



大誠電訊科技有限公司
T S Telecom Technologies Limited

Stock Code: 8003



Interim Report 2008

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.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of T S Telecom Technologies Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to T S Telecom Technologies Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- Turnover was approximately HK\$2,422,000 and HK\$6,271,000 respectively for the three months and six months ended 30 September 2008.
- Loss attributable to equity holders of the Company for the three months ended 30 September 2008 was approximately HK\$3,023,000, versus a profit of approximately HK\$3,416,000 for the corresponding period of last year.

Loss attributable to equity holders of the Company for the six month ended 30 September 2008 was approximately HK\$4,209,000 versus a loss of approximately HK\$4,497,000 for the corresponding period of last year.
- As at 30 September 2008, the Group had approximately HK\$10,582,000 or HK\$0.026 per share of cash on hand and at bank.

RESULTS

The Board of Directors (the "Board") of T S Telecom Technologies Limited (the "Company") presents the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity of the Company and its subsidiaries (the "Group") for the three months and six months ended 30 September 2008, and the consolidated balance sheet as at 30 September 2008 of the Group, all of which are unaudited and in condensed format, along with selected explanatory notes and the comparative unaudited figures for the corresponding periods in 2007 as follows:

UNAUDITED CONDENSED CONSOLIDATION INCOME STATEMENT

For the three months and six months ended 30 September 2008

	Notes	(Unaudited)		(Unaudited)	
		Three months ended 30 September		Six months ended 30 September	
		2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Turnover	2	2,422	4,192	6,271	8,252
Cost of sales		(2,238)	(3,212)	(3,879)	(5,155)
Gross profit		184	980	2,392	3,097
Other revenue and net income	2	328	9,320	1,210	9,323
Selling and distribution costs		(398)	(432)	(778)	(533)
Administrative and other operating expenses		(4,088)	(6,334)	(6,845)	(16,158)
Operating profit/(loss)	3	(3,974)	3,534	(4,021)	(4,271)
Finance costs	4	(5)	(135)	(7)	(366)
Share of results of associate		522	24	715	197
Profit/(loss) before tax		(3,457)	3,423	(3,313)	(4,440)
Income tax charge	5	-	(7)	(22)	(57)
Profit/(loss) for the period		(3,457)	3,416	(3,335)	(4,497)
Profit/(loss) attributable to:					
Equity holders of the Company		(3,023)	3,416	(4,209)	(4,497)
Minority interests		(434)	-	874	-
		(3,457)	3,416	(3,335)	(4,497)
Earnings/(loss) per share, in cents	6				
- Basic		(0.8) cents	1.0 cents	(1.1) cents	(1.3) cents
- Diluted		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

The unaudited consolidated balance sheet as at 30 September 2008 together with the audited balance sheet as at 31 March 2008 are as follows:

	Notes	(Unaudited) 30 September 2008 HK\$'000	(Audited) 31 March 2008 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	194	131
Interests in associate		<u>17,390</u>	<u>16,287</u>
		<u>17,584</u>	<u>16,418</u>
CURRENT ASSETS			
Inventories		1,445	1,427
Trade and other receivables	9	7,822	7,473
Amount due from related company		216	216
Cash and bank deposits		<u>10,582</u>	<u>824</u>
		<u>20,065</u>	<u>9,940</u>
CURRENT LIABILITIES			
Trade and other payables	10	(7,993)	(7,357)
Amount due to directors		(2,597)	(9,138)
Amount due to related company		<u>(1,728)</u>	<u>(1,728)</u>
		<u>(12,318)</u>	<u>(18,223)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>7,747</u>	<u>(8,283)</u>
NET ASSETS		<u>25,331</u>	<u>8,135</u>
CAPITAL AND RESERVES			
Share capital	11	40,631	33,860
Reserves	12	<u>(16,302)</u>	<u>(25,725)</u>
Equity attributable to equity holders of the Company		24,329	8,135
Minority interests		<u>1,002</u>	<u>–</u>
TOTAL EQUITY		<u>25,331</u>	<u>8,135</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) Six months ended 30 September	
	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Net cash outflow from operating activities	(10,316)	(7,721)
Net cash inflow/(outflow) from investing activities	(59)	7,247
Net cash inflow/(outflow) from financing activities	<u>19,291</u>	<u>(1,175)</u>
Increased/(decrease) in cash and cash equivalents	8,916	(1,649)
Cash and cash equivalents at 1 April	824	2,590
Effect of foreign exchange rate changes	<u>842</u>	<u>-</u>
Cash and cash equivalents at 30 September	<u>10,582</u>	<u>941</u>
Analysis of balances of cash and cash equivalents:		
Cash and bank deposits	<u>10,582</u>	<u>941</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

