



2010 Interim Report



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

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

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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 the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; (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\$1,439,000 and HK\$5,085,000 respectively for the three months and six months ended 30 September 2010.
- Loss attributable to owners of the Company for the three months ended 30 September 2010 was approximately HK\$3,409,000, versus a loss attributable to owners of the Company of approximately HK\$1,442,000 for the corresponding period of last year.

Loss attributable to owners of the Company for the six months ended 30 September 2010 was approximately HK\$5,137,000, versus a loss attributable to owners of the Company of approximately HK\$3,406,000 for the corresponding period of last year.

- As at 30 September 2010, the Group had approximately HK\$39,357,000 (2009: HK\$6,470,000) or HK\$0.04 (2009: HK\$0.013) 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 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 2010 and the consolidated statement of financial position of the Group as at 30 September 2010, 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 | |
|---|-------|---|------------------|---|------------------|
| | | 2010 HK\$'000 | 2009 HK\$'000 | 2010 HK\$'000 | 2009 HK\$'000 |
| Turnover | 2 | 1,439 | 5,099 | 5,085 | 8,965 |
| Cost of sales | | (1,286) | (4,692) | (4,741) | (8,258) |
| Gross profit | | 153 | 407 | 344 | 707 |
| Other revenue and net income | 2 | 78 | 3,490 | 94 | 4,715 |
| Selling and distribution costs | | (569) | (305) | (1,135) | (802) |
| Administrative and other operating expenses | | (3,941) | (4,603) | (6,433) | (8,431) |
| Operating loss | | (4,279) | (1,011) | (7,130) | (3,811) |
| Finance costs | 4 | (2) | (3) | (2) | (8) |
| Share of results of associate | | 351 | 296 | 903 | 844 |
| Loss before tax | 5 | (3,930) | (718) | (6,229) | (2,975) |
| Income tax | 6 | 275 | - | 572 | (96) |
| Loss for the period | | (3,655) | (718) | (5,657) | (3,071) |
| Profit/(loss) attributable to: | | | | | |
| Owners of the Company | | (3,409) | (1,442) | (5,137) | (3,406) |
| Non-controlling interests | | (246) | 724 | (520) | 335 |
| | | (3,655) | (718) | (5,657) | (3,071) |
| Loss per share – Basic | 7 | (0.6) cents | (0.3) cents | (1.0) cents | (0.8) cents |
| Loss per share – Diluted | 7 | N/A | N/A | N/A | N/A |
| Dividend | 8 | - | - | - | - |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | (Unaudited) Three months ended 30 September | | (Unaudited) Six months ended 30 September | |
|--|---|------------------|---|------------------|
| | 2010 HK\$'000 | 2009 HK\$'000 | 2010 HK\$'000 | 2009 HK\$'000 |
| Loss for the period | (3,655) | (718) | (5,657) | (3,071) |
| Other comprehensive income: | | | | |
| Exchange differences arising on translation of foreign operations | 375 | 20 | 728 | 33 |
