



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

**SECOND QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 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 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 of 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\$3,358,000 and HK\$6,175,000 for the three months and six months ended 30 September 2017 respectively, compared with the turnover of approximately HK\$5,566,000 and HK\$8,838,000 for the corresponding periods of last year.
- Loss attributable to owners of the Company for the three months and six months ended 30 September 2017 was approximately HK\$1,307,000 and HK\$3,737,000 respectively, versus the loss attributable to owners of the Company of approximately HK\$2,680,000 and HK\$7,267,000 for the corresponding periods of last year.
- The board of directors does not recommend the payment of an interim dividend for the six months ended 30 September 2017 (six months ended 30 September 2016: Nil).

RESULTS

The board of directors 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 2017 and the condensed consolidated statement of financial position of the Group as at 30 September 2017, 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

		(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
		2017	2016	2017	2016
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	2	3,358	5,566	6,175	8,838
Costs of sales		(2,304)	(4,824)	(4,795)	(7,789)
Gross profit		1,054	742	1,380	1,049
Other revenue	2	1	3	130	48
Gain on a bargain purchase		–	–	434	–
Gain from change in fair value of biological assets		5,135	–	5,135	–
Selling and distribution costs		(1)	(1)	(21)	(3)
Administrative and other operating expenses		(3,172)	(2,808)	(5,991)	(6,534)
Finance costs		(552)	(942)	(1,083)	(2,599)
Profit/(loss) before tax	4	2,465	(3,006)	(16)	(8,039)
Income tax credit	5	90	276	250	549
Profit/(loss) for the period		2,555	(2,730)	234	(7,490)
Profit/(loss) for the period attributable to:					
Owners of the Company		(1,307)	(2,680)	(3,737)	(7,267)
Non-controlling interests		3,862	(50)	3,971	(223)
		2,555	(2,730)	234	(7,490)
Basic and diluted loss per share	6	HK(0.06) cents	HK(0.11) cents	HK(0.16) cents	HK(0.32) cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the period	<u>2,555</u>	<u>(2,730)</u>	<u>234</u>	<u>(7,490)</u>
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss				
– Exchange differences arising on translation of foreign operations during the period	<u>4,009</u>	<u>(2,409)</u>	<u>7,973</u>	<u>(4,766)</u>
Other comprehensive income/(expense) for the period, net of tax	<u>4,009</u>	<u>(2,409)</u>	<u>7,973</u>	<u>(4,766)</u>
Total comprehensive income/(expense) for the period	<u><u>6,564</u></u>	<u><u>(5,139)</u></u>	<u><u>8,207</u></u>	<u><u>(12,256)</u></u>
Total comprehensive income/(expense) attributable to:				
Owners of the Company	2,890	(5,040)	3,525	(11,593)
Non-controlling interests	<u>3,674</u>	<u>(99)</u>	<u>4,682</u>	<u>(663)</u>
	<u><u>6,564</u></u>	<u><u>(5,139)</u></u>	<u><u>8,207</u></u>	<u><u>(12,256)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) 30 September 2017 HK\$'000	(Audited) 31 March 2017 HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment	9	14,997	2,083
Investment property	10	59,864	57,534
Goodwill	11	44,794	44,794
Prepayments		5,903	6,309
		<u>125,558</u>	<u>110,720</u>
Current assets			
Biological assets	12	66,576	–
Properties held for sale	13	90,036	86,279
Trade and other receivables and prepayments	14	70,221	75,447
Cash and bank deposits		54,928	62,731
		<u>281,761</u>	<u>224,457</u>
Current liabilities			
Trade and other payables	15	(50,742)	(17,982)
Amounts due to directors	16	(6,576)	(6,576)
Amounts due to related companies	16	(55,775)	(53,615)
Income tax payable		(9)	(81)
		<u>(113,102)</u>	<u>(78,254)</u>
Net current assets		<u>168,659</u>	<u>146,203</u>
Non-current liabilities			
Amount due to shareholders	16	(69,414)	(69,414)
Convertible notes	17	(26,689)	(25,606)
Deferred tax liabilities		(20,784)	20,190
		<u>(116,887)</u>	<u>(115,210)</u>
Net assets		<u>177,330</u>	<u>141,713</u>
Capital and reserves			
Share capital	18	23,689	23,689
Reserves		110,635	107,110
		<u>134,324</u>	<u>130,799</u>
Equity attributable to owners of the Company		134,324	130,799
Non-controlling Interests		43,006	10,914
		<u>177,330</u>	<u>141,713</u>
Total equity		<u>177,330</u>	<u>141,713</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non-controlling interests	Total
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Convertible notes equity reserve <i>HK\$'000</i>	Share options reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>		
At 1 April 2016 (audited)	19,039	200,789	35,144	11,513	(3,338)	(128,502)	134,645	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)	(12,256)
At 30 September 2016 (unaudited)	<u>23,689</u>	<u>233,339</u>	<u>19,884</u>	<u>11,513</u>	<u>(7,664)</u>	<u>(135,769)</u>	<u>144,992</u>	<u>156,709</u>
At 1 April 2017 (audited)	<u>23,689</u>	<u>233,339</u>	<u>13,454</u>	<u>11,513</u>	<u>(11,302)</u>	<u>(139,894)</u>	<u>130,799</u>	<u>141,713</u>
Acquisition of subsidiaries (unaudited)	–	–	–	–	–	–	27,410	27,410
Total comprehensive income/(expense) for the period, net of tax	–	–	–	–	7,262	(3,737)	3,525	8,207
At 30 September 2017 (unaudited)	<u>23,689</u>	<u>233,339</u>	<u>13,454</u>	<u>11,513</u>	<u>(4,040)</u>	<u>(143,631)</u>	<u>134,324</u>	<u>177,330</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)	
	Six months ended	
	30 September	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from operating activities	39,417	5,315
Net cash used in investing activities	(77,930)	(1,189)
Net cash (used in)/generated from financing activities	4,329	(1,271)
Net increase in cash and cash equivalents	(34,184)	2,855
Cash and cash equivalents at 1 April	62,731	70,718
Effect of foreign exchange rate changes	26,381	(176)
Cash and cash equivalents at 30 September	54,928	73,397
Analysis of cash and cash equivalents at 30 September:		
Cash and bank deposits	54,928	73,397

