



First  
Quarterly Report  
2012



世大控股有限公司  
Great World Company Holdings Ltd

(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 herein or this report misleading.*

## HIGHLIGHTS

- Turnover from continuing operations was approximately HK\$54,000 for the three months ended 30 June 2012, compared with a turnover from the same business operation of approximately HK\$1,620,000 for the corresponding period of last year. No turnover from discontinued operation was recorded for the three months ended 30 June 2012 and for the corresponding period of last year.
- Loss attributable to owners of the Company from continuing and discontinued operations for the three months ended 30 June 2012 was approximately HK\$1,204,000, versus a loss attributable to owners of the Company from continuing and discontinued operations of approximately HK\$3,948,000 for the corresponding period of last year.
- The Board does not recommend the payment of quarterly dividend for the three months ended 30 June 2012 (three months ended 30 June 2011: 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 ended 30 June 2012, 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

		(Unaudited) Three months ended 30 June	
	Notes	2012 HK\$'000	2011 HK\$'000
<b>Continuing operations</b>			
Turnover	2	54	1,620
Cost of sales		(69)	(1,786)
Gross loss		(15)	(166)
Other revenue and net income	2	7	–
Selling and distribution costs		(185)	(584)
Administrative and other operating expenses		(2,600)	(4,297)
Finance costs		(564)	–
Loss before tax	4	(3,357)	(5,047)
Income tax	5	151	236
Loss for the period from continuing operations		(3,206)	(4,811)
<b>Discontinued operation</b>			
Profit for the period from discontinued operation	6	2,438	1,062
<b>Loss for the period</b>		<b>(768)</b>	<b>(3,749)</b>
<b>(Loss)/profit for the period attributable to owners of the Company</b>			
from continuing operations		(3,206)	(4,811)
from discontinued operation		2,002	863
		<b>(1,204)</b>	<b>(3,948)</b>
<b>Profit for the period attributable to non-controlling interests</b>			
from continuing operations		–	–
from discontinued operation		436	199
		<b>436</b>	<b>199</b>
		<b>(768)</b>	<b>(3,749)</b>
<b>(Loss)/earnings per share</b>			
From continuing and discontinued operations	7		
– Basic and diluted		<b>HK(0.11) cents</b>	<b>HK(0.41) cents</b>
From continuing operations			
– Basic and diluted		<b>HK(0.28) cents</b>	<b>HK(0.50) cents</b>
From discontinued operation			
– Basic and diluted		<b>HK0.18 cents</b>	<b>HK0.09 cents</b>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)  
Three months ended 30 June

	2012 HK\$'000	2011 HK\$'000
Loss for the period	(768)	(3,749)
Other comprehensive income:		
Exchange differences arising on translation of foreign operations		
Exchange differences arising during the period	(871)	340
Reclassification adjustments relating to foreign operations disposed of during the period	(5,097)	–
	(5,968)	340
Total comprehensive loss for the period	(6,736)	(3,409)
Total comprehensive loss attributable to:		
Owners of the Company	(7,070)	(3,574)
Non-controlling interests	334	165
	(6,736)	(3,409)

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

### 1. Basis of preparation

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

The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012.

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 2012. 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 June	
	2012 HK\$'000	2011 HK\$'000
<b>Continuing operations</b>		
Turnover		
Sales of goods, net of discounts and value-added tax	54	1,620
Other revenue and net income		
Bank interest income	5	-
Sundry income	2	-
	7	-
Total revenue	61	1,620

### 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 continuing operations and reportable segments 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

An operating segment regarding the telecommunications business in assembly, distribution and integration of telecommunications products was discontinued. The segment information reported below does not include any amounts for that discontinued operation, which is described in more detail in note 6. The corresponding information for the three months ended 30 June 2011 has been re-presented accordingly.

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 June 2012		
	Iron mine business <i>HK\$'000</i>	Property business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Continuing operations</b>			
Revenue from external customers	54	–	54
Interest income	–	5	5
Depreciation and amortisation	(114)	(3)	(117)
Total loss of reportable segments	(390)	(232)	(622)
Tax income	–	58	58
	<hr/>	<hr/>	<hr/>
	(Unaudited) Three months ended 30 June 2011		
	Iron mine business <i>HK\$'000</i>	Total <i>HK\$'000</i>	
<b>Continuing operations</b>			
Revenue from external customers	1,620	1,620	
Depreciation and amortisation	(43)	(43)	
Total loss of reportable segment	(946)	(946)	
Tax income	236	236	
	<hr/>	<hr/>	