| Total comprehensive income for the period | <u>(3,280)</u> | <u>(698)</u> | <u>(4,929)</u> | <u>(3,038)</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | (3,055) | (1,424) | (4,452) | (3,375) |
| Non-controlling interests | <u>(225)</u> | <u>726</u> | <u>(477)</u> | <u>337</u> |
| | <u>(3,280)</u> | <u>(698)</u> | <u>(4,929)</u> | <u>(3,038)</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | (Unaudited) 30 September 2010 HK\$'000 | (Audited) 31 March 2010 HK\$'000 |
|--|-------|---|---|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 2,970 | 3,034 |
| Goodwill | 10 | 10,539 | 10,335 |
| Other intangible assets | 11 | 822 | 864 |
| Interests in associate | | 19,284 | 18,015 |
| Deferred tax assets | | 1,074 | 486 |
| | | 34,689 | 32,734 |
| Current assets | | | |
| Inventories | | 12,525 | 11,589 |
| Trade and other receivables | 12 | 11,199 | 15,244 |
| Cash and bank deposits | | 39,357 | 6,930 |
| | | 63,081 | 33,763 |
| Current liabilities | | | |
| Trade and other payables | 13 | (24,029) | (29,075) |
| Amounts due to directors | 14 | (423) | (5,557) |
| | | (24,452) | (34,632) |
| Net current assets/(liabilities) | | 38,629 | (869) |
| Net assets | | 73,318 | 31,865 |
| Capital and reserves | | | |
| Share capital | 15 | 97,263 | 48,631 |
| Reserves | 16 | (25,533) | (18,831) |
| Equity attributable to owners of the Company | | 71,730 | 29,800 |
| Non-controlling interests | | 1,588 | 2,065 |
| Equity | | 73,318 | 31,865 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to owners of the Company | | | | | | Total | Non-controlling interests | Total |
|--|---------------------------------------|---------------|-----------------------|------------------------|---------------------|--------------------|----------|---------------------------|---------|
| | Share capital | Share premium | Share options reserve | PRC statutory reserves | Translation reserve | Accumulated losses | | | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| At 1 April 2009 (audited) | 40,631 | 109,932 | 706 | 3,808 | 3,450 | (142,080) | 16,447 | 1,317 | 17,764 |
| Total comprehensive income for the period | - | - | - | - | 31 | (3,406) | (3,375) | 337 | (3,038) |
| Shares issued pursuant to a subscription agreement | 8,000 | 13,200 | - | - | - | - | 21,200 | - | 21,200 |
| Cost attributable to issue of new shares | - | (1,051) | - | - | - | - | (1,051) | - | (1,051) |
| At 30 September 2009 (unaudited) | 48,631 | 122,081 | 706 | 3,808 | 3,481 | (145,486) | 33,221 | 1,654 | 34,875 |
| At 1 April 2010 (audited) | 48,631 | 122,081 | 706 | 3,808 | 3,546 | (148,972) | 29,800 | 2,065 | 31,865 |
| Total comprehensive income for the period | - | - | - | - | 685 | (5,137) | (4,452) | (477) | (4,929) |
| Rights shares issued | 48,632 | - | - | - | - | - | 48,632 | - | 48,632 |
| Cost attributable to issue of rights shares | - | (2,250) | - | - | - | - | (2,250) | - | (2,250) |
| At 30 September 2010 (unaudited) | 97,263 | 119,831 | 706 | 3,808 | 4,231 | (154,109) | 71,730 | 1,588 | 73,318 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)
Six months ended
30 September

