

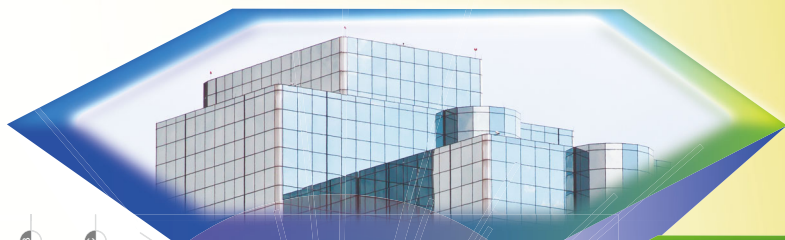
Great World

COMPANY HOLDINGS LTD

2012 Interim Report

世大控股有限公司

(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\$218,000 for the six months ended 30 September 2012, compared with a turnover from the same business operation of approximately HK\$3,643,000 for the corresponding period of last year. No turnover from discontinued operation was recorded for the six months ended 30 September 2012 and for the corresponding period of last year.
- Loss attributable to owners of the Company from continuing and discontinued operations for the six months ended 30 September 2012 was approximately HK\$5,124,000, versus a loss attributable to owners of the Company from continuing and discontinued operations of approximately HK\$5,262,000 for the corresponding period of last year.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2012 (six months ended 30 September 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, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the three months and six months ended 30 September 2012 and the consolidated statement of financial position of the Group as at 30 September 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

	Notes	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
		2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Continuing operations					
Turnover	2	164	2,023	218	3,643
Cost of sales and other direct costs		(139)	(2,232)	(208)	(4,018)
Gross profit/(loss)		25	(209)	10	(375)
Other revenue and net income	2	6	2,553	13	2,553
Selling and distribution costs		(420)	(7)	(605)	(591)
Administrative and other operating expenses		(3,095)	(3,888)	(5,695)	(8,185)
Finance costs	4	(619)	(264)	(1,183)	(264)
Loss before tax	5	(4,103)	(1,815)	(7,460)	(6,862)
Income tax	6	183	440	334	676
Loss for the period from continuing operations		(3,920)	(1,375)	(7,126)	(6,186)
Discontinued operation					
Profit for the period from discontinued operation	7	-	62	2,438	1,124
Loss for the period		(3,920)	(1,313)	(4,688)	(5,062)

CONDENSED CONSOLIDATED INCOME STATEMENT *(continued)*

	Notes	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
		2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
(Loss)/profit for the period attributable to owners of the Company					
from continuing operations		(3,920)	(1,375)	(7,126)	(6,186)
from discontinued operation		–	61	2,002	924
		(3,920)	(1,314)	(5,124)	(5,262)
Profit for the period attributable to non-controlling interests					
from continuing operations		–	–	–	–
from discontinued operation		–	1	436	200
		–	1	436	200
		(3,920)	(1,313)	(4,688)	(5,062)
(Loss)/earnings per share	8				
From continuing and discontinued operations					
– Basic and diluted		HK(0.35) cents	HK(0.12) cents	HK(0.45) cents	HK(0.52) cents
From continuing operations					
– Basic and diluted		HK(0.35) cents	HK(0.13) cents	HK(0.63) cents	HK(0.61) cents
From discontinued operation					
– Basic and diluted		–	HK0.01 cents	HK0.18 cents	HK0.09 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Loss for the period	(3,920)	(1,313)	(4,688)	(5,062)
Other comprehensive income:				
Exchange differences arising on translation of foreign operations				
– Exchange differences arising during the period	855	284	(16)	624
– Reclassification adjustments relating to foreign operations disposed of during the period	–	–	(5,097)	–
	855	284	(5,113)	624
Total comprehensive loss for the period	(3,065)	(1,029)	(9,801)	(4,438)
Total comprehensive loss attributable to:				
Owners of the Company	(3,065)	(995)	(10,135)	(4,569)
Non-controlling interests	–	(34)	334	131
	(3,065)	(1,029)	(9,801)	(4,438)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) 30 September	(Audited) 31 March
	Notes	2012 HK\$'000	2012 HK\$'000
Non-current assets			
Property, plant and equipment	10	5,113	4,896
Investment property	11	67,914	67,830
Other intangible asset	12	–	–
Deferred tax assets		3,132	2,986
		76,159	75,712
Current assets			
Properties held for sale	13	99,223	99,012
Inventories		–	29
Trade and other receivables	14	2,233	1,865
Cash and bank deposits		6,749	5,267
		108,205	106,173
Assets of disposal group classified as held for sale		–	9,762
		108,205	115,935
Current liabilities			
Trade and other payables	15	(35,560)	(30,385)
Amounts due to directors	16	(2,678)	(2,604)
Amount due to a shareholder	16	(24,974)	(19,874)
Amounts due to related companies	16	(41,201)	(42,539)
		(104,413)	(95,402)
Liabilities of disposal group classified as held for sale		–	(9,270)
		(104,413)	(104,672)
Net current assets		3,792	11,263
Non-current liabilities			
Convertible note	17	(22,574)	(21,429)
Deferred tax liabilities		(23,479)	(23,662)
		(46,053)	(45,091)
Net assets		33,898	41,884
Capital and reserves			
Share capital	18	112,763	112,763
Reserves	19	(78,865)	(68,730)
		33,898	44,033
Equity attributable to owners of the Company		–	(2,149)
Non-controlling interests		–	–
Equity		33,898	41,884