	Share capital	Share premium	Share options reserve	PRC statutory reserves	Merger difference	Translation reserve	Accumulated losses	Equity attributable to equity holders of the Company	Minority interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2007	33,860	96,898	-	8,004	(250)	1,170	(129,505)	10,177	-	10,177
Loss for the period	-	-	-	-	-	-	(4,497)	(4,497)	-	(4,497)
At 30 September 2007	33,860	96,898	-	8,004	(250)	1,170	(134,002)	5,680	-	5,680
At 1 April 2008	33,860	96,898	706	3,808	(250)	3,112	(129,999)	8,135	-	8,135
Loss for the period	-	-	-	-	-	-	(4,209)	(4,209)	874	(3,335)
Merger difference written off	-	-	-	-	250	-	-	250	-	250
Exchange difference arising on translation of foreign operations	-	-	-	-	-	348	-	348	128	476
Shares issued pursuant to a placing agreement	6,771	13,544	-	-	-	-	-	20,315	-	20,315
Cost attributable to issue of new shares	-	(510)	-	-	-	-	-	(510)	-	(510)
At 30 September 2008	40,631	109,932	706	3,808	-	3,460	(134,208)	24,329	1,002	25,331

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong. The financial statements also comply with the applicable disclosure provisions 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 2008. The accounts are unaudited but have been reviewed by the Company's audit committee.

2. TURNOVER, REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the assembly, distribution and integration of telecommunications products. Revenue recognized during the three and six months ended 30 September 2008 and 2007 is analysed as follows:

	Three months ended 30 September		Six months ended 30 September	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Turnover:				
Sale of goods, net of discounts and value-added tax	<u>2,422</u>	4,192	<u>6,271</u>	8,252
Other revenue and net income:				
Impairment losses on trade receivables written back	-	-	63	-
Interest income	5	11	7	14
Gain on disposal of subsidiaries	-	9,217	-	9,217
Other service income	321	92	1,023	92
Sundry income	<u>2</u>	-	<u>117</u>	-
	<u>328</u>	9,320	<u>1,210</u>	9,323
Total revenue	<u>2,750</u>	13,512	<u>7,481</u>	17,575

2. **TURNOVER, REVENUE AND SEGMENT INFORMATION** (Continued)

Business segments

The Group is organized into one business segment, i.e. telecommunications products, during the three months and six months ended 30 September 2008.

An analysis of the Group's revenue and results for the period by business segment is as follows:

For the six months ended 30 September 2008

	Telecommunications products 2008 HK\$'000	The Group 2008 HK\$'000
Turnover	<u>6,271</u>	<u>6,271</u>
Segment results	127	127
Interest income		1
Unallocated corporate income		1
Unallocated corporate expenses		<u>(4,150)</u>
Operating loss		(4,021)
Finance costs		(7)
Share of results of associate	715	<u>715</u>
Loss before income tax		(3,313)
Income tax charge		<u>(22)</u>
Loss for the period		<u>(3,335)</u>
Profit/(loss) attributable to:		
Equity holders of the Company		(4,209)
Minority interests		<u>874</u>
		<u>(3,335)</u>

2. TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

For the six months ended 30 September 2007

	Telecommunications products 2007 HK\$'000	The Group 2007 HK\$'000
Turnover	8,252	8,252
Segment results	(8,360)	(8,360)
Interest income		14
Unallocated corporate income		9,217
Unallocated corporate expenses		(5,142)
Operating loss		(4,271)
Finance costs		(366)
Share of results of associate	197	197
Loss before income tax		(4,440)
Income tax charge		(57)
Loss for the period		(4,497)
Loss attributable to:		
Equity holders of the Company		(4,497)
Minority interests		–
		(4,497)

