(12,256)	(14,636)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) 30 September	(Audited) 31 March
	Notes	2016 HK\$'000	2016 HK\$'000
Non-current assets			
Property, plant and equipment	8	2,331	2,596
Investment property	9	59,290	61,383
Goodwill	10	49,996	49,996
Prepayment		6,714	7,122
Other intangible assets		1,187	–
		119,518	121,097
Current assets			
Properties held for sale	11	88,905	92,014
Inventories and contract work in progress	12	44	–
Trade and other receivables	13	66,270	73,218
Cash and bank deposits		73,397	70,718
		228,616	235,950
Current liabilities			
Trade and other payables	14	(9,086)	(5,950)
Amounts due to directors	15	(9,472)	(9,303)
Amounts due to related companies	15	(57,826)	(59,565)
Amount due to a shareholder	15	(69,536)	–
		(145,920)	(74,818)
Net current assets		82,696	161,132
Non-current liabilities			
Amount due to a shareholder	15	–	(35,696)
Convertible notes	16	(24,565)	(74,432)
Deferred tax liabilities		(20,940)	(25,076)
		(45,505)	(135,204)
Net assets		156,709	147,025
Capital and reserves			
Share capital	17	23,689	19,039
Reserves		121,303	115,606
		144,992	134,645
Equity attributable to owners of the Company		144,992	134,645
Non-controlling Interests		11,717	12,380
Total equity		156,709	147,025

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the Company

	Share capital HK\$'000	Share premium HK\$'000	Convertible notes equity reserve HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1 April 2015 (audited)	135,313	131,018	51,552	-	2,750	314	(246,154)	74,793	-	74,793
Loss for the period	-	-	-	-	-	-	(9,369)	(9,369)	(567)	(9,936)
Other comprehensive expense for the period										
– Release of translation reserve upon disposal of foreign operations	-	-	-	-	(1,120)	-	-	(1,120)	-	(1,120)
– Exchange differences arising on translation of foreign operations	-	-	-	-	(3,308)	-	-	(3,308)	(272)	(3,580)
Total comprehensive expense for the period, net of tax	-	-	-	-	(4,428)	-	(9,369)	(13,797)	(839)	(14,636)
Issue of consideration shares	2,081	13,525	-	-	-	-	-	15,606	-	15,606
Placement of shares	6,500	33,800	-	-	-	-	-	40,300	-	40,300
Share issuing expenses	-	(304)	-	-	-	-	-	(304)	-	(304)
Release of other reserve upon disposal of subsidiary	-	-	-	-	-	(314)	314	-	-	-
Issue of conversion shares	14,000	-	(5,743)	-	-	-	-	8,257	-	8,257
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	11,963	11,963
At 30 September 2015 (unaudited)	157,894	178,039	45,809	-	(1,678)	-	(255,209)	124,855	11,124	135,979
At 1 April 2016 (audited)	19,039	200,789	35,144	11,513	(3,338)	-	(128,502)	134,645	12,380	147,025
Issue of conversion shares	4,650	32,550	(15,260)	-	-	-	-	21,940	-	21,940
Total comprehensive expense for the period, net of tax	-	-	-	-	(4,326)	-	(7,267)	(11,593)	(663)	(12,256)
At 30 September 2016 (unaudited)	23,689	233,339	19,884	11,513	(7,664)	-	(135,769)	144,992	11,717	156,709

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)	
	Six months ended	
	30 September	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from/(used in) operating activities	5,315	(50,095)
Net cash used in investing activities	(1,189)	(2,414)
Net cash (used in)/generated from financing activities	(1,271)	69,602
Net increase in cash and cash equivalents	2,855	17,093
Cash and cash equivalents at 1 April	70,718	69,377
Effect of foreign exchange rate changes	(176)	(231)
Cash and cash equivalents at 30 September	73,397	86,239
Analysis of cash and cash equivalents at 30 September:		
Cash and bank deposits	73,397	86,239