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									Non-controlling interests	Total
	Share capital	Share premium	Convertible note equity reserve	Share options reserve	PRC statutory reserves	Translation reserve	Other reserve	Accumulated loss	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 April 2011 (audited)	97,263	119,735	-	706	3,808	5,087	314	(177,525)	49,388	(2,662)	46,726
Total comprehensive income for the period	-	-	-	-	-	693	-	(5,262)	(4,569)	131	(4,438)
Issue of new shares for acquisition of subsidiary	15,500	5,890	-	-	-	-	-	-	21,390	-	21,390
Equity component at fair value	-	-	8,702	-	-	-	-	-	8,702	-	8,702
At 30 September 2011 (unaudited)	112,763	125,625	8,702	706	3,808	5,780	314	(182,787)	74,911	(2,531)	72,380
At 1 April 2012 (audited)	112,763	125,624	6,430	385	3,808	6,801	314	(212,092)	44,033	(2,149)	41,884
Total comprehensive income/(loss) for the period (unaudited)	-	-	-	-	-	(5,011)	-	(5,124)	(10,135)	334	(9,801)
Disposal of subsidiaries	-	-	-	-	(3,808)	-	-	3,808	-	1,815	1,815
At 30 September 2012 (unaudited)	112,763	125,624	6,430	385	-	1,790	314	(213,408)	33,898	-	33,898

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000
Net cash generated from/(used in) operating activities	4,027	(8,114)
Net cash used in investing activities	(3,085)	(9,484)
Net cash (used in)/generated from financing activities	(37)	264
Net increase/(decrease) in cash and cash equivalents	905	(17,334)
Cash and cash equivalents at 1 April	5,267	21,695
Cash and bank deposits included in assets of disposal group classified as held for sale	667	-
Effect of foreign exchange rate changes	(90)	58
Cash and cash equivalents at 30 September	6,749	4,419
Analysis of cash and cash equivalents at 30 September: Cash and bank deposits	6,749	4,419

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 September		(Unaudited) Six months ended 30 September	
	2012 HK\$’000	2011 HK\$’000	2012 HK\$’000	2011 HK\$’000
Continuing operations				
Turnover				
Sales and processing income	164	2,023	218	3,643
Other revenue and net income				
Bank interest income	6	2	11	2
Gain on bargain purchase of subsidiaries	–	2,551	–	2,551
Sundry income	–	–	2	–
	6	2,553	13	2,553
Total revenue	170	4,576	231	6,196