| | 2010 <i>HK\$'000</i> | 2009 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Net cash used in operating activities | (14,043) | (15,694) |
| Net cash generated from/(used in) investing activities | 3 | (774) |
| Net cash generated from financing activities | 46,380 | 19,906 |
| | 32,340 | 3,438 |
| Net increase in cash and cash equivalents | | |
| Cash and cash equivalents at 1 April | 6,930 | 3,030 |
| Effect of foreign exchange rate changes | 87 | 2 |
| | 39,357 | 6,470 |
| Cash and cash equivalents at 30 September | | |
| Analysis of balances of cash and cash equivalents: | | |
| Cash and bank deposits | 39,357 | 6,470 |
| | 39,357 | 6,470 |

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

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

The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2010 except as stated below.

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 2010. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and amounts reported for the current period and prior years except for HKAS 27 (Revised) "Consolidated and Separate Financial Statements" which contains the following requirements:

- Total comprehensive income is attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance. The previous HKAS 27 requires excess losses to be allocated to the owners of the Company, except to the extent that the non-controlling shareholders have a binding obligation and are able to make an additional investment to cover the losses.
- Changes in the Company's ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributed to the owners of the Company. The previous HKAS 27 does not have specific requirements for such transactions.
- When the disposal of a subsidiary results in a loss of control, the consideration of the sale and any investment retained in that subsidiary are required to be measured at their fair values. The previous HKAS 27 does not have specific requirements for such fair value measurements.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its 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 | |
|--|---|------------------|---|------------------|
| | 2010 HK\$'000 | 2009 HK\$'000 | 2010 HK\$'000 | 2009 HK\$'000 |
| Turnover: | | | | |
| Sale of goods, net of discounts and value-added tax | 1,439 | 5,099 | 5,085 | 8,965 |
| Other revenue and net income: | | | | |
| Bank interest income | 2 | 2 | 5 | 4 |
| Other service income | 76 | 1,187 | 89 | 1,989 |
| Reversal of impairment loss on trade and other receivables | - | 1,429 | - | 1,429 |
| Reversal of write-down of inventories | - | 872 | - | 1,162 |
| Sundry income | - | - | - | 131 |
| | 78 | 3,490 | 94 | 4,715 |
| Total revenue | 1,517 | 8,589 | 5,179 | 13,680 |

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 has 2 reportable segments – (1) assembly, distribution and integration of telecommunications products and (2) exploration, mining and processing of iron. 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 2010 | | | (Unaudited) Six months ended 30 September 2010 | | |
|---------------------------------|---|---|-------------------|---|---|-------------------|
| | Assembly, distribution and integration of telecommuni- cations products HK\$'000 | Exploration, mining and processing of iron HK\$'000 | Total HK\$'000 | Assembly, distribution and integration of telecommuni- cations products HK\$'000 | Exploration, mining and processing of iron HK\$'000 | Total HK\$'000 |
| Revenue from external customers | 1,260 | 179 | 1,439 | 4,906 | 179 | 5,085 |
| Interest revenue | 2 | - | 2 | 5 | - | 5 |
| Depreciation and amortisation | 3 | 78 | 81 | 6 | 156 | 162 |
| Reportable segment loss | 879 | 220 | 1,099 | 1,882 | 404 | 2,286 |
| Share of results of associate | 351 | - | 351 | 903 | - | 903 |
| Tax credit | 220 | 55 | 275 | 471 | 101 | 572 |

| | (Unaudited) Three months ended 30 September 2009 | | | (Unaudited) Six months ended 30 September 2009 | | |
|---|---|---|-------------------|---|---|-------------------|
| | Assembly, distribution and integration of telecommuni- cations products HK\$'000 | Exploration, mining and processing of iron HK\$'000 | Total HK\$'000 | Assembly, distribution and integration of telecommuni- cations products HK\$'000 | Exploration, mining and processing of iron HK\$'000 | Total HK\$'000 |
| Revenue from external customers | 5,099 | - | 5,099 | 8,965 | - | 8,965 |
| Interest revenue | 2 | - | 2 | 4 | - | 4 |
| Reversal of write-down of inventories | 872 | - | 872 | 1,162 | - | 1,162 |
| Interest expense | - | 3 | 3 | - | 8 | 8 |
| Depreciation and amortisation | 2 | 79 | 81 | 5 | 158 | 163 |
| Reversal of impairment loss on trade and other receivables | 1,429 | - | 1,429 | 1,429 | - | 1,429 |
| Reportable segment profit/(loss) | 3,633 | (377) | 3,256 | 3,066 | (832) | 2,234 |
| Share of results of associate | 296 | - | 296 | 844 | - | 844 |
| Tax charge | - | - | - | 96 | - | 96 |