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 30 September		(Unaudited) Six months ended 30 September	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Turnover				
Mine processing income	–	368	–	743
Operating lease rental income	83	172	128	172
Sales of saplings	2,328	1,192	2,328	1,192
Services income	3,155	3,140	6,382	3,140
	5,566	4,872	8,838	5,247
Other revenue				
Bank interest income	3	–	4	1
Other income	–	35	44	35
	3	35	48	36
Total revenue	5,569	4,907	8,886	5,283

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 represent 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 recognized on disposal of a subsidiary, selling and distribution costs, shares of loss of associates and other unallocated income and 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 and other selected financial information

	(Unaudited) Three months ended 30 September 2016				(Unaudited) Six months ended 30 September 2016			
	Property business HK\$'000	Forestry business HK\$'000	Landscaping and earth-rock engineering business HK\$'000	Total 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	83	2,328	3,155	5,566	128	2,328	6,382	8,838
Interest income	-	2	-	2	1	2	-	3
Depreciation	(2)	(15)	(66)	(83)	(3)	(31)	(133)	(167)
Total profit/(loss) of reportable segments	(122)	596	(322)	152	(223)	(156)	(396)	(775)
Income tax credit	-	-	121	121	-	-	121	121

3. Segment information (continued)

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

	(Unaudited) Three months ended 30 September 2015					(Unaudited) Six months ended 30 September 2015				
	Iron mine business* HK\$'000	Property business HK\$'000	Forestry business HK\$'000	Landscaping and earth-rock engineering business HK\$'000	Total HK\$'000	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	368	172	1,192	3,140	4,872	743	172	1,192	3,140	5,247
Interest income	-	-	-	-	-	-	-	-	1	1
Depreciation	(14)	(1)	(45)	(50)	(110)	(48)	(3)	(61)	(50)	(162)
Total profit/(loss) of reportable segments	(27)	(53)	28	(232)	(284)	(63)	(326)	(225)	(1,014)	(1,628)
Income tax credit	-	-	-	-	-	-	-	-	-	-

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

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

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Revenue				
Total revenue for reportable segments	5,566	4,872	8,838	5,247
Consolidated turnover	5,566	4,872	8,838	5,247
Profit or loss				
Total profit/(loss) for reportable segments	152	(284)	(775)	(1,628)
Unallocated corporate income	3	-	48	-
Unallocated corporate expenses	(3,161)	(1,968)	(7,312)	(9,164)
Consolidated loss before tax	(3,006)	(2,252)	(8,039)	(10,792)

3. Segment information (continued)

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

	(Unaudited) 30 September	(Audited) 31 March
	2016	2016
	HK\$'000	HK\$'000
Assets		
Total assets for reportable segments	231,421	220,057
Unallocated corporate assets	116,713	136,990
Consolidated total assets	348,134	357,047
Liabilities		
Total liabilities for reportable segments	(93,241)	(90,077)
Unallocated corporate liabilities	(98,184)	(119,945)
Consolidated total liabilities	(191,425)	(210,022)

(c) Geographical information

The following table set out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's non-current assets, which include property, plant and equipment and investment property. 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 non-current assets is based on (i) the physical location of the assets; and (ii) the location of the operation to which they are allocated.

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenues from external customers				
PRC	2,411	1,732	2,456	2,107
Republic of Angola	3,155	3,140	6,382	3,140
	5,566	4,872	8,838	5,247

	(Unaudited) 30 September	(Audited) 31 March
	2016	2016
	HK\$'000	HK\$'000
Non-current assets		
Hong Kong	6,862	7,293
PRC	60,620	61,560
Republic of Angola	2,040	2,248
	69,522	71,101

4. Loss before tax

	(Unaudited)		(Unaudited)	
	Three months ended 30 September		Six months ended 30 September	
	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)	549	1,949	2,401	2,914
Operating lease charges in respect of land and buildings	320	544	627	926
Depreciation	96	152	191	238
Share of loss of associates	-	3	-	3

5. Income tax credit

	(Unaudited)		(Unaudited)	
	Three months ended 30 September		Six months ended 30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax:				
Hong Kong Profits Tax	-	-	-	-
PRC Enterprise Income Tax	-	-	-	-
	-	-	-	-
Deferred tax	276	418	549	856
Income tax credit for the period	276	418	549	856

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the three months and six months ended 30 September 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 applicable to the PRC subsidiaries is 25%.