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 7. The corresponding information for the three months and six months ended 30 September 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 September 2012			(Unaudited) Six months ended 30 September 2012		
	Iron mine business HK\$'000	Property business HK\$'000	Total HK\$'000	Iron mine business HK\$'000	Property business HK\$'000	Total HK\$'000
Continuing operations						
Revenue from external customers	164	–	164	218	–	218
Interest income	–	6	6	–	11	11
Depreciation and amortisation	(114)	(1)	(115)	(228)	(4)	(232)
Total loss of reportable segments	(832)	(347)	(1,179)	(1,222)	(579)	(1,801)
Tax income	–	87	87	–	145	145

	(Unaudited) Three months ended 30 September 2011			(Unaudited) Six months ended 30 September 2011		
	Iron mine business HK\$'000	Property business HK\$'000	Total HK\$'000	Iron mine business HK\$'000	Property business HK\$'000	Total HK\$'000
Continuing operations						
Revenue from external customers	2,023	–	2,023	3,643	–	3,643
Interest income	1	1	2	1	1	2
Depreciation and amortisation	(149)	(1)	(150)	(192)	(1)	(193)
Total loss of reportable segments	(1,629)	(133)	(1,762)	(2,575)	(133)	(2,708)
Tax income	408	32	440	644	32	676

3. Segment information (continued)

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

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Continuing operations				
Revenue				
Total revenue for reportable segments	164	2,023	218	3,643
Consolidated turnover	164	2,023	218	3,643
Profit or loss				
Total loss for reportable segments	(1,179)	(1,762)	(1,801)	(2,708)
Unallocated corporate expenses	(2,924)	(53)	(5,659)	(4,154)
Consolidated loss before tax	(4,103)	(1,815)	(7,460)	(6,862)

	(Unaudited) 30 September	(Audited) 31 March
	2012 HK\$'000	2012 HK\$'000
Assets		
Total assets for reportable segments	182,879	180,137
Unallocated corporate assets	1,485	1,748
Assets relating to discontinued operation	–	9,762
Consolidated total assets	184,364	191,647
Liabilities		
Total liabilities for reportable segments	(96,748)	(93,304)
Unallocated corporate liabilities	(53,718)	(47,189)
Liabilities relating to discontinued operation	–	(9,270)
Consolidated total liabilities	(150,466)	(149,763)

(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) Revenues from external customers Three months ended 30 September		(Unaudited) Revenues from external customers Six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Continuing operations				
PRC	164	2,023	218	3,643

4. Finance costs

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Continuing operations				
Effective interest expense on convertible note	582	264	1,146	264
Others	37	–	37	–
	619	264	1,183	264

5. Loss before tax

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Loss before tax has been arrived after charging:				
Continuing operations				
Staff costs (including directors' remuneration)	1,339	1,188	2,473	3,496
Operating lease charges in respect of land and buildings	330	158	669	305
Depreciation and amortisation	175	159	293	212

6. Income tax

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Continuing operations				
Current tax:				
Hong Kong Profits Tax	–	–	–	–
PRC Enterprise Income Tax	–	–	–	–
	–	–	–	–
Deferred tax	183	440	334	676
Tax income for the period	183	440	334	676

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the three months and six months ended 30 September 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 applicable to the PRC subsidiaries is 25% from 1 January 2008 onwards.

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

7. 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.

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 and results of the China Bond Group were as follows:

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000	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	-	62	-	352
Profit before tax	-	62	1,744	1,124
Income tax	-	-	-	-
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)	-	62	1,744	1,124
	-	-	694	-
Profit for the period from discontinued operation	-	62	2,438	1,124

8. (Loss)/earnings per share

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

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
(i) Unaudited consolidated (loss)/profit attributable to owners of the Company from continuing operations	(3,920)	(1,375)	(7,126)	(6,186)
from discontinued operation	–	61	2,002	924
from continuing and discontinued operations	(3,920)	(1,314)	(5,124)	(5,262)
	'000	'000	'000	'000
(ii) Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	1,127,628	1,051,813	1,127,628	1,012,436

The computation of diluted loss or earnings per share did not assume the conversion of outstanding convertible note and the exercise of outstanding share options of the Company as the conversion/exercise price was higher than the average market price of shares for the periods or since their conversion/exercise would result in an increase in loss per share and thus anti-dilutive for the three months and six months ended 30 September 2012 and 2011.

9. Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2012 (six months ended 30 September 2011: nil).

10. Property, plant and equipment

	<i>HK\$'000</i>
Cost:	
At 1 April 2012 (audited)	6,761
Additions	761
Disposals	(255)
Derecognised on disposal of subsidiaries	(705)
Exchange adjustments	1
	<hr/>
At 30 September 2012 (unaudited)	<hr/> 6,563
Accumulated depreciation and impairment:	
At 1 April 2012 (audited)	1,865
Depreciation provided for the period	289
Eliminated on disposal of subsidiaries	(705)
Exchange adjustments	1
	<hr/>
At 30 September 2012 (unaudited)	<hr/> 1,450
Carrying amounts:	
At 30 September 2012 (unaudited)	<hr/> 5,113
At 31 March 2012 (audited)	<hr/> 4,896

11. Investment property

	<i>HK\$'000</i>
Fair value:	
At 1 April 2012 (audited)	67,830
Additions	64
Exchange adjustments	20
	<hr/>
At 30 September 2012 (unaudited)	67,914
	<hr/>

12. Other intangible asset

	Mining right <i>HK\$'000</i>
Cost:	
At 1 April 2012 (audited)	1,248
Exchange adjustments	1
	<hr/>
At 30 September 2012 (unaudited)	1,249
	<hr/>
Accumulated amortization and impairment:	
At 1 April 2012 (audited)	1,248
Exchange adjustments	1
	<hr/>
At 30 September 2012 (unaudited)	1,249
	<hr/>
Carrying amounts:	
At 30 September 2012 (unaudited)	–
	<hr/>
At 31 March 2012 (audited)	–
	<hr/>

13. Properties held for sale

	<i>HK\$'000</i>
At 1 April 2012 (audited)	99,012
Additions	182
Exchange adjustments	29
	<hr/>
At 30 September 2012 (unaudited)	99,223
	<hr/>

14. Trade and other receivables

	(Unaudited) 30 September	(Audited) 31 March
	2012 HK\$'000	2012 HK\$'000
Trade receivables	148	–
Less: Provision for impairment of trade receivables	–	–
	148	–
Other receivables	1,621	662
Prepayments	139	501
Deposits	325	702
	2,233	1,865
An aged analysis of trade receivables based on invoice date is as follows:		
0 – 3 months	148	–
	148	–

15. Trade and other payables

	(Unaudited) 30 September	(Audited) 31 March
	2012 HK\$'000	2012 HK\$'000
Trade payables	13,147	13,143
Other payables	20,903	15,299
Accruals	1,492	1,134
Deposits received	18	809
	35,560	30,385
An aged analysis of the trade payables is as follows:		
Within 3 months	–	650
Over 3 months but within 1 year	650	12,493
Over 1 year	12,497	–
	13,147	13,143

16. Amounts due to directors/a shareholder/related companies

The amounts represent advance from directors/a shareholder/related companies of non-trade nature, and are unsecured, non-interest bearing and have no fixed repayment terms.

17. Convertible note

The Company issued a zero coupon convertible note with face value of HK\$33,840,000 (the "Convertible Note") to Mr. Huang Shih Tsai on 15 August 2011 as part of the consideration for the acquisition of Linkful Wise Group Holdings Limited and its subsidiaries. The Convertible Note is unsecured, non-interest bearing and repayable upon maturity which is the fifth anniversary of the date of issue. The holder of the Convertible Note has the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the Convertible Note into ordinary shares of the Company at an initial conversion price of HK\$0.20 per share. The conversion price of the Convertible Note is subject to anti-dilutive adjustment.

The Convertible Note is a compound financial instrument containing two components, liability and equity elements. The fair value of the liability component was calculated using the discounted cash flows method at a market interest rate for the equivalent non-convertible note. The effective interest rate of the liability component on initial recognition is approximately 11%. The equity component was stated at its fair value using Binomial model which is included in shareholders' equity as convertible note equity reserve.

18. Share capital

	Number of shares '000	Nominal value HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised		
As at 1 April 2012 (audited) and 30 September 2012 (unaudited)	2,000,000	200,000
Issued and fully paid		
As at 1 April 2012 (audited) and 30 September 2012 (unaudited)	1,127,628	112,763

19. Reserves

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.