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

The Unaudited Condensed Consolidated Financial Statements have been prepared in compliance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and in accordance 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 in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those applied for the Group’s annual financial statements for the year ended 31 March 2017. In addition, the Group has adopted the following accounting policies on completion of the acquisition of subsidiaries as mentioned in note 8:

Agriculture

(a) Bearer plants

Bearer plants, which are used to grow produce over their productive lives, are accounted for under property, plant and equipment and are subject to depreciation calculated on a straight-line basis to write off their cost to residual value over their estimated economic productive lives.

(b) Agricultural produce

Agricultural produce is stated at cost which is measured at fair value less costs to sell at the point of harvest.

(c) Biological assets

Biological assets, which represent living plants and produce growing for harvest and sale, are measured and stated at fair value less costs to sell at the end of each reporting period. Change in fair value are recognised in the statement of profit or loss.

The preparation of the Unaudited Condensed Consolidated Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

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 2017. 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 2017 <i>HK\$'000</i>		(Unaudited) Six months ended 30 September 2017 <i>HK\$'000</i>	
		2016 <i>HK\$'000</i>		2016 <i>HK\$'000</i>
Turnover				
Operating lease rental income	160	83	283	128
Sales of forestry products	–	2,328	–	2,328
Services income	3,198	3,155	5,892	6,382
	<u>3,358</u>	<u>5,566</u>	<u>6,175</u>	<u>8,838</u>
Other revenue				
Bank interest income	1	3	4	4
Gain on foreign exchange	–	–	126	–
Sundry income	–	–	–	44
	<u>1</u>	<u>3</u>	<u>130</u>	<u>48</u>
Total revenue	<u><u>3,359</u></u>	<u><u>5,569</u></u>	<u><u>6,305</u></u>	<u><u>8,886</u></u>