No provision for current tax has been made for the three months and six months ended 30 September 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 30 September		(Unaudited) Six months ended 30 September	
	2016 HK\$'000	2015 <i>HK\$'000</i>	2016 HK\$'000	2015 <i>HK\$'000</i>
(i) Unaudited consolidated loss attributable to owners of the Company	(2,680)	(1,696)	(7,267)	(9,369)
	'000	<i>'000</i>	'000	<i>'000</i>
(ii) Weighted average number of ordinary shares in issue	2,368,936	1,561,436	2,283,221	1,479,391

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 six months ended 30 September 2016 and 2015.

7. Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2016 (six months ended 30 September 2015: nil).

8. Property, plant and equipment

	<i>HK\$'000</i>
Cost:	
At 1 April 2016 (audited)	2,902
Additions	6
Disposals	–
Exchange adjustments	(93)
At 30 September 2016 (unaudited)	<u>2,815</u>
Accumulated depreciation:	
At 1 April 2016 (audited)	306
Depreciation provided for the period	191
Elimination on disposals	–
Exchange differences	(13)
At 30 September 2016 (unaudited)	<u>484</u>
Carrying amounts:	
At 30 September 2016 (unaudited)	<u>2,331</u>
At 31 March 2016 (audited)	<u>2,596</u>

9. Investment property

	<i>HK\$'000</i>
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Fair value:	
At 1 April 2016 (audited)	61,383
Exchange adjustments	(2,093)
	<hr/>
At 30 September 2016 (unaudited)	59,290
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10. Goodwill

	<i>HK\$'000</i>
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Cost:	
At 1 April 2016 (audited)	49,996
Addition	–
Disposal	–
	<hr/>
At 30 September 2016 (unaudited)	49,996
	<hr/>
Accumulated impairment:	
At 1 April 2016 (audited)	–
Provision	–
Elimination	–
	<hr/>
At 30 September 2016 (unaudited)	–
	<hr/>
Carrying amounts:	
At 30 September 2016 (unaudited)	49,996
	<hr/>
At 31 March 2016 (audited)	49,996
	<hr/>

11. Properties held for sale

	<i>HK\$'000</i>
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At 1 April 2016 (audited)	92,014
Exchange adjustments	(3,109)
	<hr/>
At 30 September 2016 (unaudited)	88,905
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12. Inventories and contract work in progress

	(Unaudited)	(Audited)
	30 September	31 March
	2016	2016
	HK\$'000	HK\$'000
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Forestry products	44	–
Contract work in progress	–	–
	<hr/>	<hr/>
	44	–
	<hr/>	<hr/>

13. Trade and other receivables

	(Unaudited) 30 September	(Audited) 31 March
	2016 HK\$'000	2016 HK\$'000
Trade receivables	5,813	3,611
Other receivables	55,403	65,945
Prepayments	7,811	8,390
Deposits	3,957	2,394
	72,984	80,340
Less: Amount of prepayments classified as non-current assets (<i>note</i>)	6,714	7,122
Amount classified as current assets	66,270	73,218

Note: Prepayment made to various parties for consulting services.