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 2 years.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	(Unaudited) 30 September	(Audited)
	2012	31 March
	HK\$'000	2012
		HK\$'000
As a lessee		
Premises		
– within 1 year	1,148	–
– after 1 year but within 5 years	574	–
	1,722	–

(b) Capital commitments

	(Unaudited) 30 September	(Audited)
	2012	31 March
	HK\$'000	2012
		HK\$'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of:		
– investment property	3,249	3,183
– properties held for sale	9,897	9,697
	13,146	12,880

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		(Unaudited) Six months ended 30 September	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Fees, salaries and other benefits	618	781	1,236	1,861

(b) Amounts due to directors/a shareholder/related companies of the Company as at 30 September 2012 and 31 March 2012 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 2012, the Group recorded a turnover of approximately HK\$218,000 from its continuing operations, representing a decrease of approximately 94% as compared with a turnover of approximately HK\$3,643,000 from the same business operations for the corresponding period of last year.

Loss attributable to owners of the Company was approximately HK\$5,124,000 for the six months ended 30 September 2012, which was approximately 2.6% lower than the loss attributable to owners of the Company incurred for the corresponding period of last year.

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 had 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

Mining business

For the six months ended 30 September 2012, a turnover of approximately HK\$218,000 was generated from the mining business. 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. The recent market condition of iron ores is unfavourable and therefore 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 currently expects to commence the property selling and leasing programme by the end of 2012.

Liquidity, financial resources and capital structure

As at 30 September 2012, the Group's cash balance was approximately HK\$6,749,000 which has increased by approximately 28% when comparing with the cash balance of approximately HK\$5,267,000 as at 31 March 2012.

As at 30 September 2012, the Group had net current assets of approximately HK\$3,792,000 (31 March 2012: HK\$11,263,000).

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 September 2012, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes. For the six months ended 30 September 2012, there was no change in the capital structure and issued share capital of the Company.

Gearing ratio

The Group's gearing ratio, which was defined as the ratio of long term borrowings to total equity, was 66.6% as at 30 September 2012 (31 March 2012: 51.2%).

Contingent liabilities

As at 30 September 2012, the Group did not have any material contingent liabilities.

Employees and remuneration policy

As at 30 September 2012, the Group had approximately 45 employees (31 March 2012: 45 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 share option scheme adopted at the annual general meeting of the Company held on 2 August 2002 (the "2002 Share Option Scheme") had expired on 2 August 2012. The following share options, which were granted under the 2002 Share Option Scheme but not yet exercised before the expiry of the 2002 Share Option Scheme, were lapsed automatically on the same date and shall not be exercisable.

Grantee	Date of grant	Exercise price HK\$	Exercise period	Lapsed on 2 August 2012
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
				<hr/>
				901,334
				<hr/>
Employee	29/2/2008	0.23925	29/2/2008 to 2/8/2012	4,506,667
				<hr/>
Total				5,408,001
				<hr/>

The Company then adopted a new share option scheme at the annual general meeting of the Company held on 3 August 2012 (the "2012 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 30 September 2012, 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 six months ended 30 September 2012.

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, re-appointment 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 reports and accounts, half-year reports 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.

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.

INTERESTS OF DIRECTORS

As at 30 September 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 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 the underlying shares

Name of Director	Personal interest		Total number of shares	Approximate percentage of the issued share capital of the Company
	Personal interest	Corporate interest		
Ms. Ng Mui King, Joky	–	337,920,000 (Note)	337,920,000	29.97%

Note: These shares are held by Gold City Assets Holdings Ltd. which is owned as to 51% by Ms. Ng Mui King, Joky and as to 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.

Save as disclosed above, as at 30 September 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 six months ended 30 September 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 September 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
Cold 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	Personal	72,904,000	6.47%
	Interest of spouse	Family	5,000,000	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 a 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 September 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 Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the six months ended 30 September 2012. 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 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 six months ended 30 September 2012.

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

Hong Kong, 12 November 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.