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

| | (Unaudited) Three months ended 30 September | | (Unaudited) Six months ended 30 September | |
|---|---|------------------|---|------------------|
| | 2010 HK\$'000 | 2009 HK\$'000 | 2010 HK\$'000 | 2009 HK\$'000 |
| Revenue | | | | |
| Total revenue for reportable segments | 1,439 | 5,099 | 5,085 | 8,965 |
| Consolidated turnover | 1,439 | 5,099 | 5,085 | 8,965 |
| Profit or loss | | | | |
| Total profit/(loss) for reportable segments | (1,099) | 3,256 | (2,286) | 2,234 |
| Share of results of associate | 351 | 296 | 903 | 844 |
| Unallocated corporate expenses | (3,182) | (4,270) | (4,846) | (6,053) |
| Consolidated loss before tax | (3,930) | (718) | (6,229) | (2,975) |

| | (Unaudited) 30 September 2010 HK\$'000 | (Audited) 31 March 2010 HK\$'000 |
|---|---|---|
| | Assets | |
| Total assets for reportable segments | 41,565 | 47,116 |
| Interests in associate | 19,284 | 18,015 |
| Unallocated corporate assets | 36,921 | 1,366 |
| Consolidated total assets | 97,770 | 66,497 |
| Liabilities | | |
| Total liabilities for reportable segments | 23,445 | 27,643 |
| Unallocated corporate liabilities | 1,007 | 6,989 |
| Consolidated total liabilities | 24,452 | 34,632 |

(c) **Geographical information**

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

| | (Unaudited) Revenues from external customers Three months ended 30 September | | (Unaudited) Revenues from external customers Six months ended 30 September | |
|-----|---|--------------------------|---|--------------------------|
| | 2010 HK\$'000 | 2009 HK\$'000 | 2010 HK\$'000 | 2009 HK\$'000 |
| PRC | <u>1,439</u> | <u>5,099</u> | <u>5,085</u> | <u>8,965</u> |

4. **Finance costs**

| | (Unaudited) Three months ended 30 September | | (Unaudited) Six months ended 30 September | |
|---|--|--------------------------|--|--------------------------|
| | 2010 HK\$'000 | 2009 HK\$'000 | 2010 HK\$'000 | 2009 HK\$'000 |
| Interest and other finance expenses on unsecured borrowings wholly repayable within 5 years | - | 3 | - | 8 |
| Other finance expenses | <u>2</u> | <u>-</u> | <u>2</u> | <u>-</u> |
| | <u>2</u> | <u>3</u> | <u>2</u> | <u>8</u> |

5. **Loss before tax**

| | (Unaudited) Three months ended 30 September | | (Unaudited) Six months ended 30 September | |
|--|--|--------------------------|--|--------------------------|
| | 2010 HK\$'000 | 2009 HK\$'000 | 2010 HK\$'000 | 2009 HK\$'000 |
| Loss before tax is stated after charging: | | | | |
| Staff costs (including directors' remuneration) | 2,267 | 1,812 | 4,032 | 3,552 |
| Operating lease charges in respect of land and buildings | 255 | 105 | 443 | 353 |
| Depreciation and amortisation | <u>90</u> | <u>81</u> | <u>180</u> | <u>163</u> |

6. **Income tax**

| | (Unaudited) Three months ended 30 September | | (Unaudited) Six months ended 30 September | |
|-----------------------------------|--|-------------------------|--|-------------------------|
| | 2010 <i>HK\$'000</i> | 2009 <i>HK\$'000</i> | 2010 <i>HK\$'000</i> | 2009 <i>HK\$'000</i> |
| Current tax: | | | | |
| Hong Kong profits tax | - | - | - | - |
| PRC enterprise income tax | - | - | - | (96) |
| Income tax of other jurisdictions | - | - | - | - |
| | - | - | - | (96) |
| Deferred tax | 275 | - | 572 | - |
| Tax credit/(charge) | 275 | - | 572 | (96) |

- (i) Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. PRC subsidiaries are subject to PRC enterprise income tax at the rate of 25%. Income tax of other jurisdictions is calculated at the rate(s) of taxation prevailing in the relevant jurisdictions in which the Group operates.

No current tax has been provided for as the Group did not have any assessable profits for the three months and six months ended 30 September 2010.