14. Trade and other payables

	(Unaudited) 30 September	(Audited) 31 March
	2016 HK\$'000	2016 HK\$'000
Trade payables	2,411	992
Other payables	5,939	2,834
Income tax payables (<i>note</i>)	–	123
Accruals	693	947
Deposits received	43	1,054
	9,086	5,950

An aged analysis of the trade payables is as follows:

Up to 3 months	1,453	–
3 to 6 months	272	282
Over 6 months	686	710
	2,411	992

Note: Income tax payables represent Enterprise Income Tax ("EIT") calculated under the Law of the People's Republic of China on the EIT Law and Implementation Regulation of the EIT Law at the tax rate of 25% on the assessable profits of the PRC subsidiaries.

15. Amounts due 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 to a shareholder is non-trade nature, unsecured, interest-free and has no fixed repayment terms. The amount due to a shareholder was classified as non-current as at 31 March 2016 because the shareholder did not show any intention to demand for repayment within 12 months after the reporting period.

16. Convertible notes

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

	<i>HK\$'000</i>
At 1 April 2016 (audited)	74,432
Conversion into ordinary shares	(18,626)
Effective interest expense	2,599
Maturity of convertible note issued on 15 August 2011	(33,840)
	<hr/>
At 30 September 2016 (unaudited)	24,565
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Analysis of convertible notes at 30 September 2016 (unaudited):	
Non-current (convertible notes issued on 30 March 2015)	24,565
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(i) Convertible note issued on 15 August 2011 (matured on 14 August 2016)

On 15 August 2011, the Company issued a zero coupon convertible note with face value of HK\$33,840,000 (the "Convertible Note 2011") 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 2011 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 2011 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 2011 into ordinary shares of the Company at a conversion price of HK\$0.1344 per share (adjusted from HK\$0.2 per share with effect from 30 March 2015 as detailed in the Company's announcement dated 2 April 2015), which has been further adjusted to HK\$0.1227 per share with effect from 19 October 2015 as detailed in the Company's announcement dated 15 October 2015.

The Convertible Note 2011 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 "Convertible Notes 2015") to not less than six subscribers who are independent third parties. The Convertible Notes 2015 are unsecured, non-interest bearing and repayable upon maturity which is the fifth anniversary of the date of issue. The holders of the Convertible Notes 2015 have the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the Convertible Notes 2015 into ordinary shares of the Company at an initial conversion price of HK\$0.10 per share, which has been changed to HK\$0.08 per share with effect from 19 October 2015 as detailed in the Company's announcement dated 15 October 2015.

The Convertible Notes 2015 are compound financial instruments 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.

17. Share capital

	Number of shares		Amount	
	(Unaudited) 30 September 2016 '000	(Audited) 31 March 2016 '000	(Unaudited) 30 September 2016 HK\$'000	(Audited) 31 March 2016 HK\$'000
Ordinary shares of HK\$0.01 each				
Authorised	30,000,000	30,000,000	300,000	300,000
Issued and fully paid	2,368,936	1,903,936	23,689	19,039

During the six months ended 30 September 2016, 465,000,000 conversion shares were issued at the conversion price of HK\$0.08 per share to certain holders of the Convertible Notes 2015 pursuant to the Convertible Notes 2015.

18. Reserves

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.

19. 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) 30 September	(Audited) 31 March
	2016	2016
	HK\$'000	HK\$'000
As a lessee		
Premises		
– within 1 year	1,005	1,005
– after 1 year but within 5 years	628	1,130
	1,633	2,135

(b) Capital commitments

	(Unaudited) 30 September	(Audited) 31 March
	2016	2016
	HK\$'000	HK\$'000
Capital expenditure contracted for but not provided for in the financial statements in respect of:		
– properties held for sale	120	120
	120	120

20. Related party transactions

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

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Fees, salaries and other benefits	523	537	1,045	984

- (b) Amounts due to directors/a shareholder/related companies of the Company as at 30 September 2016 and 31 March 2016 are disclosed in the condensed consolidated statement of financial position; other details are disclosed in note 15.