3. OPERATING PROFIT/(LOSS)

	Three months ended 30 September		Six months ended 30 September	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Operating profit/(loss) is arrived at after charging:				
Staff costs (including directors' remuneration)	1,465	1,987	2,790	3,550
Operating lease charges in respect of land and buildings	179	210	327	420
Depreciation and amortization	1	18	3	37
Impairment loss on inventories	1,353	1,815	1,591	1,815
Impairment loss on trade receivables	1	882	1	882
Impairment loss on other receivables	–	136	–	136
Merger difference written off	–	–	250	–

4. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Bank charges	2	–	4	–
Interest on secured short-term borrowings	–	135	–	366
Other interest paid	3	–	3	–
	5	135	7	366

5. **INCOME TAX CHARGE**

	Three months ended 30 September		Six months ended 30 September	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
The amount of taxation charged to the consolidated income statement represents:				
Hong Kong profits tax	-	-	-	-
Overseas tax	-	7	22	57
	-	7	22	57

- (i) No Hong Kong profits tax has been provided in the financial statements as the companies operating in Hong Kong did not have any assessable profits arising in Hong Kong for the three months and six months ended 30 September 2008 (three months and six months ended 30 September 2007: nil).
- (ii) Overseas tax has been calculated on the estimated assessable profits for the periods at the rates of taxation prevailing in the countries in which the Group operates.

6. **EARNINGS/(LOSS) PER SHARE**

The calculation of the Group's basic earnings/(loss) per share for the three months and six months ended 30 September 2008 are based on the Group's loss attributable to equity holders of the Company of approximately HK\$3,023,000 and HK\$4,209,000 respectively (three months and six months ended 30 September 2007: profit attributable to equity holders of the Company of approximately HK\$3,416,000 and loss attributable to equity holders of the Company of approximately HK\$4,497,000) and the weighted average numbers of approximately 396,745,000 ordinary shares in issue during the three months ended 30 September 2008 (three months ended 30 September 2007: 338,596,000 ordinary shares) and approximately 367,839,000 ordinary shares in issue during the six months ended 30 September 2008 (six months ended 30 September 2007: 338,596,000 ordinary shares).

Diluted loss per share has not been disclosed for the three months and six months ended 30 September 2008 because the effect of potential shares arising from the exercise of the Company's share options is regarded as anti-dilutive while it would decrease the loss per share of the Group for the periods. Diluted earnings/(loss) per share had not been disclosed for the three months and six months ended 30 September 2007 because the Company had no dilutive potential ordinary shares during the periods.

7. **INTERIM DIVIDEND**

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2008 (six months ended 30 September 2007: nil).

8. **PROPERTY, PLANT AND EQUIPMENT**

	HK\$'000
Cost:	
At 1 April 2008	658
Additions	66
Exchange adjustments	80
At 30 September 2008	804
Accumulated depreciation:	
At 1 April 2008	527
Charges for the period	8
Exchange adjustments	75
At 30 September 2008	610
Net book value:	
At 30 September 2008	194
At 31 March 2008	131

9. TRADE AND OTHER RECEIVABLES

	30 September 2008 HK\$'000	31 March 2008 HK\$'000
An aged analysis of trade receivables is as follows:		
Within 3 months	2,229	5,768
Over 3 months but within 1 year	4,321	501
	<u>6,550</u>	<u>6,269</u>
Other receivables, prepayments and deposits	1,272	1,204
	<u>7,822</u>	<u>7,473</u>

Provision is made against trade receivables to the extent they are considered to be doubtful. Trade receivables in the balance sheet are stated net of such provision.