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, cultivation, promotion and application of agricultural technologies
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 income, finance costs 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 2017				(Unaudited) Six months ended 30 September 2017			
	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	160	–	3,198	3,358	283	–	5,892	6,175
Interest income	–	–	–	–	–	2	–	2
Depreciation	(1)	(17)	(175)	(193)	(3)	(32)	(310)	(345)
Total profit/(loss) of reportable segments	(9)	4,889	617	5,497	(58)	4,567	1,133	5,642
Income tax credit/(loss)	–	–	–	–	4	–	(2)	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

	(Unaudited) Three months ended 30 September 2017 HK\$'000		(Unaudited) Six months ended 30 September 2017 HK\$'000	
		2016 HK\$'000		2016 HK\$'000
Revenue				
Total revenue for reportable segments	<u>3,358</u>	<u>5,566</u>	<u>6,175</u>	<u>8,838</u>
Consolidated turnover	<u><u>3,358</u></u>	<u><u>5,566</u></u>	<u><u>6,175</u></u>	<u><u>8,838</u></u>
Profit or loss				
Total profit/(loss) for reportable segments	5,497	152	5,642	(775)
Unallocated corporate income	1	3	564	48
Unallocated corporate expenses	<u>(3,033)</u>	<u>(3,161)</u>	<u>(6,222)</u>	<u>(7,312)</u>
Consolidated loss before tax	<u><u>2,465</u></u>	<u><u>(3,006)</u></u>	<u><u>(16)</u></u>	<u><u>(8,039)</u></u>
			(Unaudited) 30 September 2017 HK\$'000	(Audited) 31 March 2017 HK\$'000
Assets				
Total assets for reportable segments			308,391	218,766
Unallocated corporate assets			<u>98,928</u>	<u>116,411</u>
Consolidated total assets			<u><u>407,319</u></u>	<u><u>335,177</u></u>
Liabilities				
Total liabilities for reportable segments			(134,586)	(84,627)
Unallocated corporate liabilities			<u>(95,403)</u>	<u>(108,837)</u>
Consolidated total liabilities			<u><u>(229,989)</u></u>	<u><u>(193,464)</u></u>

(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, investment property and other intangible 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 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 2017 HK\$'000		(Unaudited) Six months ended 30 September 2017 HK\$'000	
	2016 HK\$'000		2016 HK\$'000	
Revenues from external customers				
People's Republic of China	160	2,411	283	2,456
Republic of Angola	3,198	3,155	5,892	6,382
	<u>3,358</u>	<u>5,566</u>	<u>6,175</u>	<u>8,838</u>

	(Unaudited) 30 September 2017 HK\$'000	(Audited) 31 March 2017 HK\$'000
Non-current assets		
Hong Kong	108	125
People's Republic of China	70,864	57,641
Republic of Angola	<u>3,889</u>	<u>1,851</u>
	<u>74,861</u>	<u>59,617</u>

4. Loss before tax

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss before tax has been arrived at after charging:				
Staff costs (including directors' remuneration)	1,065	549	1,860	2,401
Depreciation of property, plant and equipment	1,065	96	1,228	191
Operating lease charges in respect of land and buildings	297	320	643	627
Share-based payment expenses in respect of consultancy services	205	205	407	407
Imputed interests on convertible notes	552	942	1,083	2,599
	<u>552</u>	<u>942</u>	<u>1,083</u>	<u>2,599</u>

5. Income tax credit

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax:				
Hong Kong Profits Tax				
– overprovision in previous period	–	–	72	–
PRC Enterprise Income Tax				
– overprovision in previous period	–	–	1	–
	–	–	73	–
Deferred tax	90	276	177	549
Income tax credit for the period	<u>90</u>	<u>276</u>	<u>250</u>	<u>549</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the three months and six months ended 30 September 2017 and 2016.