21. Events after the reporting period

- (a) *Memorandum of understanding in relation to the possible acquisition of 100% equity interest in Zhifeng Holdings Limited*

On 31 October 2016, Yenbo Gain Limited (the "Purchaser"), a non-wholly owned subsidiary of the Company, and Mr. Tam Hau Kin (the "Vendor"), an independent third party, entered into a memorandum of understanding (the "MOU") indicating their intention to enter into a formal sale and purchase agreement in relation to the possible acquisition of 100% equity interest in Zhifeng Holdings Limited by the Purchaser from the Vendor. Details of the MOU were disclosed in the Company's announcement dated 31 October 2016.

- (b) *Issue of conversion shares*

Conversion shares were issued at the conversion price of HK\$0.08 per share to certain holders of the Convertible Notes 2015 pursuant to the Convertible Notes 2015 as follows:

Date	No. of conversion shares
12 April 2016	95,000,000
26 April 2016	125,000,000
13 May 2016	150,000,000
25 May 2016	95,000,000

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Operations

For the six months ended 30 September 2016, the Group recorded a turnover of approximately HK\$8,838,000, representing an increase of approximately 68.44% as compared with a turnover of approximately HK\$5,247,000 for the corresponding period of last year.

Loss attributable to owners of the Company was approximately HK\$7,267,000 for the six months ended 30 September 2016, which was approximately 22.44% lower than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$9,369,000 due to the decrease in administrative and finance 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 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 HK\$128,000 was derived from temporary leasing of the commercial portion of the property for the six months ended 30 September 2016. The Group expects to commence the selling of the residential portion of the property and the leasing of certain residential portion and/or basement car park area of the property when the property market appears to revive.

Forestry business

For the six month ended 30 September 2016, a turnover of approximately HK\$2,328,000 was generated from the forestry business. The Group expects revenue generated from sale of well-grown plants to end-customers will be increasing in the coming two years.

Landscaping and earth-rock engineering business

For the six months ended 30 September 2016, a turnover of approximately HK\$6,382,000 was generated from the landscaping and earth-rock engineering business. The Group expects revenue generated from landscaping and earthrock engineering works will be increasing in the coming year.

Liquidity, Financial Resources and Capital Structure

As at 30 September 2016, the Group's cash and bank deposits amounted to approximately HK\$73,397,000 which has increased by approximately 3.79% when comparing with the cash and bank deposits of approximately HK\$70,718,000 as at 31 March 2016.

As at 30 September 2016, the Group had net current assets of approximately HK\$82,696,000 (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 30 September 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 30 September 2016 is as follows:

	Number of shares (‘000)	Amount (HK\$‘000)
Authorised	30,000,000	300,000
Issued and fully paid	2,368,936	23,689

During the six months ended 30 September 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.

Gearing Ratio

The Group’s gearing ratio, which was defined as the ratio of net debt (borrowings less cash and cash equivalents) to total equity, was 61% as at 30 September 2016 (31 March 2016: 80%).

Contingent Liabilities

As at 30 September 2016, the Group did not have any material contingent liabilities (31 March 2016: nil).

Employees and Remuneration Policy

As at 30 September 2016, the Group had approximately 41 employees (31 March 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.

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.

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 30 September 2016
				As at 1 April 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 six months ended 30 September 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 Ms. 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 30 September 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

Number of ordinary shares of HK\$0.01 each and the underlying shares

Name of Director	Personal interest	Corporate interest	Total number of shares	Approximate percentage of the issued share capital of the Company
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 a director of Gold City Assets Holdings Ltd.

Save as disclosed above, as at 30 September 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 six months ended 30 September 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 30 September 2016, save as disclosed below, so far 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.

(a) 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 are 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 six months ended 30 September 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 Group or, any other conflict of interest with the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the six months ended 30 September 2016. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the six months ended 30 September 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 six months ended 30 September 2016.

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

Hong Kong, 14 November 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.