- (ii) Deferred tax represents the benefit arising from the recognition of deferred tax assets on unused tax losses of the Group's PRC operations (three months and six months ended 30 September 2009: nil).

7. **Earnings/loss per share**

The calculation of the basic and diluted earnings/loss per share is based on the following data:

| | (Unaudited) Three months ended 30 September | | (Unaudited) Six months ended 30 September | |
|--|--|-------------------------|--|-------------------------|
| | 2010 <i>HK\$'000</i> | 2009 <i>HK\$'000</i> | 2010 <i>HK\$'000</i> | 2009 <i>HK\$'000</i> |
| Earnings: | | | | |
| Earnings for the purposes of basic and diluted earnings/loss per share – loss for the period attributable to owners of the Company | (3,409) | (1,442) | (5,137) | (3,406) |
| Numbers of shares: | '000 | '000 | '000 | '000 |
| Issued ordinary shares at beginning of the period | 486,314 | 406,314 | 486,314 | 406,314 |
| Effect of ordinary shares issued | 95,148 | 47,826 | 47,834 | 24,043 |
| Weighted average number of ordinary shares for the purpose of basic earnings/loss per share | 581,462 | 454,140 | 534,148 | 430,357 |
| Effect of dilutive share options | - | - | - | - |
| Weighted average number of ordinary shares for the purposes of diluted earnings/loss per share | 581,462 | 454,140 | 534,148 | 430,357 |

Diluted loss per share has not been disclosed for the three months and six months ended 30 September 2010 and 2009 as there were no potential ordinary shares on the share options outstanding of which the exercise prices are above the relevant average market prices of the Company's shares during the periods.

8. Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2010 (six months ended 30 September 2009: nil).

9. Property, plant and equipment

| | <i>HK\$'000</i> |
|--|-----------------|
| <hr/> | |
| Cost: | |
| At 1 April 2010 (audited) | 4,393 |
| Additions | 2 |
| Disposals | – |
| Exchange adjustments | 82 |
| | <hr/> |
| At 30 September 2010 (unaudited) | 4,477 |
| | <hr/> |
| Accumulated depreciation and impairment: | |
| At 1 April 2010 (audited) | 1,359 |
| Provided for the period | 122 |
| Eliminated on disposals | – |
| Exchange adjustments | 26 |
| | <hr/> |
| At 30 September 2010 (unaudited) | 1,507 |
| | <hr/> |
| Carrying amounts: | |
| At 30 September 2010 (unaudited) | 2,970 |
| | <hr/> |
| At 31 March 2010 (audited) | 3,034 |
| | <hr/> |

10. Goodwill

| | <i>HK\$'000</i> |
|---|-----------------|
| <hr/> | |
| Cost: | |
| At 1 April 2010 (audited) | 10,335 |
| Exchange adjustments | 204 |
| | <hr/> |
| At 30 September 2010 (unaudited) | 10,539 |
| | <hr/> |
| Accumulated impairment losses: | |
| At 1 April 2010 (audited) and 30 September 2010 (unaudited) | – |
| | <hr/> |
| Carrying amounts: | |
| At 30 September 2010 (unaudited) | 10,539 |
| | <hr/> |
| At 31 March 2010 (audited) | 10,335 |
| | <hr/> |

11. Other intangible assets

| | Mining rights HK\$'000 |
|--|----------------------------------|
| Cost: | |
| At 1 April 2010 (audited) | 1,151 |
| Exchange adjustments | 23 |
| | <hr/> |
| At 30 September 2010 (unaudited) | 1,174 |
| | <hr/> |
| Accumulated amortisation and impairment: | |
| At 1 April 2010 (audited) | 287 |
| Provided for the period | 58 |
| Exchange adjustments | 7 |
| | <hr/> |
| At 30 September 2010 (unaudited) | 352 |
| | <hr/> |
| Carrying amounts: | |
| At 30 September 2010 (unaudited) | 822 |
| | <hr/> |
| At 31 March 2010 (audited) | 864 |
| | <hr/> |

