



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

(Formerly known as 大誠電訊科技有限公司 TS Telecom Technologies Limited)
(incorporated in the Cayman Islands with limited liability)

Stock Code: 8003

Third Quarterly 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 high 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 Great World Company Holdings Ltd collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to Great World Company Holdings Ltd. 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\$8,803,000 and HK\$15,074,000, respectively, for the three months and nine months ended 31 December 2008.
- Loss attributable to equity holders of the Company was approximately HK\$878,000 and HK\$5,087,000, respectively, for the three months and nine months ended 31 December 2008 versus a loss of approximately HK\$1,712,000 and HK\$6,209,000 for the corresponding periods of last year.
- As at 31 December 2008, the Group had approximately HK\$2,978,000 (2007: HK\$1,843,000) or HK\$0.007 (2007: HK\$0.005) per share of cash on hand and at bank.

RESULTS

The Board of Directors (the "Board") of Great World Company Holdings Ltd (the "Company") presents the unaudited consolidated income statement of the Company and its subsidiaries (the "Group") for the three months and nine months ended 31 December 2008, together with selected explanatory notes and the comparative unaudited figures for the corresponding periods in 2007 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
		2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Turnover	2	8,803	4,054	15,074	12,306
Cost of sales		(6,505)	(3,603)	(10,384)	(8,758)
Gross profit		2,298	451	4,690	3,548
Other revenue and net income	2	2,749	502	3,959	9,825
Selling and distribution costs		(257)	(427)	(1,035)	(960)
Administrative and other operating expenses		(3,773)	(2,423)	(10,618)	(18,581)
Operating profit/(loss)	3	1,017	(1,897)	(3,004)	(6,168)
Finance costs		(2)	(1)	(9)	(367)
Share of results of associate		569	261	1,284	458
Impairment loss on interests in associate		(1,957)	-	(1,957)	-
Loss before tax		(373)	(1,637)	(3,686)	(6,077)
Income tax charge	4	-	(75)	(22)	(132)
Loss for the period		(373)	(1,712)	(3,708)	(6,209)
Profit/(loss) attributable to:					
Equity holders of the Company		(878)	(1,712)	(5,087)	(6,209)
Minority interests		505	-	1,379	-
		(373)	(1,712)	(3,708)	(6,209)
Loss per share, in cents					
- Basic	5	(0.2) cents	(0.5) cents	(1.3) cents	(1.8) cents
- Diluted		N/A	N/A	N/A	N/A

NOTES:

(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 and accounting principles generally accepted in Hong Kong. The financial statements also comply with the applicable disclosure requirements 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 2008. The financial statements 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 in the People's Republic of China. Revenues recognized during the three and nine months ended 31 December 2008 are as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Turnover:				
Sales of goods, net of discounts and value-added tax	8,803	4,054	15,074	12,306
Other revenue and net income:				
Gain on disposal of subsidiaries	-	-	-	9,217
Impairment losses on trade receivables reversed	-	-	63	-
Interest income	3	1	10	14
Other service income	881	501	1,904	594
Sundry income	-	-	117	-
Waiver of net amounts due to related parties (Note a)	1,865	-	1,865	-
	2,749	502	3,959	9,825
Total revenue	11,552	4,556	19,033	22,131

Note:

- a. The related parties are Mr. Lau See Hoi ("Mr. Lau"), who was previously the chairman and chief executive officer of the Company resigned on 2 October 2007, and companies controlled by Mr. Lau.

(3) **Operating profit/(loss)**

	Three months ended 31 December		Nine months ended 31 December	
	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)	1,711	856	4,501	4,406
Operating lease charges in respect of land and buildings	239	180	566	600
Depreciation	3	20	6	57
Impairment loss on inventories	265	-	1,856	1,815
Impairment loss on trade receivables	1	-	2	882
Impairment loss on other receivables	-	-	-	136
Merger difference written off	-	-	250	-

(4) **Income tax charge**

	Three months ended 31 December		Nine months ended 31 December	
	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	-	75	22	132

- (i) No provision for Hong Kong profits tax has been made 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 nine months ended 31 December 2008 (three months and nine months ended 31 December 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.

(5) **Loss per share**

The calculation of the Group's basic loss per share for the three months and nine months ended 31 December 2008 are based on the Group's loss attributable to equity holders of the Company of approximately HK\$878,000 and HK\$5,087,000 respectively (for the three months and nine months ended 31 December 2007: approximately HK\$1,712,000 and HK\$6,209,000 respectively) and the weighted average number of ordinary shares in issue during the three months and nine months ended 31 December 2008 of approximately 406,314,000 and 380,704,284 respectively (three months and nine months ended 31 December 2007: approximately 338,596,000).

Diluted loss per share has not been disclosed for the three months and nine months ended 31 December 2008 because the effect of potential ordinary shares arising from the exercise of the Company's share options is regarded as nil while the average prices of the Company's shares during the periods are below the exercise price. Diluted loss per share had not been disclosed for the three months and nine months ended 31 December 2007 because the Company had no dilutive potential ordinary shares during the periods.