3. Segment information (continued)

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

	(Unaudited)	
	Three months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
<b>Continuing operations</b>		
Revenue		
Total revenue for reportable segments	54	1,620
Consolidated turnover	54	1,620
Profit or loss		
Total loss for reportable segments	(622)	(946)
Unallocated corporate expenses	(2,735)	(4,101)
Consolidated loss before tax	(3,357)	(5,047)

(c) Geographical information

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

	(Unaudited)	
	Revenue from external customers Three months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
<b>Continuing operations</b>		
PRC	54	1,620

4. Loss before tax

	(Unaudited)	
	Three months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
Loss before tax has been arrived at after charging:		
<b>Continuing operations</b>		
Staff costs (including directors' remuneration)	1,134	2,308
Operating lease charges in respect of land and buildings	339	147
Depreciation and amortisation	118	53



## 5. Income tax

	(Unaudited)	
	Three months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
<b>Continuing operations</b>		
Current tax:		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax	–	–
	–	–
Deferred tax	151	236
Tax income for the period	151	236

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the three months ended 30 June 2012 and 2011.

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.

No provision for current tax has been made for the three months ended 30 June 2012 and 2011 as the Group has no assessable profit from its continuing operations.

## 6. Discontinued operation

### *Telecommunication 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.

**6. Discontinued operation (continued)**

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

**Profit for the period from discontinued operation**

	(Unaudited)	
	Three months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
Turnover	–	–
Cost of sales	–	–
Gross profit	–	–
Other revenue and net income	3,477	888
Administrative and other operating expenses	(1,733)	(116)
Share of result of associate	–	290
Profit before tax	1,744	1,062
Income tax	–	–
	1,744	1,062
Gain on disposal of telecommunication business (including reclassification of translation reserve of approximately HK\$4,988,000 from equity to profit and loss on disposal of the operation)	694	–
Profit for the period from discontinued operation	2,438	1,062

**7. (Loss)/earnings per share**

The basic and diluted (loss)/earnings per share is calculated based on the following data:

	(Unaudited)	
	Three months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
(i) Unaudited consolidated (loss)/profit attributable to owners of the Company		
from continuing operations	(3,206)	(4,811)
from discontinued operation	2,002	863
from continuing and discontinued operations	(1,204)	(3,948)
	'000	'000
(ii) Weighted average number of ordinary shares in issue	1,127,628	972,628

There were no potential diluting events for the three months ended 30 June 2012 and 2011 as the impact of exercise of share options was anti-dilutive.

## 8. Reserves and non-controlling interests

	Attributable to owners of the Company									
	Share premium	Convertible note equity reserve	Share options reserve	PRC statutory reserves	Translation reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
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 (unaudited)	-	-	-	-	374	-	(3,948)	(3,574)	165	(3,409)
At 30 June 2011 (audited)	119,735	-	706	3,808	5,461	314	(181,473)	(51,449)	(2,497)	(53,946)
At 1 April 2012 (audited)	125,624	6,430	385	3,808	6,801	314	(212,092)	(68,730)	(2,149)	(70,879)
Disposal of subsidiaries	-	-	-	(3,808)	-	-	3,808	-	1,815	1,815
Total comprehensive income/(loss) for the period (unaudited)	-	-	-	-	(5,866)	-	(1,204)	(7,070)	334	(6,736)
At 30 June 2012 (unaudited)	125,624	6,430	385	-	935	314	(209,488)	(75,800)	-	(75,800)

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 value of the unexercised equity component of convertible note issued by the Company with related deferred tax recognised.

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 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.

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

9. Capital commitments

	(Unaudited) Three months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of:		
– investment property	3,188	–
– property held for sale	9,713	–
	<u>12,901</u>	<u>–</u>

10. Dividend

The Board does not recommend the payment of quarterly dividend for the three months ended 30 June 2012 (three months ended 30 June 2011: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results of Operations

For the three months ended 30 June 2012, the Group recorded a turnover of approximately HK\$54,000 from its continuing operations, representing a decrease of approximately 96.7% as compared with a turnover of approximately HK\$1,620,000 from the same business operation for the corresponding period of last year.

Loss attributable to owners of the Company was approximately HK\$1,204,000 for the three months ended 30 June 2012, which was approximately 69.5% lower than the loss attributable to owners of the Company incurred for the corresponding period of last year. The decrease in loss was mainly attributable to the profit recognised in respect of the telecommunication business of the Group disposed of during the three months ended 30 June 2012.