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 2017 and 2016 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	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(i) Loss for the period attributable to owners of the Company	<u>(1,307)</u>	<u>(2,680)</u>	<u>(3,737)</u>	<u>(7,267)</u>
	'000	'000	'000	'000
(ii) Weighted average number of ordinary shares	<u>2,368,936</u>	<u>2,368,936</u>	<u>2,368,936</u>	<u>2,283,221</u>

Diluted loss per share for loss attributable to the owners of the Company for the three months and six months ended 30 September 2017 and 2016 were the same as basic loss per share because the impact of the exercise of share options and convertible notes are anti-dilutive.

7. Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2017 (six months ended 30 September 2016: Nil).

8. Acquisition of subsidiaries

On 19 May 2017, all conditions precedent for the sale and purchase agreement in respect of the acquisition of 60% equity interest in Zhifeng Holdings Limited by Yenbo Gain Limited, a non-wholly owned subsidiary of which 81.82% equity interest was indirectly held by the Company, (the “Acquisition”) had been satisfied and the Acquisition was completed. Then Zhifeng Holdings Limited and its subsidiaries (“Zhifeng Group”) became subsidiaries of the Company and the results of Zhifeng Group as from the date of acquisition are consolidated into the Condensed Consolidated Financial Statements of the Group. Details of the Acquisition and completion of the Acquisition have been disclosed in the Company’s announcements dated 25 November 2016 and 19 May 2017 respectively.

Details of provisional net identifiable assets acquired and gain on a bargain purchase arised are as follows:

**Zhifeng
Group**
HK\$'000

Recognised amounts of identifiable assets acquired and liabilities assumed:

Property, plant and equipment	31,456
Biological assets	37,345
Trade and other receivables	–
Cash and bank deposits	854
Trade and other payables	<u>(1,129)</u>
Total identifiable net assets	<u><u>68,526</u></u>
Consideration	
– Cash paid	(10,126)
– Balance payable	<u>(30,556)</u>
	(40,682)
Fair value of total identifiable net assets (as above)	68,526
Non-controlling interests	<u>(27,410)</u>
Gain on a bargain purchase	<u><u>434</u></u>

From the date of acquisition, Zhifeng Group's revenue and profit/(loss) included in the Group's statement of profit or loss for the three months and six months ended 30 September 2017 are as follows:

	(Unaudited) Three months ended 30 September 2017 <i>HK\$'000</i>	(Unaudited) Six months ended 30 September 2017 <i>HK\$'000</i>
Revenue	—	—
Profit/(loss)	5,120	5,102

The transaction costs of approximately HK\$32,000 have been expensed and are included in administrative and other operating expenses in the Group's condensed consolidated statement of profit or loss for the six months ended 30 September 2017.

Had Zhifeng Group been consolidated from the beginning of the period, i.e. 1 April 2017, the Group's condensed consolidated statement of profit or loss would show pro-forma revenue and loss before tax for the six months ended 30 September 2017 of approximately HK\$6,175,000 and HK\$16,000 respectively.

9. Property, plant and equipment

HK\$'000

Cost:

At 1 April 2017 (audited)	2,740
Acquisition of subsidiaries	11,316
Additions	2,269
Disposals	—
Exchange adjustments	585

At 30 September 2017 (unaudited)	<u>16,910</u>
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Accumulated depreciation:

At 1 April 2017 (audited)	657
Acquisition of subsidiaries	—
Depreciation provided for the period	1,228
Elimination on disposals	—
Exchange differences	28

At 30 September 2017 (unaudited)	<u>1,913</u>
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Carrying amounts:

At 30 September 2017 (unaudited)	<u>14,997</u>
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At 31 March 2017 (audited)	<u>2,083</u>
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Depreciation provided for the period amounted to approximately HK\$1,228,000 of which approximately HK\$860,000 has been charged as expense as disclosed in note 4 and approximately HK\$368,000 has been included in additions to biological assets as disclosed in note 12.