10. TRADE AND OTHER PAYABLES

	30 September 2008 HK\$'000	31 March 2008 HK\$'000
An aged analysis of trade payables is as follows:		
Within 3 months	2,053	5,169
Over 3 months but within 1 year	4,391	23
Over 1 year	144	117
	<u>6,588</u>	<u>5,309</u>
Other payables and accrued charges	1,405	2,048
	<u>7,993</u>	<u>7,357</u>

11. SHARE CAPITAL

	30 September 2008 HK\$'000	31 March 2008 HK\$'000
Authorised:		
800,000,000 ordinary shares of HK\$0.1 each	80,000	80,000
Issued and fully paid:		
406,314,000 (31 March 2008: 338,596,000) ordinary shares of HK\$0.1 each	40,631	33,860

On 14 July 2008, 67,718,000 new shares were issued, pursuant to a placing agreement entered into by the Company with a placing agent on 23 June 2008, at a placing price of HK\$0.3 per placing share to provide general working capital.

12. RESERVES

The share premium account of the Company is distributable to the shareholders of the Company under the Companies Law of the Cayman Islands provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to payoff its debts as they fall due in the ordinary course of business.

The share options reserve represents the fair value of the number of unexercised share options granted by the Company.

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.

12. **RESERVES** (Continued)

The merger difference of the Group represents the difference between the nominal value of the share capital of a subsidiary acquired pursuant to the Group's reorganization which took place during the year ended 31 March 2000 over the nominal value of the share capital of the Company issued in exchange thereof.

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

13. **RELATED PARTY TRANSACTIONS**

Notes	Three months ended 30 September		Six months ended 30 September	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Licence fees paid to T. S. (Holdings) Company Limited (a)	-	210	-	420
Service fees charged by T S Telecom Limited (b)	-	-	-	124

(a) On 12 July 2005, the Company entered into a licence agreement between T. S. (Holdings) Company Limited ("T. S. Holdings"), a related company in which a director, Mr. LAU See Hoi, (resigned on 2 October 2007) of the Company has a beneficial interest, and the Company. Under the licence agreement, the Company was licensed to use the premises at Suite 2802, Two Exchange Square, 8 Connaught Place, Central, Hong Kong at a monthly licence fee of approximately HK\$70,000 for the term of two years and nine months from 1 June 2005 to 29 February 2008.

(b) T S Bio-Technology Limited, a wholly-owned subsidiary which was disposed of by the Group in August 2007, entered into an agreement on 29 November 2005 for a term of three years commencing from 1 December 2005 with T S Telecom Ltd., a substantial shareholder of the Company at that time, under which the latter would provide management, marketing and research services to the Group at an annual service fee of not exceeding HK\$1,600,000 and can be revised by the parties from time to time by mutual agreement as circumstances warranted, provided that the annual service fee shall in total not exceed HK\$2,500,000.

14. **COMMITMENTS**

(a) **Operating lease commitments**

At the balance sheet date, the total future minimum lease payments under non-cancellable operating leases is analysed as follows:

	30 September 2008 HK\$'000	31 March 2008 HK\$'000
Properties		
– within 1 year	647	814
– after 1 year but within 5 years	243	566
	890	1,380

(b) **Capital commitments**

The Group did not have any material capital commitments as at 30 September 2008 (2007: Nil).

15. **EVENTS AFTER THE BALANCE SHEET DATE**

On 15 October 2008, China Score International Holdings Limited, a wholly-owned subsidiary of the Company, entered into an agreement to acquire 51 % of the entire equity interest in Feng Shan Xian Qian Xing Mining Industry Company Limited, a company established in the PRC and currently owns an iron mine with a mining exploitation permit for a term of 10 years ending on 25 October 2017, from an independent third party at a consideration of RMB10,000,000 (approximately HK\$11,333,000). The acquisition constitutes a major transaction of the Company under the GEM Listing Rules and is conditional upon approval by shareholders at an extraordinary general meeting to be convened by the Company. Details of the transaction are set out in an announcement issued by the Company on 20 October 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Result of operations

For the six months ended 30 September 2008 (the "interim period"), the Group recorded a total turnover of approximately HK\$6,271,000 and loss attributable to equity holders of the Company of approximately HK\$4,209,000 as compared to a turnover of approximately HK\$8,252,000 and a loss of approximately HK\$4,497,000 for the same period of last year.

Our gross margin was approximately 38.1% for the interim period as compared to a gross profit margin of approximately 37.5% for the corresponding period in 2007.

Other revenue and net income consisted of bank interest income, other service income and impairment losses on trade receivables written back.