### Adoption of new share option scheme

The Company had adopted a share option scheme at the annual general meeting of the Company held on 2 August 2002 (the "2002 Share Option Scheme") which was valid and effective for a period of 10 years and had expired on 2 August 2012.

In order to enable the continuity of share option available to be granted by the Company, an ordinary resolution has been proposed to and passed by the shareholders at the annual general meeting of the Company held on 3 August 2012 to adopt a new share option scheme (the "2012 Share Option Scheme") upon the termination of the 2002 Share Option Scheme.

The purpose of the 2012 Share Option Scheme is to enable the Company to grant options to selected persons to subscribe for shares in the Company as incentives or rewards for their contributions or potential contributions to the Group. The Board may, at its discretion, invite (i) any director or any employee of the Company, any of its subsidiaries or any invested entity; (ii) any holder of legal or beneficial title of any securities issued by any member of the Group or any invested entity; (iii) any business or joint venture partner, contractor, subcontractor, agent, sub-agent of the Group or any invested entity; (iv) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional services to any member of the Group or any invested entity; and (v) any supplier of goods or services, customer or distributor of the Group or any invested entity, to take up options to subscribe for the shares in the Company for a consideration of HK\$10 per each lot of share options granted.

The 2012 Share Option Scheme is valid for a period of 10 years commencing on 3 August 2012. The option period shall not exceed 10 years from the date of grant of option. There is no minimum period for which an option must be held before it can be exercised. HK\$10 is payable on acceptance of an option within 28 days from the date of grant.

The total number of shares in respect of which options may be granted under the 2012 Share Option Scheme must not in aggregate exceed 10% of the shares in issue as at the date of adoption of the 2012 Share Option Scheme or the date of approval by the shareholders in general meeting where the limit is refreshed. The total number of shares issued and to be issued upon exercise of the options granted and to be granted to each individual in any twelve-month period up to and including the date of grant shall not exceed 1% of the shares in issue at the date of grant unless approval from Company's shareholders has been obtained. Options granted to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates in excess of 0.1% of the total number of shares in issue or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options may be exercised at any time during the specified option period. The exercise price shall be determined by the Directors, and shall be at least the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares. The maximum number of shares which may be issued upon exercise of all options granted and yet to be exercised under the 2012 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Company's shares in issue from time to time.

## **Business Review**

### *Disposal of a subsidiary*

The Company entered into the sale and purchase agreement with Success Trend Holdings Limited on 12 March 2012 in relation to the disposal of the entire issued share capital of China Bond Technology Limited ("China Bond", a direct wholly owned subsidiary of the Company) and the entire amount due to the Company by China Bond as at the date of completion of such disposal, for a total consideration of RMB400,000 (equivalent to approximately HK\$492,000).

Such disposal constituted a very substantial disposal for the Company under the GEM Listing Rules and was subject to the reporting, announcement, circular and shareholders' approval requirements under the GEM Listing Rules. The disposal was approved by the shareholders at an extraordinary general meeting held on 11 May 2012 and completion of the disposal took place on 15 May 2012.

Following the completion of the disposal, (i) China Bond ceased to be a subsidiary of the Company and the financial results, assets and liabilities of China Bond and its subsidiary would be deconsolidated from the consolidated financial statements of the Group; and (ii) the Group ceased to carry on telecommunication business.

### *Mining business*

For the three months ended 30 June 2012, a turnover of approximately HK\$54,000 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. Revenue from the mining business sector is lower than expected due to the decline in iron ore price. As the recent market condition of iron ores has turned unfavourable, the installation of additional production facilities and production lines has not been commenced as such investment is not expected to generate reasonable return on commercial production at the moment. Once the management finds market condition should produce favourable returns on commercial production, full effort will be given to develop the iron mines and increase the production volume of the processing factory. The Board expects that a higher revenue can be generated from the mining business with a lower unit production cost after the iron mines have achieved commercial levels of productions.

### *Property business*

The Company 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.

The launch of the property selling and leasing programme has been delayed 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 by the end of 2012.

## **Liquidity, Financial Resources and Capital Structure**

As at 30 June 2012, the Group's cash balance was approximately HK\$6,005,000 which has increased by approximately 14% when comparing with the cash balance of approximately HK\$5,267,000 as at 31 March 2012.

As at 30 June 2012, the Group had net current assets of approximately HK\$7,206,000 (2011: net current liabilities of approximately HK\$13,057,000).

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 30 June 2012, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes.

For the three months ended 30 June 2012, there was no change in the capital structure and issued share capital of the Company.

## SHARE OPTION SCHEME

During the three months ended 30 June 2012, the Company had 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 might 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 30 June 2012.