10. Investment property

HK\$'000

Fair value:

At 1 April 2017 (audited)	57,534
Exchange adjustments	<u>2,330</u>
At 30 September 2017 (unaudited)	<u><u>59,864</u></u>

Investment property comprises portions of commercial, basement car park and facilities of a property located in the People's Republic of China held under medium-term lease.

No fair value change on the investment property was recognised in profit or loss for the three months and six months ended 30 September 2017. The direct operating expenses for the investment property are approximately HK\$30,000 and HK\$57,000 for the three months and six months ended 30 September 2017 (three months and six months ended 30 September 2016: HK\$28,000 and HK\$56,000) respectively and the rental income generated from the investment property are approximately of HK\$160,000 and HK\$283,000 for the three months and six months ended 30 September 2017 (three months and six months ended 30 September 2016: HK\$83,000 and HK\$128,000) respectively.

11. Goodwill

HK\$'000

Cost:

At 1 April 2017 (audited)	49,996
Addition	—
Disposal	<u>—</u>
At 30 September 2017 (unaudited)	<u>49,996</u>

Accumulated impairment:

At 1 April 2017 (audited)	5,202
Provision	—
Elimination	<u>—</u>
At 30 September 2017 (unaudited)	<u>5,202</u>

Carrying amounts:

At 30 September 2017 (unaudited)	<u><u>44,794</u></u>
At 31 March 2017 (audited)	<u><u>44,794</u></u>

	(Unaudited) 30 September 2017 HK\$'000	(Audited) 31 March 2017 HK\$'000
Forestry business	9,257	9,257
Landscaping and earth-rock engineering	35,537	35,597
	<u>44,794</u>	<u>44,794</u>

Goodwill acquired has been allocated for impairment testing purposes to the following cash generating units (“CGU”):

- Yenbo Gain Group (Forestry business segment)
- Best Sky Group (Landscaping and earth-rock engineering business segment)

The Group test goodwill for impairment at the end of each reporting period, or more frequently if there are indications that goodwill might be impaired.

12. Biological assets

	(Unaudited) HK\$'000
At 1 April 2017	–
Acquisition of subsidiaries	57,485
Additions	1,730
Gain arising from changes in fair value less costs to sell	5,135
Exchange adjustments	2,226
	<u>66,576</u>
At 30 September 2017	<u>66,576</u>
At 31 March 2017	<u>–</u>

Biological assets represent living plants and produce growing for sale.

13. Properties held for sale

HK\$'000

At 1 April 2017 (audited)	86,279
Additions	264
Exchange adjustments	3,493
At 30 September 2017 (unaudited)	90,036

Properties held for sale represent residential portion of a property located in the People's Republic of China.

14. Trade and other receivables and prepayments

	(Unaudited) 30 September 2017 HK\$'000	(Audited) 31 March 2017 HK\$'000
Trade receivables	6,064	1,516
Other receivables	59,262	59,068
Prepayments	6,916	7,287
Deposits	3,882	13,885
	76,124	81,756
Less: Prepayments classified as non-current assets	(5,903)	(6,309)
Amounts classified as current assets	70,221	75,447

Notes:

- (i) Other receivables represent the amounts paid to different suppliers for growing and supply of forestry products which are independent third parties.
- (ii) Prepayments included amounts recognised in respect of share-based payment to various independent parties for consulting services of approximately HK\$6,714,000 (31 March 2017: HK\$7,120,000), of which approximately HK\$811,000 (31 March 2017: HK\$811,000) classified as current assets and approximately HK\$5,903,000 (31 March 2017: HK\$6,309,000) classified as non-current assets.

