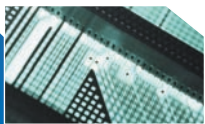
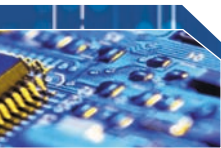




GOLDING SOFT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8190)



FIRST QUARTERLY REPORT
2006/2007

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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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 principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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 (the “Directors”) of Golding Soft Limited (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 (the “GEM Listing Rules”) 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; (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

The turnover of the Group for the three months ended 30 September 2006 was RMB10,215,993, representing an increase of approximately 18.2% as compared to the three months ended 30 September 2005 ("corresponding period in 2005").

For the three months ended 30 September 2006, the unaudited loss attributable to the equity holders of the Company was RMB1,436,109 (corresponding period in 2005: RMB6,724,577).

The loss per share was RMB0.12 cents for the three months ended 30 September 2006 (corresponding period in 2005: RMB0.67 cents).

RESULTS

The Board of Directors (the "Board") wishes to announce the unaudited results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 30 September 2006 (the "Period"), together with the unaudited comparative figures for the corresponding period in 2005 as follows:

UNAUDITED CONSOLIDATED INCOME STATEMENT

		Three months ended	
		30 September	
		2006	2005
		(Unaudited)	(Unaudited)
	<i>Notes</i>	RMB	RMB
Revenue	3	10,215,993	8,644,559
Cost of sales		(9,461,605)	(8,414,220)
Gross profit		754,388	230,339
Other income	3	335,963	239,975
Selling and distribution costs		(412,503)	(1,483,822)
Administrative expenses		(1,529,209)	(2,670,687)
Other operating expenses		(569,708)	(3,034,480)
Operating loss		(1,421,069)	(6,718,675)
Finance cost		–	(3,811)
Loss before income tax		(1,421,069)	(6,722,486)
Income tax expense	4	(1,404)	(168)
Loss for the period		(1,422,473)	(6,722,654)
Attributable to:			
Equity holders of the Company		(1,436,109)	(6,724,577)
Minority interests		13,636	1,923
		(1,422,473)	(6,722,654)
Loss per share	5		
– Basic		(0.12) cents	(0.67) cents
– Diluted		N/A	N/A

Notes:

1. The Company

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 28 August 2001 and its shares are listed on the GEM of the Stock Exchange.

2. Basis of presentation and accounting policies

The unaudited condensed consolidated results incorporate those of the Company and its subsidiaries for the three months ended 30 September 2006.

The unaudited condensed consolidated results of the Group are prepared in accordance with and comply with all applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"). They are prepared under the historical cost conversion.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2006.

2. Basis of presentation and accounting policies *(continued)*

The following new standards, amendments to standards and interpretations issued by HKICPA are applicable for the year ending 30 June 2007.

HKAS 19 (Amendment)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures ¹
HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation ¹
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions ¹
HKAS 39 (Amendment)	The Fair Value Option ¹
HKAS 39 & HKFRS 4 (Amendment)	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts ¹
HKFRS 6	Exploration for and Evaluation of Mineral Resources ¹
HK(IFRIC) – Int 4	Determining whether an Arrangement contains a Lease ¹
HK(IFRIC) – Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds ¹
HK(IFRIC) – Int 6	Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment ²
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³
HK(IFRIC) – Int 8	Scope of HKFRS 2 ⁴
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives ⁵

Note:

¹ Effective for annual periods beginning on or after 1 January 2006

² Effective for annual periods beginning on or after 1 December 2005

³ Effective for annual periods beginning on or after 1 March 2006

⁴ Effective for annual periods beginning on or after 1 May 2006

⁵ Effective for annual periods beginning on or after 1 June 2006

The above mentioned new standards, amendments to standards and interpretations have no material impact on the Group's operations.