The following table discloses details of options outstanding under the 2002 Share Option Scheme as at 30 June 2012.

Grantee	Date of grant	Exercise price HK\$	Exercise period	Outstanding as at 30 June 2012
<b>Directors</b>				
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
<b>Employee</b>				
	29/2/2008	0.23925	29/2/2008 to 2/8/2012	4,506,667
<b>Total</b>				5,408,001

As at the date of this report, the 2002 Share Option Scheme has expired. Share options which had been granted under the 2002 Share Option Scheme but not yet exercised before the expiry of the 2002 Share Option Scheme were lapsed automatically on 2 August 2012 and shall not be exercisable.

At the annual general meeting of the Company held on 3 August 2012, shareholders of the Company passed an ordinary resolution in relation to the adoption of the 2012 Share Option Scheme and the termination of the 2002 Share Option Scheme. The 2012 Share Option Scheme is valid and effective for a period of 10 years commencing on its adoption date as from 3 August 2012. 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 the option or at the date of approval by the shareholders in general meeting where the limit is refreshed. As at the date of this report, no option was granted under the 2012 Share Option Scheme.

## CORPORATE GOVERNANCE

### Code on Corporate Governance Practices

The Company has applied the principles and complied with the requirements of the Corporate Governance Code (the "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 three months ended 30 June 2012.

## REMUNERATION COMMITTEE

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

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 judgements contained in them. The audit committee has reviewed the draft of this report and has provided advice and comments thereon.

## NOMINATION COMMITTEE

The nomination committee comprises one executive Director, namely Ms. Ng Mui King, Joky (chairman of the nomination committee) and two independent non-executive Directors, namely Mr. Chung Koon Yan and Mr. Chan Ying Cheong.

The principal responsibilities of the nomination committee include (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy; (ii) identifying individuals suitably qualified to become members and select or make recommendations to the Board on the selection of individual nominated for directorships; (iii) assessing the independence of independent non-executive Directors; and (iv) making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directorships, in particular for the chairman.



## INTERESTS OF DIRECTORS

As at 30 June 2012, 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 SFO of the Securities and Future Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

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

#### Number of ordinary shares of HK\$0.1 each and underlying shares

Name of Directors	Personal interest	Corporate interest	Total number of shares	Approximate percentage of the issued share capital of the Company
Ms. Ng Mui King, Joky	450,667 (Note 1)	337,920,000 (Note 2)	338,370,667	30.01%
Ms. Hui Sin Man, Alice	450,667 (Note 3)	–	450,667	0.04%

Notes:

1. 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.
2. 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 the 100% beneficial owner of Fine Day Asset Holdings Inc.. Ms. Ng Mui King, Joky is also a director of Gold City Assets Holdings Ltd..
3. 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, as at 30 June 2012, 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 three months ended 30 June 2012 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 June 2012, 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 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 positions in shares of the Company

Name of shareholder	Capacity	Nature of interest	Total number of ordinary 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	Corporate	337,920,000	29.97%
Fine Day Asset Holdings Inc. (Note 1)	Interest of a controlled corporation	Corporate	337,920,000	29.97%
Mr. Tong Wang Chow (Note 2)	Beneficial owner Interest of spouse	Personal Family	72,904,000 5,000,000	6.47% 0.44%
Mr. Huang Shih Tsai (Note 3)	Beneficial owner	Personal	324,200,000	28.75%

Notes:

- Pursuant to the SFO, Fine Day Asset Holdings Inc. is deemed interested in this shareholding interest through Gold City Assets Holdings Ltd., which is a company owned as to 51% by Ms. Ng Mui King, Joky and 49% by Fine Day Asset Holdings Inc.. Ms. Ng Mui King, Joky is an executive Director of the Company and also a director of Gold City Assets Holdings Ltd.. Ms. Yang Cheng is the 100% beneficial owner of Fine Day Asset Holdings Inc..
- Mr. Tong Wang Chow is the elder brother of Mr. Tong Wang Shun, an executive Director of the Company.
- Mr. Huang Shih Tsai has total interest in 324,200,000 shares, of which (i) 155,000,000 shares were 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) 169,200,000 shares relate to his derivative interests in the convertible note, details of which 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 30 June 2012	Number of underlying shares	Approximate percentage of the issued share capital of the Company
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 Company or, any other conflicts of interests with the Company.

## PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the three months ended 30 June 2012. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the three months ended 30 June 2012.

## 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 three months ended 30 June 2012.

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

Hong Kong, 13 August 2012

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