



GREAT WORLD
COMPANY HOLDINGS LTD
2011 世大控股有限公司
Third Quarterly Report
(incorporated in the Cayman Islands with limited liability)
Stock Code: 8003

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

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

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

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

HIGHLIGHTS

- Turnover was approximately HK\$1,211,000 and HK\$4,854,000 respectively for the three months and nine months ended 31 December 2011.
- Loss attributable to owners of the Company for the three months ended 31 December 2011 was approximately HK\$8,544,000, versus a loss attributable to owners of the Company of approximately HK\$3,242,000 for the corresponding period of last year.

Loss attributable to owners of the Company for the nine months ended 31 December 2011 was approximately HK\$13,806,000, versus a loss attributable to owners of the Company of approximately HK\$8,379,000 for the corresponding period of last year.

- The Board does not recommend the payment of a dividend for the nine months ended 31 December 2011 (nine months ended 31 December 2010: 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 consolidated income statement and consolidated statement of comprehensive income of the Group for the three months and nine months ended 31 December 2011, 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 INCOME STATEMENT

	Notes	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
		2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Turnover	2	1,211	300	4,854	5,385
Cost of sales		(1,634)	(271)	(5,652)	(5,012)
Gross (loss)/profit		(423)	29	(798)	373
Other revenue and net income	2	5	859	3,446	953
Fair value change on investment property		(1,592)	-	(1,592)	-
Selling and distribution costs		(694)	(346)	(1,285)	(1,481)
Administrative and other operating expenses		(2,052)	(3,588)	(10,353)	(10,021)
Operating loss		(4,756)	(3,046)	(10,582)	(10,176)
Finance costs	4	(541)	-	(805)	(2)
Share of (loss)/profit of associate		(4,073)	(261)	(3,721)	642
Loss before tax	5	(9,370)	(3,307)	(15,108)	(9,536)
Income tax	6	826	20	1,502	592
Loss for the period		(8,544)	(3,287)	(13,606)	(8,944)
Loss attributable to:					
Owners of the Company		(8,544)	(3,242)	(13,806)	(8,379)
Non-controlling interests		-	(45)	200	(565)
		(8,544)	(3,287)	(13,606)	(8,944)
Loss per share					
– Basic and diluted	7	HK(0.72) cents	HK(0.33) cents	HK(1.25) cents	HK(1.23) cents
Dividend	8	-	-	-	-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Loss for the period	(8,544)	(3,287)	(13,606)	(8,944)
Other comprehensive income:				
Exchange differences arising on translation of foreign operations	1,030	559	1,654	1,287
Total comprehensive loss for the period	(7,514)	(2,728)	(11,952)	(7,657)
Total comprehensive loss attributable to:				
Owners of the Company	(7,490)	(2,713)	(12,059)	(7,165)
Non-controlling interests	(24)	(15)	107	(492)
	(7,514)	(2,728)	(11,952)	(7,657)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

The amounts included in the Unaudited Condensed 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 2011.

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 2011. 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 issued HKFRSs which are not yet effective but is in the process of assessing their impact on the Group's results of operations and financial position.

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

2. Revenue

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Turnover:				
Sales of goods, net of discounts and value-added tax	1,211	300	4,854	5,385
Other revenue and net income:				
Bank interest income	5	2	10	7
Gain on bargain purchase	-	-	2,551	-
Other service income	-	739	-	828
Reversal of impairment loss on trade and other receivables	-	118	885	118
	5	859	3,446	953
Total revenue	1,216	1,159	8,300	6,338

3. Segment information

The Group determines its operating segments based on the reports reviewed by the chief operating decision makers that are used to make strategic decisions.

The Group's operating and reportable segments are as follows:-

Telecommunications business	Assembly, distribution and integration of telecommunications products
Iron mine business	Exploration, mining and processing of iron
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 and other selected financial information

