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 2014

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

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

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

This announcement, for which the directors (the "Directors") of Great World Company Holdings Ltd (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINAL RESULTS

The board of directors (the "Board") of Great World Company Holdings Ltd (the "Company") presents the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2014 together with the comparative audited figures for the year ended 31 March 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
Continuing operations			
Turnover	*3(a)*	**1,559**	963
Cost of sales		**(849)**	(549)
Gross profit		**710**	414
Other revenue	*3(b)*	**4**	26
Fair value change on investment property		**(5,152)**	6,734
Loss on written off of property, plant and equipment		**–**	(394)
Selling and distribution costs		**(57)**	(725)
Administrative and other operating expenses		**(8,973)**	(11,235)
Finance costs	*5*	**(2,623)**	(2,416)
Loss before tax		**(16,091)**	(7,596)
Income tax credit/(expense)	*6*	**848**	(1,907)
Loss for the year from continuing operations	*7*	**(15,243)**	(9,503)
Discontinued operation	*8*		
Profit for the year from discontinued operation		**–**	2,438
Loss for the year		**(15,243)**	(7,065)
(Loss)/profit for the year attributable to owners of the Company			
from continuing operations		**(15,243)**	(9,503)
from discontinued operation		**–**	2,002
		(15,243)	(7,501)
Profit for the year attributable to non-controlling interests			
from continuing operations		**–**	–
from discontinued operation		**–**	436
		–	436
		(15,243)	(7,065)
(Loss)/earnings per share	*9*		
From continuing and discontinued operations			
Basic and diluted		**(1.35) HK cents**	(0.66) HK cents
From continuing operations			
Basic and diluted		**(1.35) HK cents**	(0.84) HK cents
From discontinued operation			
Basic and diluted		**N/A**	0.18 HK cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	2014	2013
	HK$'000	*HK$'000*
Loss for the year	**(15,243)**	(7,065)
Other comprehensive income for the year:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**9**	1,101
Items reclassified to profit or loss:		
Exchange reserve relating to foreign operations disposed of during the year	**–**	(5,097)
Other comprehensive income for the year, net of tax	**9**	(3,996)
Total comprehensive loss for the year	**(15,234)**	(11,061)
Total comprehensive (loss)/income attributable to:		
Owners of the Company	**(15,234)**	(11,395)
Non-controlling interests	**–**	334
	(15,234)	(11,061)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**4,555**	5,027
Investment property		**68,628**	73,286
Goodwill		**–**	–
Other intangible asset		**–**	–
Deferred tax assets		**1,547**	2,416
		74,730	80,729
Current assets			
Properties held for sale		**95,154**	93,556
Trade and other receivables	*11*	**1,932**	1,886
Cash and bank deposits		**581**	4,754
		97,667	100,196
Current liabilities			
Trade and other payables	*12*	**(13,371)**	(18,905)
Amounts due to directors		**(3,314)**	(2,729)
Amounts due to related companies		**(54,521)**	(49,427)
		(71,206)	(71,061)
Net current assets		**26,461**	29,135
Non-current liabilities			
Amount due to a shareholder		**(33,874)**	(28,174)
Convertible note		**(26,408)**	(23,788)
Deferred tax liabilities		**(23,505)**	(25,264)
		(83,787)	(77,226)
Net assets		**17,404**	32,638
Capital and reserves			
Share capital		**112,763**	112,763
Reserves		**(95,359)**	(80,125)
Equity		**17,404**	32,638

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

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.

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

In the current year, the Group has applied, for the first time, the following new and revised standards and interpretations (collectively referred to as the 'new and revised HKFRSs') issued by the HKICPA which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2013. A summary of the new and revised HKFRSs adopted by the Group is set out below.

HKAS 1 (Amendments)	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised)	Employee Benefits
HKAS 27 (Revised)	Separate Financial Statements
HKAS 28 (Revised)	Investments in Associates and Joint Ventures
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle Issued in June 2012
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurements
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The Group has early adopted HKAS 36 (Amendments) *Recoverable Amount Disclosures for Non-Financial Assets*, which is effective for annual period beginning on or after 1 January 2014.

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The adoption of the new and revised HKFRSs in the current year has no material impact on the Group's financial performance and positions for the current and prior years.

HKFRS 13 Fair Value Measurement

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirement for use across HKFRSs. The Standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended. The application of this new standard has no material financial impact on the Group.

HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1. The amendments introduce new terminology for the statement of profit or loss and other comprehensive income. The amendments to HKAS 1 retain the option to present statement of profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on consolidated profit or loss, other comprehensive income and total comprehensive income.