12. Trade and other receivables

| | (Unaudited) 30 September 2010 HK\$'000 | (Audited) 31 March 2010 HK\$'000 |
|--|---|---|
| Trade receivables | 9,517 | 13,717 |
| Other receivables, prepayments and deposits | 1,682 | 1,527 |
| | <hr/> | <hr/> |
| | 11,199 | 15,244 |
| | <hr/> | <hr/> |
| An aged analysis of trade receivables is as follows: | | |
| Within 3 months | 408 | 11,147 |
| Over 3 months but within 1 year | 9,109 | 2,570 |
| | <hr/> | <hr/> |
| | 9,517 | 13,717 |
| | <hr/> | <hr/> |

The average credit period allowed to customers is 90 days. Provision is made against trade receivables to the extent they are considered to be doubtful based on historical experience on possibility of recovery. Trade receivables are stated net of such provision.

13. Trade and other payables

| | (Unaudited) 30 September 2010 HK\$'000 | (Audited) 31 March 2010 HK\$'000 |
|---|---|---|
| Trade payables | 14,854 | 17,782 |
| Other payables and accrued charges | 9,175 | 11,293 |
| | 24,029 | 29,075 |
| An aged analysis of trade payables is as follows: | | |
| Within 3 months | 883 | 11,484 |
| Over 3 months but within 1 year | 13,971 | 6,298 |
| | 14,854 | 17,782 |

Other payables and accrued charges include an amount of approximately HK\$4,923,000 (31 March 2010: HK\$5,014,000) due to a shareholder, who is also a director, of a non wholly-owned subsidiary of the Company. The amount is unsecured, non-interest bearing and has no fixed repayment terms.

14. Amounts due to directors

The amounts are unsecured, non-interest bearing and have no fixed repayment terms.

15. Share capital

| | (Unaudited) 30 September 2010 HK\$'000 | (Audited) 31 March 2010 HK\$'000 |
|--|---|---|
| Authorised: 2,000,000,000 (31 March 2010: 800,000,000) ordinary shares of HK\$0.1 each | 200,000 | 80,000 |
| Issued and fully paid: 972,628,000 (31 March 2010: 486,314,000) ordinary shares of HK\$0.1 each | 97,263 | 48,631 |

Pursuant to an ordinary resolution passed by the independent shareholders of the Company at an extraordinary general meeting held on 19 August 2010, the authorised capital of the Company was increased from HK\$80,000,000 divided into 800,000,000 shares to HK\$200,000,000 divided into 2,000,000,000 shares by the creation of an additional 1,200,000,000 shares. On 13 September 2010, 486,314,000 rights shares were issued, on the basis of one rights share for every existing share held on the record date, to the qualifying shareholders at a subscription price of HK\$0.1 per rights share. The rights shares rank pari passu in all respects with the existing shares of the Company.

16. 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 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.

17. Commitments

(a) Operation lease commitments

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases is analysed as follows:

| | (Unaudited) 30 September 2010 <i>HK\$'000</i> | (Audited) 31 March 2010 <i>HK\$'000</i> |
|--|---|--|
| Properties | | |
| – within one year | 698 | 838 |
| – after one year but within five years | 511 | 877 |
| | 1,209 | 1,715 |

(b) Capital commitments

The Group did not have any material capital commitments as at 30 September 2010 (30 September 2009: nil).

18. 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 | |
|-----------------------------------|---|------------------|---|------------------|
| | 2010 HK\$'000 | 2009 HK\$'000 | 2010 HK\$'000 | 2009 HK\$'000 |
| Fees, salaries and other benefits | <u>1,531</u> | <u>1,358</u> | <u>2,874</u> | <u>2,701</u> |

- (b) Amounts due to directors of the Company as at 30 September 2010 and 31 March 2010 are disclosed in the condensed consolidated statement of financial position; other details are disclosed in note 14.
- (c) Amounts due to 王富家 ("Mr. Wong"), a director and a non-controlling shareholder of a subsidiary, 鳳山縣黔興礦業有限責任公司 ("Feng Shan"), of the Company, as at 30 September 2010 and 31 March 2010 are disclosed in note 13.