Selling and distribution costs increased by 46% for the interim period due to increase in customer training expenses, sample and replacement costs and promotion expenses as compared with the same period of last year.

Administrative and other operating expenses decreased by approximately 58% as a result of tightening cost control, comparing with the corresponding period of last year.

The decrease in finance costs was attributable to repayment of term loans.

The Group posted a net loss attributable to equity holders of the Company of approximately HK\$4,209,000 for the interim period, which was approximately 6% lower than the net loss incurred for the same period of last year.

Segment Information

Business from telecommunications products accounts for 100% of the turnover of the Group for the three months period ended 30 September 2008.

Telecommunications Products

During this interim period, the Group continued to encounter pressure from customers demanding for concession of contract terms including lower pricing and longer payment period, causing the Group to take a longer time to close and sign contracts. It was quite clear that the business environment of the telecom monitoring equipment industry of China has become unfavorable and competitive.

Liquidity, Financial Resources and Capital Structure

As at 30 September 2008, our cash balance of approximately HK\$10,582,000 has increased by approximately 1,184% when comparing with the cash balance of approximately HK\$824,000 as of 31 March 2008.

As at 30 September 2008, the Group had net current assets of approximately HK\$7,747,000 and the Directors have taken active measures to improve the liquidity and financial position of the Group. On 23 June 2008 the Company entered into a Placing Agreement with the Placing Agent, Sun Hung Kai Financial, on a best effort basis to place up to 67,718,000 Placing Shares at a price of HK\$0.30 per Placing Share to the Placees, who together with their ultimate beneficial owner(s) will be Independent Third Parties. On 30 June 2008, Sun Hung Kai Financial has received confirmations from 13 placees in relation to the acquisition of 67,718,000 new shares at the subscription price of HK\$0.30 each. The net proceeds from this placement amounts to HK\$19,717,400 has been received on 14 July 2008. Therefore, the directors are of the view that the Group will have sufficient working capital for the foreseeable future.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Liquidity, Financial Resources and Capital Structure (Continued)

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 minimize exposure to foreign exchange risks. As at 30 September 2008, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes.

For the three months ended 30 September 2008, the issued capital of the Group has increased from HK\$33,860,000 to HK\$40,631,000 as disclosed in note 11.

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 Scheme. The maximum number of shares which can be granted under the 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.

Except as disclosed below, no option was granted under the 2002 Share Option Scheme during the period under review or outstanding as at 30 September 2008.

The following table discloses movements of the Company's share options granted under the 2002 Share Option Scheme for the period ended 30 September 2008.

Grantee	Date of grant	Exercise price HK\$	Exercise period	Number of options
				outstanding as at 30 June 2008 '000
Directors				
Ms. Ng Mui King, Joky	29/2/2008	0.319	29/2/2008 to 2/8/2012	338
Mr. Wong Kai Tat	29/2/2008	0.319	29/2/2008 to 2/8/2012	3,380
Ms. Hui Sin Man, Alice	29/2/2008	0.319	29/2/2008 to 2/8/2012	338
Sub-total				4,056
Employees	29/2/2008	0.319	29/2/2008 to 2/8/2012	3,380
Total				7,436

The closing share price immediately before the date on which the share options were granted was HK\$0.29.

The fair value of the share options granted was HK\$0.095 per option and the Group recognized a share option expense of approximately HK\$706,420 during the year ended 31 March 2008.

SHARE OPTION SCHEME *(Continued)*

The fair value of equity-settled share options granted was estimated as at the date of grant, using the Binomial option pricing model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs into the model used for the year ended 31 March 2008:

Expected volatility:	60.39%
Risk-free interest rate:	1.888%
Expected life of option:	4.43 years

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other feature of the share options granted was incorporated into the measurement of fair value.

CHANGE OF COMPANY NAME

The Company convene a special general meeting which was held on 5 November 2008 and a special resolution was passed to change the name of the Company from "Great World Holdings Ltd. (世大控股有限公司)", which was previously changed from "T S Telecom Technologies Limited (大誠電訊科技有限公司)" by a special resolution passed at an extraordinary general meeting held on 7 July 2008, to "Great World Company Holdings Ltd (世大控股有限公司)".

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 15 of the GEM Listing Rules throughout the three months ended 30 September 2008.