(6) Reserves

	Attributable to equity holders of the Company								
	Share premium	Share options reserve	PRC statutory reserves	Merger difference	Translation reserve	Accumulated losses	Total	Minority interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2007	96,898	-	8,004	(250)	1,170	(129,505)	(23,683)	-	(23,683)
Loss for the period	-	-	-	-	-	(6,209)	(6,209)	-	(6,209)
At 31 December 2007	96,898	-	8,004	(250)	1,170	(135,714)	(29,892)	-	(29,892)
At 1 April 2008	96,898	706	3,808	(250)	3,112	(129,999)	(25,725)	-	(25,725)
Loss for the period	-	-	-	-	-	(5,087)	(5,087)	1,379	(3,708)
Merger difference written off	-	-	-	250	-	-	250	-	250
Exchange difference arising on translation of foreign operations	-	-	-	-	358	-	358	132	490
Shares issued pursuant to a placing agreement	13,544	-	-	-	-	-	13,544	-	13,544
Cost attributable to issue of new shares	(510)	-	-	-	-	-	(510)	-	(510)
At 31 December 2008	109,932	706	3,808	-	3,470	(135,086)	(17,170)	1,511	(15,659)

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.

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.

(7) Major Acquisition

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 the Circular issued by the Company on 5 December 2008. The transaction was approved by shareholders on 24 December 2008 and completed on 20 January 2009.

(8) Change of Auditors

The Company's auditors, Patrick Ng & Company, had reorganized its professional practice into NCN CPA Limited. With effect from 18 December 2008, Patrick Ng & Company resigned as auditors of the Company and NCN CPA Limited has been appointed auditors of the Company on the same date to hold office until the next annual general meeting.

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2008 (nine months ended 31 December 2007: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Result of operations

For the nine months ended 31 December 2008, the Group recorded a total turnover of approximately HK\$15,074,000 and loss attributable to equity holders of the Company of approximately HK\$5,087,000 as compared to a turnover of approximately HK\$12,306,000 and a loss of approximately HK\$6,209,000 for the same period of last year.

Our gross margin was approximately 31% for the period as compared to a gross profit margin of approximately 29% for the corresponding period in 2007.

Other revenue and net income consisted of bank interest income, other service income, impairment losses on trade receivables reversed and waiver of net amounts due to related parties.

Selling and distribution costs increased by 8% 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 43% 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\$5,087,000 for the period, which was approximately 18% 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 nine months ended 31 December 2008.

Telecommunications products

During this 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 equipment industry of China has become unfavorable and competitive.

Liquidity, financial resources and capital structure

As at 31 December 2008, our cash balance was approximately HK\$2,978,000 which has increased by 261% when comparing with the cash balance of approximately HK\$824,000 as of 31 March 2008.

As at 31 December 2008, the Group had net current assets of approximately HK\$5,975,000. The Group has considered raising additional equity capital to finance its future operations.

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 31 December 2008, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes.

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 31 December 2008. There is no movement of the Company's share options granted under the 2002 Share Option Scheme during the period.

The following table discloses the Company's share options granted under the 2002 Share Option Scheme outstanding as at 31 December 2008.

Grantee	Date of grant	Exercise price <i>HK\$</i>	Exercise period	Number of options outstanding as at 31 December 2008 <i>'000</i>
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	<u>338</u>
Sub-total				4,056
Employees	29/2/2008	0.319	29/2/2008 to 2/8/2012	<u>3,380</u>
Total				<u>7,436</u>

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.

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 convened a special general meeting on 5 November 2008 to pass a special resolution 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 "TS 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 31 December 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 EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2008 and save as disclosed in the table below, none of the Directors and Chief Executive of the Company has interests and short positions in the shares, the underlying shares and debentures of the Company or any of its associated 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 Rule 5.46 of the GEM Listing Rules.

(1) Long position in 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		
As at 31 December 2008:						
Ms. Ng Mui King, Joky (Note 1)	-	-	168,960,000	-	168,960,000	41.58

Note:

- These shares were held by Gold City Assets Holdings Ltd. which was owned as to 51% by Ms. NG Mui King, Joky and as to 49% by Fine Day Asset Holdings Inc.

(2) Long position in shares of associated corporation

As at 31 December 2008 and save as disclosed in the table below, 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 Rule 5.46 of the GEM Listing Rules.

Director	Associated corporation	Nature of interests	Total number of shares	Approximate percentage holding of shares %
As at 31 December 2008:				
Ms. Ng Mui King, Joky	Gold City Assets Holdings Ltd.	Personal	51	51

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

Director	Personal interest	Family interest	Corporate interest	Other interest	Description of securities	Total	Approximate
						number of underlying shares	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 31 December 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 shares of the Company

Name of shareholder	Capacity	Total number of shares of HK\$0.1 each	Approximate percentage holding of shares
Gold City Assets Holdings Ltd. (Note 1)	Beneficial owner	168,960,000	41.58
Fine Day Asset Holdings Inc. (Note 1)	Interest of a controlled corporation	168,960,000	41.58
Ms. NG Mui King (Note 1)	Interest of a controlled corporation	168,960,000	41.58

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.

(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, 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 as at 31 December 2008 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 under review. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period under review.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct 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 confirms that, having made specific enquiry to all Directors, the Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions by Directors for the nine months ended 31 December 2008.

By Order of the Board
Great World Company Holdings Ltd.
NG Mui King, Joky
Chairman

Hong Kong, 5 February 2009

As at the date of this report, the Board of Directors of the Company comprises 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 Ms. Chung Koon Yan being the independent non-executive Directors.