19. Events after the reporting date

On 3 November 2010, China Score International Holdings Limited ("China Score"), a wholly-owned subsidiary of the Company, and 王富家 ("Mr. Wong"), a director and a non-controlling shareholder of 鳳山縣黔興礦業有限責任公司 ("Feng Shan"), a non wholly-owned subsidiary of the Company, entered into an agreement pursuant to which China Score has conditionally agreed to acquire from Mr. Wong the 49% equity interest in Feng Shan currently held by Mr. Wong (the "Acquisition") at a cash consideration of RMB2.8 million (equivalent to approximately HK\$3.18 million) and both China Score and Mr. Wong agreed to waive the profit guarantee as to the audited net profit after tax of Feng Shan prepared under the International Accounting Standards for each of the two years ending 31 December 2010 and 31 December 2011 shall be at least RMB10 million (equivalent to approximately HK\$11.36 million) and to assign from Mr. Wong to China Score the loans owed by Feng Shan to Mr. Wong of not less than RMB4 million (equivalent to approximately HK\$4.544 million) upon completion of the Acquisition. The Acquisition constitutes a discloseable and connected transaction which is subject to the Company's independent shareholders' approval in accordance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. Details of the Acquisition are disclosed in an announcement issued by the Company on 3 November 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Operations

Turnover was approximately HK\$5,085,000 for the six months ended 30 September 2010 compared with a turnover of approximately HK\$8,965,000 for the corresponding period of last year.

The gross margin was 7% for the current period as compared to a gross profit margin of 8% for the corresponding period of last year.

Other revenue and net income is disclosed in note 2 to the financial statements.

During the period, the Group continued to control the selling and distribution costs and the administrative and other operating expenses tightly.

Finance costs decreased as compared to the corresponding period of last year.

The Group posted a loss attributable to owners of the Company of approximately HK\$5,137,000 for the six months ended 30 September 2010, which was approximately 51% higher than the loss attributable to owners of the Company incurred for the corresponding period of last year.

Segment Information

Segment information is disclosed in note 3 to the financial statements.

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 monitoring equipment industry of China has become unfavorable and competitive.

Mining Products

The Group will make effort to develop the iron mines after the completion of the acquisition of 49% from the minority owner.

Liquidity, Financial Resources and Capital Structure

As at 30 September 2010, our cash balance of approximately HK\$39,357,000 has increased by approximately 468% when comparing with the cash balance of approximately HK\$6,930,000 as of 31 March 2010.

As at 30 September 2010, the Group had net current assets of approximately HK\$38,629,000. The Company has raised approximately HK\$48.6 million before expenses, by way of the Rights Issue announced on 6 July 2010, on the basis of one Rights Share for every existing share held on 19 August 2010. The Rights Issue involved an issue of 486,314,000 Rights Shares at the Subscription Price of HK\$0.1 per Rights Share which become unconditional on 8 September 2010. Therefore, the directors are of the view that the Group will have sufficient working capital for the foreseeable future.

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 2010, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes.

Change in the capital structure and issued capital of the Group has been disclosed under note 15 to the financial statements.

Gearing ratio

The Group's gearing ratio, which was defined as the ratio of total long term borrowings to total equity, was 0% as at 30 September 2010 (31 March 2010 : 0%).

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 September 2010 and 31 March 2010.

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.

No option was granted under the 2002 Share Option Scheme, exercised, cancelled or lapsed during the period under review.