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 CG Code. The remuneration committee comprises one executive director, namely Ms. Ng Mui King, Joky (Mr. Wong Kai Tat as her alternate) and the two independent non-executive directors, namely, Mr. Chung Kam Fai, Raymond and Ms. Hui Sin Man, Alice (chairman of the remuneration committee).

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors, namely Ms. Hui Sin Man, Alice, an existing member, Mr. Chung Koon Yan (chairman of the audit committee) and Mr. Chung Kam Fai, Raymond who were both appointed to the audit committee on 30 June 2008. 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 CG Code.

The primary duties of the audit committee are to review and supervise the financial report process and internal control system of the Group and to review the Company's annual reports and financial statements, interim and quarterly reports and connected transactions. The audit committee has reviewed the draft of this report and has provided advice and comments thereon.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2008, 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 SFO) which were 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 they 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 the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

(1) Long position in the shares of the Company

Director	Number of ordinary shares of HK\$0.1 each				Total number of shares	Approximate percentage holding of shares %
	Personal interest	Family interest	Corporate interest	Other interest		
Ms. Ng Mui King, Joky (Note 1)	-	-	168,960,000	-	168,960,000	41.58

Note:

- These shares are held by Gold City Assets Holdings Ltd., a substantial shareholder of the Company, which is owned as to 100% by Ms. Ng Mui King, Joky.

(2) Long position in the shares of associated corporation

Director	Associated corporation	Nature of interest	Total number of shares	Approximate percentage holding of shares %
Ms. Ng Mui King, Joky	Gold City Assets Holdings Ltd.	Personal	100	100

As at 30 September 2008 and save as disclosed above, none of the Directors and the Chief Executive of the Company or their associates had any interests or short positions in the shares or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as in Rule 5.46 of the GEM Listing Rules.

(3) Long position in the underlying shares of the Company

Director	Personal interest	Family interest	Corporate interest	Other interest	Description of securities	Total number of underlying shares	Approximate percentage of interests %
Ms. Ng Mui King, Joky	338,000	-	-	-	- Share options	338,000	0.08
Mr. Wong Kai Tat	3,380,000	-	-	-	- Share options	3,380,000	0.83
Ms. Hui Sin Man, Alice	338,000	-	-	-	- Share options	338,000	0.08

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 DISCLOSABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 30 September 2008, the interest of the shareholders in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to section 336 of the SFO were as follows:

(1) Long position in the shares of the Company

Name of shareholder	Capacity	Total number of shares	Approximate percentage holding of shares %
Gold City Assets Holdings Ltd. (Note 1)	Beneficial owner	168,960,000	41.58
Ms. Ng Mui King, Joky (Note 1)	Interest of a controlled corporation	168,960,000	41.58

Note:

1. These shares are held by Gold City Assets Holdings Ltd. which is owned as to 100% by Ms. Ng Mui King, Joky, a substantial shareholder of the Company.

(2) Long position in the underlying shares of the Company

Name of shareholder	Type of interests	Description of securities	Number of underlying shares	Approximate percentage of interests %
Ms. Ng Mui King, Joky	Beneficial	Share options	338,000	0.08

Save as disclosed above, as at 30 September 2008, the Directors are not aware of any other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or, who was expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

COMPETING INTEREST

None of the directors or the management shareholders of the Company (as defined in the GEM Listing Rules) has, at any material time, an interest in a business that competed with or might compete with the business of 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 TRANSACTIONS BY DIRECTORS

The Company has adopted the code for securities transactions by Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company confirmed that, having made specific enquiry from all Directors, the Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions by Directors for the six months ended 30 September 2008.

By Order of the Board
T S Telecom Technologies Limited
Ng Mui King, Joky
Chairman

Hong Kong, 13 November 2008

As at the date of this report, the Directors of the Company comprise Ms. Ng Mui King, Joky, Mr. Wong Kai Tat and Mr. He Zhi Ming being the executive Directors; Mr. Pong Shing Ngai being the non-executive Director and Ms. Hui Sin Man, Alice, Mr. Chung Kam Fai, Raymond and Mr. Chung Koon Yan being the independent non-executive Directors.