	(Unaudited)				(Unaudited)			
	Three months ended 31 December 2011				Nine months ended 31 December 2011			
	Telecommunications business HK\$'000	Iron mine business HK\$'000	Property business HK\$'000	Total HK\$'000	Telecommunications business HK\$'000	Iron mine business HK\$'000	Property business HK\$'000	Total HK\$'000
Revenue from external customers	-	1,211	-	1,211	-	4,854	-	4,854
Interest income	-	-	5	5	-	-	10	10
Other revenue	-	-	-	-	885	-	2,551	3,436
Depreciation and amortisation	-	(143)	(4)	(147)	-	(335)	(5)	(340)
Total (loss)/profit of reportable segment other than associate	-	(953)	(1,836)	(2,789)	798	(3,528)	(1,969)	(4,699)
Share of loss of associate	(4,073)	-	-	(4,073)	(3,721)	-	-	(3,721)
Tax income	-	238	588	826	-	882	620	1,502
	(Unaudited)				(Unaudited)			
	Three months ended 31 December 2010				Nine months ended 31 December 2010			
	Telecommunications business HK\$'000	Iron mine business HK\$'000	Property business HK\$'000	Total HK\$'000	Telecommunications business HK\$'000	Iron mine business HK\$'000	Property business HK\$'000	Total HK\$'000
Revenue from external customers	200	100	-	300	5,106	279	-	5,385
Interest income	2	-	-	2	7	-	-	7
Other revenue	857	-	-	857	946	-	-	946
Depreciation and amortisation	(4)	(79)	-	(83)	(10)	(235)	-	(245)
Total (loss)/profit of reportable segment other than associate	85	(165)	-	(80)	(1,797)	(569)	-	(2,366)
Share of (loss)/profit of associate	(261)	-	-	(261)	642	-	-	642
Tax (expense)/income	(21)	41	-	20	450	142	-	592

3. Segment information (continued)

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

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Revenue				
Total revenue for reportable segments	1,211	300	4,854	5,385
Consolidated turnover	1,211	300	4,854	5,385
Profit or loss				
Total loss for reportable segments other than associate	(2,789)	(80)	(4,699)	(2,366)
Share of (loss)/profit of associate	(4,073)	(261)	(3,721)	642
Unallocated corporate expenses	(2,508)	(2,966)	(6,688)	(7,812)
Consolidated loss before tax	(9,370)	(3,307)	(15,108)	(9,536)

(c) Geographical information

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

	(Unaudited) Revenues from external customers Three months ended 31 December		(Unaudited) Revenues from external customers Nine months ended 31 December	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
PRC	1,211	300	4,854	5,385

4. Finance costs

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Interest expenses on convertible note	541	-	805	-
Other finance expenses	-	-	-	2
	541	-	805	2

5. Loss before tax

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Loss before tax has been arrived at after charging:				
Staff costs (including directors' remuneration)	1,632	1,814	5,149	5,846
Operating lease charges in respect of land and buildings	157	226	543	669
Depreciation and amortisation	155	92	367	272

6. Income tax

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Current tax:				
Hong Kong Profits Tax	-	-	-	-
PRC Enterprise Income Tax	-	-	-	-
	-	-	-	-
Deferred tax	826	20	1,502	592
Tax income for the period	826	20	1,502	592

- (i) Hong Kong Profits Tax and the PRC Enterprise Income Tax has not been provided for as the Company and its subsidiaries subject to Hong Kong Profits Tax and the PRC Enterprise Income Tax incurred losses for tax purposes for both the three months and nine months ended 31 December 2011 and 2010; the operations of the Company and its subsidiaries (the "Group") are not subject to income tax of other jurisdictions.
- (ii) Deferred tax represents the benefit arising from the recognition of deferred tax assets on unused tax losses of the Group's PRC operations and the credit arising from the reversal of deferred tax liability in respect of imputed interest on convertible note.

7. Loss per share

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

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Loss:				
Loss for the purpose of basic loss per share – loss for the period attributable to owners of the Company	(8,544)	(3,242)	(13,806)	(8,379)
Numbers of shares:	'000	'000	'000	'000
Issued ordinary shares at beginning of the period	1,127,628	972,628	972,628	486,314
Effect of ordinary shares issued	–	–	78,345	194,526
Weighted average number of ordinary shares for the purpose of basic loss per share	1,127,628	972,628	1,050,973	680,840

There were no potential dilutive effects for the three months and nine months ended 31 December 2011 and 2010 as the impact of the exercise of the share options and the conversion of the convertible note was antidilutive.

8. Dividend

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2011 (nine months ended 31 December 2010: nil).

