



世大控股有限公司
GREAT WORLD COMPANY HOLDINGS LTD
(incorporated in the Cayman Islands with limited liability)
(Stock code: 8003)

2ND QUARTERLY RESULTS 2010/2011

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

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This announcement, 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 announcement 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 announcement misleading; and (3) all opinions expressed in this announcement 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	(3,280)	(698)	(4,929)	(3,038)
Total comprehensive income attributable to:				
Owners of the Company	(3,055)	(1,424)	(4,452)	(3,375)
Non-controlling interests	(225)	726	(477)	337
	(3,280)	(698)	(4,929)	(3,038)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) 30 September 2010 HK\$'000	(Audited) 31 March 2010 HK\$'000
	Notes		
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)
		71,730	29,800
Equity attributable to owners of the Company		1,588	2,065
Non-controlling interests			
Equity		73,318	31,865

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						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	17,764
Total comprehensive income for the period	-	-	-	-	31	(3,406)	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	34,875
At 1 April 2010 (audited)	48,631	122,081	706	3,808	3,546	(148,972)	29,800	31,865
Total comprehensive income for the period	-	-	-	-	685	(5,137)	(4,452)	(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	73,318

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Six months ended 30 September	
	2010 HK\$'000	2009 HK\$'000
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
Net increase in cash and cash equivalents	32,340	3,438
Cash and cash equivalents at 1 April	6,930	3,030
Effect of foreign exchange rate changes	87	2
Cash and cash equivalents at 30 September	39,357	6,470
Analysis of balances of cash and cash equivalents:		
Cash and bank deposits	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)
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 provided or the goods were delivered.

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

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	2	–	2	–
	2	3	2	8

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	90	81	180	163

6. Income 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
Current tax:				
Hong Kong profits tax	-	-	-	-
PRC enterprise income tax	-	-	-	(96)
Income tax of other jurisdictions	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96)</u>
Deferred tax	275	-	572	-
	<u>275</u>	<u>-</u>	<u>572</u>	<u>(96)</u>
Tax credit/(charge)				
	<u>275</u>	<u>-</u>	<u>572</u>	<u>(96)</u>

- (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 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Earnings:				
Earnings for the purposes of basic and diluted earnings/loss per share – loss for the period attributable to owners of the Company	<u>(3,409)</u>	<u>(1,442)</u>	<u>(5,137)</u>	<u>(3,406)</u>
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	<u>95,148</u>	<u>47,826</u>	<u>47,834</u>	<u>24,043</u>
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	<u>581,462</u>	<u>454,140</u>	<u>534,148</u>	<u>430,357</u>

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

10. Goodwill

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

11. Other intangible assets

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

12. Trade and other receivables

	(Unaudited) 30 September 2010 HK\$'000	(Audited) 31 March 2010 <i>HK\$'000</i>
Trade receivables	9,517	13,717
Other receivables, prepayments and deposits	1,682	1,527
	11,199	15,244
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
	9,517	13,717

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 HK\$'000	(Audited) 31 March 2010 HK\$'000
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 announcement 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				Approximate	
	Personal interest	Family interest	Corporate interest	Other interest	Total number of shares	percentage holding of shares %
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 (Note 1)	34.74
Fine Day Asset Holdings Inc.	Interest of a controlled corporation	337,920,000 (Note 1)	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 announcement, 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.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website <http://www.gwchl.com>.