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

HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle[3]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[5]
HKFRS 9	Financial Instruments[5]
HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39[5]
HKFRS 10, HKFRS 12 and HKAS 27 (Revised 2011)	Investment Entities[1]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[4]
HKFRS 14	Regulatory Deferral Accounts[4]
HKFRS 16 and HKAS 38 (Amendments)	Clarification of Acquisitions Methods of Depreciation and Amortisation[4]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual period beginning on or after 1 January 2014, with earlier application permitted
2 Effective for annual period beginning on or after 1 July 2014, with earlier application permitted
3 Effective for annual period beginning on or after 1 July 2014, with limited exception
4 Effective for annual period beginning on or after 1 January 2016, with earlier application permitted
5 No mandatory effective date yet determined but is available for adoption

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be subsequently measured at amortised cost or fair value. Specially, 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 investment and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entity 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.

The directors anticipate that the adoption of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. REVENUE

(a) Turnover

Turnover represents the net amount received and receivable from goods sold to customers, after allowances for returns, discounts and value-added tax where applicable, and processing income for the year.

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Sales of goods	**–**	71
Mine processing income	**1,559**	892
	1,559	963

(b) Other revenue

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**4**	20
Other revenue	**–**	6
	4	26

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 two reportable segments.

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

Iron mine business	Exploration, mining and processing of iron ore
Property business	Property investment and development, operating and managing residential and commercial properties

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

2014

	Iron mine business	**Property business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Continuing operations			
Revenue from external customers	**1,559**	**–**	**1,559**
Interest income	**–**	**4**	**4**
Depreciation	**(457)**	**(7)**	**(464)**
Fair value change on investment property	**–**	**(5,152)**	**(5,152)**
Total loss of reportable segments	**(211)**	**(6,582)**	**(6,793)**
Income tax credit/(expense)	**(1,020)**	**1,435**	**415**
Total assets of reportable segments	**5,633**	**164,312**	**169,945**
Additions to non-current assets	**92**	**599**	**691**
Total liabilities of reportable segments	**(4,916)**	**(61,005)**	**(65,921)**

2013

	Iron mine business *HK$'000*	Property business *HK$'000*	Total *HK$'000*
Continuing operations			
Revenue from external customers	963	–	963
Interest income	1	19	20
Depreciation	(456)	(6)	(462)
Loss on written off of property, plant and equipment	(138)	–	(138)
Write down of obsolete inventories	(505)	–	(505)
Fair value change on investment property	–	6,734	6,734
Total (loss)/profit of reportable segments	(2,488)	5,541	3,053
Income tax expense	–	(2,296)	(2,296)
Total assets of reportable segments	7,164	172,242	179,406
Additions to non-current assets	(279)	(1,306)	(1,585)
Total liabilities of reportable segments	(5,354)	(84,390)	(89,744)

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

	2014 ***HK$'000***	2013 *HK$'000*
Continuing operations		
Revenue		
Total revenue for reportable segments	**1,559**	963
Consolidated turnover	**1,559**	963
Profit or loss		
Total profit/(loss) for reportable segments	**(6,793)**	3,053
Unallocated corporate income	**–**	–
Unallocated corporate expenses	**(9,298)**	(10,649)
Consolidated loss before tax	**(16,091)**	(7,596)
Assets		
Total assets for reportable segments	**169,945**	179,406
Unallocated corporate assets	**2,452**	1,519
Consolidated total assets	**172,397**	180,925
Liabilities		
Total liabilities for reportable segments	**(65,921)**	(89,744)
Unallocated corporate liabilities	**(89,072)**	(58,543)
Consolidated total liabilities	**(154,993)**	(148,287)

(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, intangible asset and goodwill ("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, in the case of intangible asset and goodwill.

	Revenue from external customers		**Specified non-current assets**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Continuing operations				
PRC	**1,559**	963	**72,908**	77,938
Hong Kong	**–**	–	**275**	375
	1,559	963	**73,183**	78,313

(d) Information about major customers

Revenue from customers in the corresponding years contributing over 10% of the total sales of the Group from the iron mine business is as follows:

	2014	2013
	HK$'000	*HK$'000*
Customer A	**–**	71
Customer B	**1,559**	892

5. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Effective interest expenses on convertible note	**2,620**	2,359
Interest expenses on other borrowings wholly repayable within five years	**3**	57
	2,623	2,416

6. INCOME TAX (CREDIT)/EXPENSE

	2014 *HK$'000*	2013 *HK$'000*
Continuing operations		
Current tax:		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax	–	–
Deferred tax	**(848)**	1,907
Income tax (credit)/expense for the year	**(848)**	1,907

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit for both years ended 31 March 2014 and 2013 from its continuing operations.

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% from 1 January 2008 onwards.

7. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging:

	2014 *HK$'000*	2013 *HK$'000*
Continuing operations		
Staff costs (including directors' remuneration)		
– salaries and other benefits	**3,545**	4,330
– contributions to defined contribution retirement benefit schemes	**113**	157
	3,658	4,487
Other items		
– inventories recognised as an expense	–	51
– write-down of obsolete inventories	–	505
Auditors' remuneration		
– audit services	**330**	330
– other services	–	370
Depreciation of property, plant and equipment	**588**	586
Operating lease charges in respect of land and buildings	**1,194**	1,244
Loss on written off of property, plant and equipment	–	394

8. DISCONTINUED OPERATION

Telecommunications business

On 15 May 2012, the Company disposed of the entire issued share capital of China Bond Technology Limited ("China Bond") and the amount due to the Company by China Bond at a total consideration of RMB400,000 (equivalent to approximately HK$492,000); China Bond and its subsidiary (the "China Bond Group") then ceased to be subsidiaries of the Company.

The comparative consolidated statement of profit or loss and related notes have been re-presented as if the discontinued operation had been discontinued at the beginning of the comparative period. The revenues and results of the China Bond Group were as follows:

Profit for the year from discontinued operation

	2013 *HK$'000*
Turnover	–
Cost of sales	–
Gross profit	–
Other revenue and other income	3,477
Administrative and other operating expenses	(1,733)
Share of result of associate	–
Profit before tax	1,744
Income tax	–
Profit for the year	1,744
Loss on remeasurement to fair value less costs to sell	–
Gain on disposal of telecommunications business (including reclassification of translation reserve of approximately HK$4,988,000 from equity to profit and loss on disposal of the operation)	694
	2,438

Profit for the year from discontinued operation after crediting/(charging):

	2013 *HK$'000*
Bank interest income	1
Reversal of impairment loss in respect of trade receivables	1,462
Impairment loss recognised in respect of trade payables	(23)
Impairment loss recognised in respect of other payables	(1,731)
Operating lease charges in respect of land and buildings	–
Write-off of trade and other payables	2,038

The cash flows from discontinued operation are as follows:

	2013
	HK$'000
Net cash generated from (used in) operating activities	939
Net cash generated from investing activity	760
Net cash generated from financing activities	537

9. (LOSS)/EARNINGS 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.

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2014	2013
	HK$'000	*HK$'000*
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	**(15,243)**	(7,501)

The denominators used are the same as those detailed below for both basic and diluted loss per share from continuing operations.

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	2014	2013
	HK$'000	*HK$'000*
Loss figures are calculated as follows:		
Loss for the year attributable to owners of the Company	**(15,243)**	(7,501)
Less: Profit for the year from the discontinued operation	**–**	2,002
Loss from continuing operations for the purpose of calculating basic and diluted loss per share	**(15,243)**	(9,503)

	2014	2013
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,127,628**	1,127,628

The computation of diluted loss per share from continuing operations did not assume the conversion of outstanding convertible note and the exercise of outstanding share options of the Company as the conversion/exercise price was higher than the average market price of shares for both years or since their conversion/exercise would result in a decrease in loss per share and thus anti-dilutive for the year ended 31 March 2014 and 31 March 2013.

From discontinued operation

Basic and diluted earnings per share from the discontinued operation is HK$0.18 cents per share for the year ended 31 March 2013 which is arrived at based on the profit for the year ended 31 March 2013 from the discontinued operation of approximately HK$2,002,000 and the denominators detailed above for both basic and diluted loss per share from continuing operations.

10. DIVIDEND

No dividend has been paid nor proposed for the year (2013: Nil).

11. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade receivables	**–**	–	**–**	–
Other receivables	**661**	868	**–**	–
Prepayments	**555**	310	**–**	–
Deposits	**716**	708	**330**	321
	1,932	1,886	**330**	321

12. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade payables	**8,058**	10,814	**–**	–
Other payables	**4,086**	6,536	**1,406**	1,376
Accruals	**778**	1,105	**498**	749
Deposits received	**449**	450	**–**	–
	13,371	18,905	**1,904**	2,125
An aged analysis of the trade payables is as follows:				
Within 3 months	**–**	–	**–**	–
Over 3 months but within 1 year	**–**	–	**–**	–
Over 1 year	**8,058**	10,814	**–**	–
	8,058	10,814	**–**	–

13. DISPOSAL OF SUBSIDIARIES

As disclosed in note 10, on 15 May 2012, the Group disposed of China Bond Group.

An analysis of assets and liabilities over which control was lost:

	HK$'000
Investment in an associate	15,948
Cash and cash equivalents	2,101
Loss on remeasurement to fair value less costs to sell	(6,853)
Trade and other payables	(8,932)
Net assets of China Bond Group disposed of	2,264

Gain on disposal of China Bond Group:

Consideration received	492
Net assets disposed of China Bond Group	(2,264)
Non-controlling interests	(1,706)
Cumulative exchange differences in respect of the net assets of China Bond Group reclassified from equity to profit or loss	4,988
Direct expenses in relation to the disposal	(816)
Gain on disposal	694

The gain on disposal is included in the profit for the year from discontinued operation.