9. Reserves and non-controlling interests

	Attributable to owners of the Company								Non-controlling interests	Total
	Share premium	Convertible note equity reserve	Share options reserve	PRC statutory reserves	Translation reserve	Other reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 April 2010 (audited)	122,081	-	706	3,808	3,546	-	(148,972)	(18,831)	2,065	(16,766)
Total comprehensive income/(loss) for the period	-	-	-	-	1,214	-	(8,379)	(7,165)	(492)	(7,657)
Cost attributable to issue of rights share	(2,347)	-	-	-	-	-	-	(2,347)	-	(2,347)
At 31 December 2010 (unaudited)	119,734	-	706	3,808	4,760	-	(157,351)	(28,343)	1,573	(26,770)
At 1 April 2011 (audited)	119,735	-	706	3,808	5,087	314	(177,525)	(47,875)	(2,662)	(50,537)
Total comprehensive income/(loss) for the period	-	-	-	-	1,747	-	(13,806)	(12,059)	107	(11,952)
Share options lapsed and determined	-	-	(321)	-	-	-	321	-	-	-
Premium on issue of new shares for acquisition of subsidiaries	5,890	-	-	-	-	-	-	5,890	-	5,890
Fair value of equity component of convertible note issued for acquisition of subsidiaries	-	8,702	-	-	-	-	-	8,702	-	8,702
At 31 December 2011 (unaudited)	125,625	8,702	385	3,808	6,834	314	(191,010)	(45,342)	(2,555)	(47,897)

The share premium account of the Company is distributable to the owners of the Company under the Companies Law 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 note equity reserve represents the fair value of the equity component of unconverted convertible note recognised at the date of its issuance.

The share options reserve represents the fair value of the number of unexercised share options granted by the Company recognised in accordance with the accounting policy adopted for equity-settled share-based payments.

The People's Republic of China (the "PRC") statutory reserves represent transfers made to the general reserve fund and the enterprise development fund set up by certain subsidiaries and associate in the PRC, pursuant to the relevant regulations. According to the regulations, the general reserve fund may be used for making up losses, if any, and increasing capital while the enterprise development fund may be used for increasing capital.

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

10. Capital commitments

The Group did not have any material capital commitments as at 31 December 2011 (31 December 2010: RMB2.8 million (equivalent to approximately HK\$3.18 million)).

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Operations

For the nine months ended 31 December 2011, the Group recorded a turnover of approximately HK\$4,854,000, representing a decrease of approximately 10% as compared with a turnover of approximately HK\$5,385,000 for the corresponding period of last year. No turnover was recognised for the telecommunications segment after the expiration of the operating period which results in a decrease in turnover for the nine months ended 31 December 2011 as compared with the corresponding period in 2010. All the turnover was generated from the sales of iron ores of which direct costs and overheads were relatively high in view of the scale of operations at trial stage. As such, the Group recorded a gross loss for this period as compared to the gross profit for the corresponding period of 2010.

Loss attributable to owners of the Company was approximately HK\$13,806,000 for the nine months ended 31 December 2011, which was approximately 65% higher than the loss attributable to owners of the Company incurred for the corresponding period of last year. The increase in loss was mainly due to increase in share of loss of an associate and decrease in fair value of the investment property.

Business Review

Telecommunications Business

No turnover was recognised for the telecommunications business for the nine months ended 31 December 2011.

As stated in the announcement of the Company dated 24 June 2011, the operating period of 北京康大奈特通信設備有限公司 (Beijing Kong Da Net Telecommunications Equipment Ltd*) ("Beijing Company"), an indirect subsidiary of the Company which is a sino-foreign equity joint venture company primarily engaged in the assembly, distribution and integration of telecommunications products, has expired and could not be extended.

The Board has decided it will proceed to wind up the Beijing Company in order to focus the Company's resources in other business segments with better prospect. The Board will also consider the possibility of disposing the Group's entire interest in the Beijing Company to other independent third parties (where possible).

The Board has closely monitored the development in connection with the Beijing Company and shall inform the shareholders of any material development as and when appropriate.

Mining Business

For the nine months ended 31 December 2011, a turnover of approximately HK\$4,854,000 was generated from the sales of iron ores.