2. Basis of presentation and accounting policies *(continued)*

The Group has not early adopted the following standards or interpretations that have been issued but are not yet effective. The Directors of the Company anticipate that the adoption of such standards and interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments – Disclosures ¹
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment ²

Note:

¹ Effective for annual periods beginning on or after 1 January 2007

² Effective for annual periods beginning on or after 1 November 2006

All significant inter-company transactions and balances within the Group are eliminated in the preparation of the consolidated financial statements.

The Group principally operates in the People's Republic of China (the "PRC") with its business activities principally transacted in Renminbi ("RMB") and therefore, the results of the Group are expressed in RMB.

3. Revenue and other income

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and services rendered, after allowances for return and trade discounts, where applicable. Analysis of the Group's revenue and other income is shown as follows:

	Three months ended	
	30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	RMB	RMB
Revenue		
Rendering of services	1,167,050	118,850
Sales of goods	9,048,943	8,525,709
	10,215,993	8,644,559
Other income		
Interest income	210,159	239,975
Sundry income	125,804	–
Total revenue	10,551,956	8,884,534

3. Revenue and other income (continued)

Analysis of the Group's turnover in three inter-related business segments is shown as follows:

	Three months ended 30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	RMB	RMB
Provision of ODM software	1,106,450	59,100
Provision of proprietary packaged software	60,600	59,750
Provision of system solutions	9,048,943	8,525,709
	<u>10,215,993</u>	<u>8,644,559</u>

4. Income tax expense

No Hong Kong profits tax has been provided for the three months ended 30 September 2006 (corresponding period in 2005: Nil) as the Group did not generate any assessable profits arising from its operations in Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Three months ended 30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	RMB	RMB
Current period's provision		
Hong Kong	–	–
PRC	1,404	168
	<u>1,404</u>	<u>168</u>
Tax charge for the period	1,404	168

5. Loss per share

The calculation of basic loss per share for the three months ended 30 September 2006 is based on the unaudited loss attributable to equity holders of the Company of RMB1,436,109 (corresponding period in 2005: RMB6,724,577) and on the weighted average number of 1,200,000,000 ordinary shares (three months ended 30 September 2005: 1,000,000,000 ordinary shares) in issue during the period.

No diluted loss per share for the three months ended 30 September 2005 and 2006 has been presented because there is no dilutive potential ordinary shares in existence during the corresponding periods in 2005 and 2006.

6. Share capital and reserves

	Attributable to equity holders of the Company				Total	Minority interests	Total equity
	Share capital	Share premium	Statutory reserves	Accumulated losses			
	RMB	RMB	RMB	RMB	RMB	RMB	RMB
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
As at 1 July 2006	12,600,000	40,744,505	476,904	(27,659,166)	26,162,243	160,567	26,322,810
Net loss for the period	-	-	-	(1,436,109)	(1,436,109)	13,636	(1,422,473)
At 30 September 2006	12,600,000	40,744,505	476,904	(29,095,275)	24,726,134	174,203	24,900,337
As at 1 July 2005	10,500,000	40,026,000	413,500	(7,000,872)	43,938,628	(15,485)	43,923,143
Net loss for the period	-	-	-	(6,724,577)	(6,724,577)	1,923	(6,722,654)
At 30 September 2005	10,500,000	40,026,000	413,500	(13,725,449)	37,214,051	(13,562)	37,200,489

INTERIM DIVIDEND

The Board does not propose the payment of an interim dividend for the three months ended 30 September 2006 (corresponding period in 2005: Nil).

FINANCIAL REVIEW

The Group recorded a turnover of RMB10,215,993 for the three months ended 30 September 2006, representing an increase of approximately 18.2% as compared to the corresponding period in last year. The increase in turnover of the Group is due to the increase in revenue from ODM software and system solutions segments. The unaudited loss attributable to the equity holders of the Company for the three months ended 30 September 2006 amounting to RMB1,436,109, representing a decrease of approximately 78.6% as compared to the corresponding period in last year.