	(Unaudited) 30 September 2017 <i>HK\$'000</i>	(Audited) 31 March 2017 <i>HK\$'000</i>
Trade receivables (landscaping and earth-rock engineering business)	6,064	1,516
Less: Allowance for doubtful debts	—	—
	<u>6,064</u>	<u>1,516</u>

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

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

	(Unaudited) 30 September 2017 <i>HK\$'000</i>	(Audited) 31 March 2017 <i>HK\$'000</i>
Within 3 months	3,528	—
3 months to 6 months	1,112	26
Over 6 months	1,424	1,490
	<u>6,064</u>	<u>1,516</u>

15. Trade and other payables

	(Unaudited) 30 September 2017 HK\$'000	(Audited) 31 March 2017 HK\$'000
Trade payables	8,425	6,624
Other payables	37,822	10,329
PRC income tax payable	18	6
Accruals	4,227	980
Deposits received	250	43
	<u>50,742</u>	<u>17,982</u>

An aged analysis of the trade payables is as follows:

Within 3 months	–	1,692
3 to 12 months	7,733	4,002
Over 12 months	692	930
	<u>8,425</u>	<u>6,624</u>

Notes:

- (i) Other payables included (a) the amounts due to ex-director of the Company, a director and a shareholder of the Company's subsidiaries of approximately HK\$2,500,000, HK\$640,000 and HK\$2,622,000 (31 March 2017: HK\$2,500,000, HK\$1,791,000 and HK\$2,622,000) respectively which are repayment on demand, unsecured and interest-free; and (b) the balance payable in respect of acquisition of subsidiaries of approximately HK\$30,556,000 (31 March 2017: Nil).
- (ii) PRC income tax payable represents Enterprise Income Tax ("EIT") provided for under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law at the tax rate of 25%.

16. Amounts due to directors/related companies/shareholders

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

The amount due to shareholders are non-trade nature, unsecured, interest-free and have no fixed repayment terms. The amounts which the shareholders have no intention to demand for repayment within 12 months after the reporting date are classified as non-current liabilities.

17. 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 2017 (audited)	25,606
Effective interest expense	<u>1,083</u>
At 30 September 2017 (unaudited)	<u><u>26,689</u></u>

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.

18. Share capital

	Number of shares		Amount	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September	31 March	30 September	31 March
	2017	2017	2017	2017
	'000	'000	HK\$'000	HK\$'000
Ordinary shares of HK\$0.01 each				
Authorised	<u>30,000,000</u>	30,000,000	<u>300,000</u>	300,000
Issued and fully paid	<u><u>2,368,936</u></u>	<u><u>2,368,936</u></u>	<u><u>23,689</u></u>	<u><u>23,689</u></u>

No new shares were issued during the six months ended 30 September 2017.

19. 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.

20. 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 2017 HK\$'000	(Audited) 31 March 2017 HK\$'000
As a lessee		
Premises		
– within one year	879	1,187
– in the second to fifth years inclusive	65	126
	<u>944</u>	<u>1,313</u>

- (b) *At 30 September 2017, the Group had contracted with the tenant for the following future minimum lease receivable:–*

	(Unaudited) 30 September 2017 HK\$'000	(Audited) 31 March 2017 HK\$'000
As a lessor		
Premises		
– within one year	94	192
– in the second to fifth years inclusive	–	–
	<u>94</u>	<u>192</u>

- (c) *Capital commitments*

	(Unaudited) 30 September 2017 HK\$'000	(Audited) 31 March 2017 HK\$'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of:		
Properties held for sale	–	113
Acquisition of a subsidiary	–	30,176
	<u>–</u>	<u>30,289</u>

21. 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) Three months ended 30 September 2017 HK\$'000		(Unaudited) Six months ended 30 September 2017 HK\$'000	
	2016 HK\$'000		2016 HK\$'000	
Fees, salaries and other benefits	<u>551</u>	<u>523</u>	<u>1,088</u>	<u>1,045</u>

- (b) Amounts due to directors/related companies/shareholders of the Company as at 30 September 2017 and 31 March 2017 are disclosed in the condensed consolidated statement of financial position; other details are disclosed in note 16.