The following table discloses details of options outstanding under the 2002 Share Option Scheme at the beginning and at the end of the period under review. There is no movement during the period under review except that the exercise price was adjusted from HK\$0.319 to HK\$0.23925 and the total outstanding options was adjusted from 7,436,000 shares to 9,914,668 shares effective from 13 September 2010 upon the issue of Rights Shares.

| Grantee | Date of grant | Exercise price HK\$ | Exercise period | Outstanding at end of the period | Outstanding at beginning of the period |
|------------------------|---------------|------------------------|-----------------------|--|--|
| Directors | | | | | |
| Ms. Ng Mui King, Joky | 29/2/2008 | 0.23925 | 29/2/2008 to 2/8/2012 | 450,667 | 338,000 |
| Mr. Wong Kai Tat | 29/2/2008 | 0.23925 | 29/2/2008 to 2/8/2012 | 4,506,667 | 3,380,000 |
| Ms. Hui Sin Man, Alice | 29/2/2008 | 0.23925 | 29/2/2008 to 2/8/2012 | 450,667 | 338,000 |
| Sub-total | | | | 5,408,001 | 4,056,000 |
| Employees | 29/2/2008 | 0.23925 | 29/2/2008 to 2/8/2012 | 4,506,667 | 3,380,000 |
| Total | | | | 9,914,668 | 7,436,000 |

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 six months ended 30 September 2010.

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 two independent non-executive directors, namely Mr. Ng Edwin and Ms. Hui Sin Man, Alice (chairman of the remuneration committee). Mr. Ng Edwin resigned on 30 September 2010 and Mr. Chan Ying Cheong was appointed to the Committee on the same day.

The principal responsibilities of the remuneration committee include formulation of the remuneration policy, review and recommending to the Board the annual remuneration policy, and determination of the remuneration of the Executive Directors and members of the Senior Management.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors, namely Mr. Chung Koon Yan (chairman of the audit committee), Mr. Ng Edwin and Ms. Hui Sin Man, Alice. Mr. Ng Edwin resigned on 30 September 2010 and Mr. Chan Ying Cheong was appointed to the Committee on the same day. 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 30 September 2010, the interests of the Directors and Chief Executive 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 were as follows:

(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 | | |
| Ms. Ng Mui King, Joky | 450,667 (Note 2) | – | 337,920,000 (Note 1) | – | 338,370,667 | 34.79 |

Notes:

1. 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. This represents share options held by Ms. Ng Mui King, Joky under the 2002 Share Option Scheme disclosed in paragraph (2) below.

(2) **Long position in the underlying shares of the Company's share options**

| 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 | 450,667 | - | - | - | Share options | 450,667 | 0.046 |
| Mr. Wong Kai Tat | 4,506,667 | - | - | - | Share options | 4,506,667 | 0.46 |
| Ms. Hui Sin Man, Alice | 450,667 | - | - | - | Share options | 450,667 | 0.046 |

Save as disclosed above, none of the Directors and the Chief Executive of the Company has interests and short positions in the shares, the underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were 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.

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 DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 30 September 2010, the interest of the shareholders (other than the Directors or the Chief Executive of the Company) 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. | Beneficial Owner | 337,920,000 <i>(Note 1)</i> | 34.74 |
| Fine Day Asset Holdings Inc. | Interest of a controlled corporation | 337,920,000 <i>(Note 1)</i> | 34.74 |
| Mr. Tong Wang Chow | Beneficial Owner | 77,904,000 | 8.01 |

Note:

- The 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. Ng Mui King, Joky, an executive Director of the Company, is also a director of Gold City Assets Holdings Ltd.

(2) Other members of the Group

| Name of subsidiary | Name of shareholder | Approximate percentage of shareholding % |
|--|-----------------------------|--|
| 鳳山縣黔興礦業有限責任公司 (Feng Shan Xian Qian Xing Mining Industry Company Limited*) | 王富家先生 (Mr. Wong Fu Jia*) | 49 |

Save as disclosed above, there are no other interests or short positions of any person, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance.

* for identification purposes only

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 2010.

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

Hong Kong, 12 November 2010

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