	HK$'000
Net cash outflow on disposal of a subsidiary	
Consideration received in cash and cash equivalents	492
Less: Cash and cash equivalents disposed of	(2,101)
	(1,609)

RESULTS OF OPERATIONS

For the year ended 31 March 2014, the Group recorded a turnover of approximately HK$1,559,000, representing an increase of approximately 61.9% as compared to the turnover of approximately HK$963,000 for last year. Loss for the year was approximately HK$15,243,000 (2013: HK$7,065,000). The Board did not recommend the payment of any dividend for the year (2013: Nil).

BUSINESS REVIEW

Iron mine business

For the year ended 31 March 2014, a turnover of approximately HK$1,559,000 was generated from the processing of iron ores. The construction of the processing factory was completed and the iron mine commenced trial commercial production in August 2011. Revenue from the iron mine business is below expectation due to the decline in iron ore price. Once the market situation improved, full effort will be put to develop the iron mine and increase the production of the processing factory. There was no material change in mineral resources and/or reserves of the iron mine for the year.

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 27,213.33 sq. m. (inclusive of a basement floor) and comprises 4 portions with different functions, namely residential, commercial, basement car park and facilities.

Revenues are expected to be derived from (i) leasing of the commercial portion of the property; (ii) leasing of certain residential portion of the property and/or basement car park area; and (iii) selling part of the residential portion of the property. The selling and leasing programme has not been launched due to the continuing tightening of monetary policies and other measures imposed by the PRC government which restrict the growth of the PRC property market. The Board expects to commence the property selling and leasing programme when the property market appears to revive.

PROSPECT

Even the property market in the PRC showed signs of recovery from the tightened control, 2013 was still a difficult year for many businesses with PRC based projects.

With improvement on global financial environment and the continuous growing per capita wealth of Chinese citizen, the Board expects an increase in iron ore consumption and a steady growth on demand in real estate market which will strengthen the Group's financial performance for the benefit of the Company and shareholders.

In addition to the existing projects, the Group is also committed to seeking other business opportunities. The Group will acquire high quality investment projects with good potential in order to enhance its investment return.

FINANCIAL REVIEW

Liquidity, financial resources and capital structure

As at 31 March 2014, cash and bank deposits of the Group amounted to approximately HK$581,000, representing a decrease of 87.8% comparing with the cash and bank deposits of approximately HK$4,754,000 as at 31 March 2013. 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 related companies, amounted to approximately HK$26,461,000 as at 31 March 2014 (31 March 2013: HK$29,135,000).

The Group's gearing ratio, which was defined as the ratio of net debt to equity, was 343.0% as at 31 March 2014 (31 March 2013: 144.6%).

The increase in gearing ratio as at 31 March 2014 as compared to that of 31 March 2013 is mainly attributable to the increase in amount due to a shareholder and convertible note and the decrease in equity.

Treasury policies

The Group adopted a conservative treasury policy with almost all bank deposits being kept in Hong Kong dollars, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risk. Since most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars and Renminbi, the Group did not experience any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year under review. As at 31 March 2014, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose.

Contingent liabilities

As at 31 March 2014, the Group did not have any material contingent liabilities (31 March 2013: Nil).

Employees and remuneration policy

As at 31 March 2014, the Group had approximately 17 employees (31 March 2013: 17 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.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company did not redeem any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of its shares during the year.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have material events after the end of the reporting period.

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 2014.

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 securities transaction 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 2014.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (chairman of the audit committee), Mr. Chan Ying Cheong and Mr. Lau Ching Wai, Peter (appointed on 30 September 2013 when Ms. Hui Sin Man, Alice resigned). 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 Listing Rules and other legal requirements in relation to financial reporting;

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

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

The annual results of the Group have been reviewed by the Audit Committee.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 25 July 2014 to 1 August 2014, both days inclusive, during which no transfer of shares will be registered. In order to ascertain the right to attend the annual general meeting of the Company, all share certificates with completed transfer forms either overleaf or separately must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Hong Kong Registrars Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 24 July 2014.

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

Hong Kong, 27 June 2014

As at the date of this announcement, the Board comprises (i) three Executive Directors, namely Ms. Ng Mui King, Joky, Mr. Tong Wang Shun and Ms. Zeng Jieping; and (ii) three Independent Non-Executive Directors, namely Mr. Chung Koon Yan, Mr. Chan Ying Cheong and Mr. Lau Ching Wai, Peter.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (http://www.hkgem.com) for at least 7 days from the date of its publication and on the Company's website (http://www.gwchl.com).