The Group's gross profit margin increased to 7.4% for the three months ended 30 September 2006, as compared to approximately 2.6% for the corresponding period in last year. As already mentioned in our Third Quarterly Report in 2005/06, we implemented a staff reduction scheme in December 2005. The increase in gross profit margin and the decrease in loss attributable to the equity holders of the Company as compared to the corresponding period in last year were due to the reduction of labour costs which constituted part of research and development costs, selling and distribution costs and administration expenses.

BUSINESS REVIEW

The Group was principally engaged in three inter-related business segments namely, provision of original design manufacturing ("ODM") software, provision of proprietary packaged software and provision of system solutions.

During the period, the Group maintained the ISO9001: 2000 Certification. The success in the compliance of ISO9001: 2000 standard in the Group's quality management system verifies its dedication to continuous improvement on product quality and standard.

The current status of the Group's three primary business segments is as follows:

Provision of ODM software

Software outsourcing continues to be a trend in the development of global software market. Our core strategy is to establish and maintain long-term relationship with international technology vendors in order to keep abreast of the latest software development trend.

This segment includes the e-government projects.

The ODM software market in the PRC has continued to grow over the past years. By leveraging the Group's expertise in this segment, we have successfully won various software projects in Jiangxi Province, the PRC. Some of the new clients include Tender and Bidding Office of Nanchang City (南昌市招投標辦).

Provision of proprietary packaged software

The packaged software market in the PRC encountered an intense competition. This affected our sales of proprietary packaged software. To our competitiveness in the software industry, we have continuously upgraded our existing packaged software and developed innovative packaged software for different industries.

Provision of system solutions

We also engage in distribution of Founder's computer products (方正電腦產品) in the PRC.

Sales and marketing

We have been actively participating in bidding for the e-government projects in Jiangxi Province, the PRC. The Group has been recognised as "Jiangxi Provincial Enterprise Information Advanced Work Unit" (江西省企業信息化先進單位) for the past three years.

We proactively carry out various marketing activities. We have participated in certain trade shows including the International ICT Expo in Hong Kong and other shows in the PRC. These trade shows provide the avenue for us to meet with existing and potential customers, and to launch our latest products.

We also advertised in major IT magazines, issued press releases and arranged products training for authorized agents and alliance partners to increase publicity. We have also arranged visits of well-known persons to our R&D centre in Nanchang City, the PRC, in order to promote our public awareness.

RESEARCH AND DEVELOPMENT

During the period, we have upgraded the development of proprietary packaged software, Interoffice for domestic and overseas market.

As at 30 September 2006, we have a pool of 28 IT professionals serving our PRC customers (30 September 2005: 150).

OUTLOOK

Looking forward, the Group, while focusing on its resources in the PRC, is also looking to expand to the overseas market. In addition, the Group will continue to pursue high-profit margin software development projects in order to improve the Group's performance.

The Directors wish to inform our shareholders that from time to time the Company may engage in discussion with third parties to explore opportunities to increase shareholders' value and is currently at a preliminary stage of exploring investment opportunities in the Mainland China and to diversify its business activities there.

In the meantime, the Company is also considering raising funds through various means, which include the issue of new shares of the Company, convertible bonds and/or debts.

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

As at 30 September 2006, the interests and short positions of the Directors and chief executives of the Company in the securities of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Name of Director	The Company/ name of associated corporation	Total number and class of securities held	Capacity	Approximate percentage shareholding
Mr. Li Jiahui	The Company	189,000,000 ordinary shares (L)	Beneficial owner	15.75%
Mr. Huang Boqi	The Company	9,830,000 ordinary shares (L)	Beneficial owner	0.82%

Note: The letter "L" represents the interests in the shares or the underlying shares of the Company or its associated corporations.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITION IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

A. Substantial Shareholders

So far as is known to the Directors, as at 30 September 2006, the persons, other than a Director or chief executive of the Company, who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and who were, directly or indirectly, interested in 10% or more of the shares were as follows:

Name	Number and class of securities (Note 1)	Capacity	Approximate percentage to the issued share capital of the Company
Cytech Investment Limited ("Cytech Investment")	312,000,000 ordinary shares (L)	Beneficial owner	26.00%
Benep Management Limited ("Benep")	312,000,000 ordinary shares (L)	Interest of controlled corporation (Note 2)	26.00%
Joinn Holdings Limited ("Joinn")	312,000,000 ordinary shares (L)	Interest of controlled corporation (Note 2)	26.00%
Pioneer Idea Finance Limited ("Pioneer")	312,000,000 ordinary shares (L)	Interest of controlled corporation (Note 3)	26.00%
Mr. Huang Quan ("Mr. Huang")	312,000,000 ordinary shares (L)	Interest of controlled corporation (Note 3)	26.00%
Mr. Li Jiahui	189,000,000 ordinary shares (L)	Beneficial owner	15.75%
Mr. Leung Chee Kwong	200,000,000 ordinary shares (L)	Beneficial owner	16.67%

Notes:

1. The letter "L" represents the interests in the shares or the underlying shares of the Company.
2. The 312,000,000 shares are registered in the name of Cytech Investment. Cytech Investment is a wholly-owned subsidiary of Benep, which is in turn a wholly-owned subsidiary of Joinn, a company whose shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited. Accordingly, each of Joinn and Benep is deemed to be interested in all the shares in which Cytech Investment is interested pursuant to the SFO.
3. The issued share capital of Joinn is owned as to approximately 21.25% and 36.52% by Hebe Finance Limited and Pioneer respectively. The issued share capital of Hebe Finance Limited and Pioneer are wholly-owned by Mr. Huang. Accordingly, each of Pioneer and Mr. Huang is deemed to be interested in all the shares in which Joinn is interested pursuant to the SFO.

B. Other persons whose interests are recorded in the register required to be kept under Section 336 of the SFO

As at 30 September 2006, the Company has not been notified of any other person (other than a Director or the chief executive of the Company) having an interest or short position in the shares or the underlying shares of Company representing 5% or more of the issued share capital of the Company.

BOARD PRACTICES AND PROCEDURES

The Company has complied with Board Practices and Procedures as set out in Rule 5.34 of the GEM Listing Rules for the three months ended 30 September 2006.

CORPORATE GOVERNANCE

The Company has adopted a code of conduct regarding securities transactions by Directors on terms on less than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

COMPETING BUSINESS

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) has an interest in a business which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 September 2006.

The share option scheme of the Company ("Post-IPO Scheme") was approved and adopted on 24 January 2002. The principal purpose of the Post-IPO Scheme is to enable the Company to grant options to selected persons as incentives and rewards for their contribution to the Group.

As at 30 September 2006, no option has been granted or agreed to be granted under the Post-IPO Scheme.

AUDIT COMMITTEE

As required by Rules 5.28 of the GEM Listing Rules, the Company has established an audit committee which comprises three independent non-executive directors, Mr. Chan Ngai Sang, Kenny, Mr. Chan Kin Sang and Mr. Xing Fengbing. Mr. Chan Ngai Sang, Kenny was appointed as the Chairman of the audit committee. The audit committee meets with the Group's senior management and external auditors to review the effectiveness of the internal control systems. This report has been reviewed and approved by the audit committee of the Company which was of the opinion that the preparation of such results complied with applicable accounting standards and the requirements and that adequate disclosures have been made.

By Order of the Board
Golding Soft Limited
Li Jiahui
Chairman

Hong Kong, 10 November 2006

As at the date of this report, the Board is composed of Mr. Li Jiahui and Mr. Huang Boqi as executive directors, and Mr. Chan Ngai Sang, Kenny, Mr. Chan Kin Sang and Mr. Xing Fengbing as independent non-executive directors.