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Operations

For the six months ended 30 September 2017, the Group recorded a turnover of approximately HK\$6,175,000, representing a decrease of approximately 30.13% as compared with a turnover of approximately HK\$8,838,000 for the corresponding period of last year.

Loss attributable to owners of the Company was approximately HK\$3,737,000 for the six months ended 30 September 2017, which was approximately 48.57% lower than the loss attributable to owners of the Company incurred for the corresponding period of last year of approximately HK\$7,267,000 mainly attributable to the gain from change in fair value of biological assets and the decrease in administrative and other operating expenses 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 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 HK\$283,000 was derived from temporary leasing of the commercial portion of the property for the six months ended 30 September 2017. 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 there appears to revive.

Forestry business

For the six month ended 30 September 2017, no turnover was generated from the forestry business. The Group expects to have revenue generated from sale of well-grown plants to end-customers in the second half of the financial year upon harvest.

Landscaping and earth-rock engineering business

For the six months ended 30 September 2017, a turnover of approximately HK\$5,892,000 was generated from the landscaping and earth-rock engineering business. The projects in the Republic of Angola are deferred after the change of president. The Group is seeking the opportunity to extend the landscaping and earth-rock engineering business to projects in areas other than the Republic of Angola.

Liquidity, Financial Resources and Capital Structure

As at 30 September 2017, the Group's cash and bank deposits amounted to approximately HK\$54,928,000 which has decreased by approximately 12.44% when comparing with the cash and bank deposits of approximately HK\$62,731,000 as at 31 March 2017.

As at 30 September 2017, the Group had net current assets of approximately HK\$168,659,000 (31 March 2017: HK\$146,203,000).

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 2017, 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 2017 is as follows:

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

No new shares of the Company were allotted and issued during the six months ended 30 September 2017.

Gearing Ratio

The Group's gearing ratio, which was defined as the ratio of net debt (borrowings less cash and cash equivalents) to equity, was approximately 30% as at 30 September 2017 (31 March 2017: 25%).

The increase in gearing ratio as at 30 September 2017 as compared to that of 31 March 2017 is mainly attributable to the decrease in cash and bank deposits.

Contingent Liabilities

As at 30 September 2017, the Group did not have any material contingent liabilities (31 March 2017: Nil).

Employees and Remuneration Policy

As at 30 September 2017, the Group had approximately 134 employees (31 March 2017: 192 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.

No option was granted under the 2012 Share Option Scheme during the six months ended 30 September 2017.

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					
				As at 1 April 2017	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding at 30 September 2017
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
				<u>112,000,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>112,000,000</u>

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 (“SFO”).

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 2017.

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 2017, 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 Director	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. of which Ms. Ng Mui King, Joky is the beneficial owner.

Save as disclosed above, as at 30 September 2017, 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 2017 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 2017, 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.

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%
Mr. Huang Shih Tsai (Note 2)	Beneficial owner	Personal	155,000,000	6.54%

Note:

1. Gold City Assets Holdings Ltd. is a company incorporated in the British Virgin Islands of which the issued share capital is beneficially owned by Ms. Ng Mui King, Joky, an executive director of the Company.
2. The shares held by Mr. Huang Shih Tsai ("Mr. Huang") was allotted 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 2017, 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 2017. 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 2017.

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 2017.

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

Hong Kong, 14 November 2017

As at the date of this announcement, the Board comprises (i) three Executive Directors, namely Ms. Ng Mui King, Joky, Mr. Zhang Yanqiang and Ms. Yang Wei; and (ii) four Independent Non-Executive Directors, namely Mr. Chung Koon Yan, Mr. Chan Ying Cheong, Ms. Zhao Yongmei and Dr. Yang Fuyu.

This announcement will remain on GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.gwchl.com.