The construction of the processing factory of iron ores was completed and the iron mines commenced trial commercial production in August 2011. For the nine months ended 31 December 2011, the production volume of iron ores was approximately 23,000 tonnes and the sales of the iron ores was approximately 21,000 tonnes. Revenue from the mining business sector is lower than expected due to the declining of the iron ore price in the past few months. Nevertheless, the Board will put full effort to develop the iron mines and will increase the production volume as and when the market condition prevails. The Board expects a higher revenue can be generated from this sector with a lower unit production cost after the iron mines achieve commercial levels of the productions.

* For identification purpose only

Property Business

The Company owns a property located at a residential and commercial development site with a site area of approximately 3,100 square meters ("sq.m.") in Leshan City, Sichuan Province, the PRC. The property has a gross floor area of approximately 27,500 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 units of the property; (ii) leasing part of the residential units of the property and/or car parks; and (iii) selling part of the residential units of the property. The selling and leasing of the property was expected to commence shortly. However, due to the recent tightening of monetary policies and other measures imposed by the PRC government which restricts the growth of the PRC property market, the Board has to temporarily delay the selling and leasing process till the market environment becomes favorable.

Liquidity, Financial Resources and Capital Structure

As at 31 December 2011, the Group had net current assets of approximately HK\$7,627,000 as compared to net current assets of approximately HK\$12,412,000 as at 31 March 2011.

Most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars and Renminbi. 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 risks. As at 31 December 2011, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes.

For the three months ended 31 December 2011, there was no change in the capital structure and issued capital of the Company.

SHARE OPTION SCHEME

The Company has a share option scheme (the "2002 Share Option Scheme") under which 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 2002 Share Option Scheme. The maximum number of shares which can be granted under the 2002 Share Option Scheme may not exceed 10% of the issued share capital of the Company at the time of granting of the option or at the date of approval by the shareholders in general meeting where the limit is refreshed.

No option was granted, exercised, cancelled or lapsed under the 2002 Share Option Scheme during the three months ended 31 December 2011.

The following table discloses details of options outstanding under the 2002 Share Option Scheme as at 31 December 2011.

Grantee	Date of grant	Exercise price <i>HK\$</i>	Exercise period	Outstanding as at 31 December 2011
Directors				
Ms. Ng Mui King, Joky	29/2/2008	0.23925	29/2/2008 to 2/8/2012	450,667
Ms. Hui Sin Man, Alice	29/2/2008	0.23925	29/2/2008 to 2/8/2012	450,667
Sub-total				901,334
Employee	29/2/2008	0.23925	29/2/2008 to 2/8/2012	4,506,667
Total				5,408,001

CORPORATE GOVERNANCE

Code on Corporate Governance Practises

The Company has complied with the code provisions of the Code on Corporate Governance Practises (the "CG Code") set out in Appendix 15 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules") throughout the nine months ended 31 December 2011.

REMUNERATION COMMITTEE

A remuneration committee was established on 11 November 2005 with written terms of reference in accordance with the code provision B.1.1 of the Code on Corporate Governance Practises. As at the date of this report, the remuneration committee comprises one executive director, namely Ms. Ng Mui King, Joky (Mr. Tong Wang Shun as her alternate) and two independent non-executive directors, namely Ms. Hui Sin Man, Alice (chairman of the remuneration committee) and Mr. Chan Ying Cheong.

The principal responsibilities of the remuneration committee include (i) making recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration packages of all executive directors and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; (iv) reviewing and approving the compensation payable to executive directors and senior management of the Company in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and (v) reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

AUDIT COMMITTEE

On 11 November 2005, the Company adopted new terms of reference for the audit committee to include such duties as stipulated in code provision C.3.3 of the Code on Corporate Governance Practices. As at the date of this report, the audit committee comprises three independent non-executive directors, namely Mr. Chung Koon Yan (chairman of the audit committee), Ms. Hui Sin Man, Alice and Mr. Chan Ying Cheong.

The primary duties of the audit committee include (i) making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor; (ii) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; (iii) discussing with the auditor the nature and scope of the audit and reporting obligations before the audit commences; (iv) developing and implementing policy on the engagement of an external auditor to supply non-audit services; and (v) monitoring integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and quarterly reports, and reviewing significant financial reporting judgments contained in them. The audit committee has reviewed the draft of this report and has provided advice and comments thereon.

INTERESTS OF DIRECTORS

As at 31 December 2011, the interests and short positions of the directors and 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 Futures 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) and required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in shares and underlying shares of the Company

Name of directors	Number of ordinary shares of HK\$0.1 each and underlying shares				Total number of shares	Approximate percentage of the issued share capital of the Company
	Personal interest	Family interest	Corporate interest	Other interest		
Ms. Ng Mui King, Joky	450,667 (Note 1)	–	377,920,000 (Note 2)	–	338,370,667	30.01%
Ms. Hui Sin Man	450,667 (Note 3)	–	–	–	450,667	0.040%

Notes:

- Ms. Ng Mui King, Joky holds 450,667 share options (which are unlisted and physically settled equity derivatives) at the exercise price of HK\$0.23925 per share.
- 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. Yang Cheng is 100% beneficial owner of Fine Day Asset Holdings Inc..
- Ms. Hui Sin Man, Alice holds 450,667 share options (which are unlisted and physically settled equity derivatives) at the exercise price of HK\$0.23925 per share.

Save as disclosed above, none of the directors and the chief executive of the Company has interests and short positions in the shares, the underlying shares and debentures of the Company or any of its 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) and 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 period under review was any of the Company, its subsidiaries or holding company a party to any arrangements to enable the directors or chief executives (including their spouses or children under 18 years of age) of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTEREST OF SUBSTANTIAL SHAREHOLDERS AND OTHER SHAREHOLDERS

As at 31 December 2011, save as disclosed below, so far is known to the directors and the chief executives of the Company, no persons (other than a director or a chief executive of the Company) has an interest or short position in the shares and underlying shares of the Company which will be fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and or were required to be notified to the Company and the Stock Exchange pursuant to section 3 and 4 of the SFO, or, who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstance at general meetings of any member of the Group.

(a) Long position in shares of the Company

Name of shareholder	Capacity	Total number of shares of HK\$0.1 each	Approximate percentage of the issued share capital of the Company
Gold City Assets Holdings Ltd. (Note 1)	Beneficial Owner	337,920,000	29.97%
Fine Day Asset Holdings Inc. (Note 1)	Interest of a controlled corporation	337,920,000	29.97%
Mr. Tong Wang Chow (Note 2)	Beneficial Owner	77,904,000	6.91%
Mr. Huang Shih Tsai (Note 3)	Beneficial Owner	324,200,000	28.75%

Notes:

1. 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 is also a director of Gold City Assets Holdings Ltd.. Ms. Yang Cheng is 100% beneficial owner of Fine Day Asset Holdings Inc..
2. Mr. Tong Wang Chow is the elder brother of Mr. Tong Wang Shun, an executive director of the Company.
3. The interest disclosed represents (i) the 155,000,000 shares allotted to Mr. Huang Shih Tsai on 15 August 2011 as partial consideration for the acquisition of 100% equity interest in a company wholly-owned by Mr. Huang Shih Tsai; and (ii) the 169,200,000 shares which may be issued upon the exercise of the conversion rights attached to a convertible note issued to Mr. Huang Shih Tsai on 15 August 2011 as partial consideration of the abovementioned acquisition. Pursuant to the SFO, Mr. Huang Shih Tsai is deemed to have interest in the 169,200,000 conversion shares. Details of the convertible note issued are disclosed in "Convertible note" below.

(b) **Convertible note**

Name of noteholder	Date of issue	Conversion period	Conversion price per share HK\$	Outstanding as at 31 December 2011	Number of underlying shares	Approximate percentage of the issued share capital
Mr. Huang Shih Tsai	15 August 2011	15 August 2011 – 15 August 2016	0.20	169,200,000	169,200,000	15%

COMPETING INTEREST

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 conflicts of interests with the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CODE OF CONDUCT FOR SECURITIES TRANSACTION 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. 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 at the adopted code of conduct regarding the directors' securities transaction throughout the nine months ended 31 December 2011.

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

Hong Kong, 14 February 2012

As at the date of this report, the Board comprises of (i) three Executive Directors, namely Ms. Ng Mui King, Joky, Mr. Tong Wang Shun and Ms. Zeng Jieping; (ii) one Non-Executive Director, namely Mr. Pong Shing Ngai; and (iii) three Independent Non-Executive Directors, namely Ms. Hui Sin Man, Alice, Mr. Chung Koon Yan and Mr. Chan Ying Cheong.