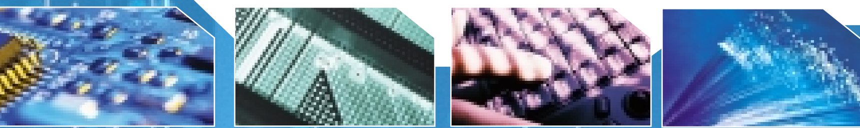
GOLDING SOFT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8190)



INTERIM 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-todate 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 six months ended 31 December 2006 (the "Period") was approximately RMB20,883,000 (in the corresponding period in 2005: RMB18,798,000), representing an increase in 11.1% as compared to the corresponding period in 2005.

The unaudited loss from operating activities attributable to equity holders of the Company for the Period was approximately RMB3,049,000 (in the corresponding period in 2005: RMB15,821,000).

The loss per share for the Period was RMB0.25 cents (in the corresponding period in 2005: RMB1.58 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 and six months ended 31 December 2006, together with the unaudited comparative figures for the corresponding periods in 2005 as follows:

CONSOLIDATED INCOME STATEMENT

		Unaudited			
		Three months ended 31 December		Six months ended 31 December	
	Notes	**2006 RMB'000**	2005 RMB'000	**2006 RMB'000**	2005 RMB'000
Revenue	*3*	**10,667**	10,154	**20,883**	18,798
Cost of sales		**(9,553)**	(9,897)	**(19,015)**	(18,311)
Gross profit		**1,114**	257	**1,868**	487
Other income	*3*	**188**	219	**524**	459
Selling and distribution costs		**(253)**	(2,531)	**(665)**	(4,015)
Administrative expenses		**(1,365)**	(2,491)	**(2,894)**	(5,162)
Other operating expenses		**(1,312)**	(4,546)	**(1,882)**	(7,580)
Loss from operating activities		**(1,628)**	(9,092)	**(3,049)**	(15,811)
Finance cost		**–**	–	**–**	(4)
Loss before income tax	*5*	**(1,628)**	(9,092)	**(3,049)**	(15,815)
Income tax expense	*6*	**(4)**	(2)	**(5)**	(2)
Loss after income tax		**(1,632)**	(9,094)	**(3,054)**	(15,817)
Attributable to:					
Equity holders of the Company		**(1,613)**	(9,096)	**(3,049)**	(15,821)
Minority interests		**(19)**	2	**(5)**	4
		(1,632)	(9,094)	**(3,054)**	(15,817)
Loss per share *(RMB)*	*8*				
– Basic		**(0.13) cents**	(0.91) cents	**(0.25) cents**	(1.58) cents
– Diluted		**N/A**	N/A	**N/A**	N/A

CONSOLIDATED BALANCE SHEET

	Notes	31 December 2006 RMB'000 (Unaudited)	30 June 2006 RMB'000 (Audited)
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	9	**3,029**	4,212
Land use rights		**1,556**	1,627
		4,585	5,839
CURRENT ASSETS			
Inventories	*10*	**2,885**	2,467
Trade receivables	*11*	**2,660**	2,037
Prepayments, deposits and other receivables		**1,051**	288
Due from a related company	*12*	**180**	126
Cash and cash equivalents		**21,861**	22,758
		28,637	27,676
CURRENT LIABILITIES			
Trade payables	*13*	**5**	576
Bills payables		**2,500**	–
Tax payable		**4**	–
Other payables and accruals		**3,684**	3,980
Trade deposits received		**2,175**	873
Due to related companies	*14*	**1,585**	1,763
		9,953	7,192
NET CURRENT ASSETS		**18,684**	20,484
NET ASSETS		**23,269**	26,323
EQUITY			
Equity attributable to Company's equity holders			
Share capital	*15*	**12,600**	12,600
Reserves		**10,513**	13,562
		23,113	26,162
Minority interests		**156**	161
TOTAL EQUITY		**23,269**	26,323

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited	
	For the six months ended 31 December	
	2006	2005
	RMB'000	RMB'000
Net cash outflow from operating activities	**(914)**	(14,265)
Net cash inflow/(outflow) from investing activities	**17**	(25)
Net decrease in cash and cash equivalents	**(897)**	(14,290)
Cash and cash equivalents at beginning of the period	**22,758**	37,424
Cash and cash equivalents at end of the period	**21,861**	23,134
Analysis of the balances of cash and cash equivalents:		
Cash and cash equivalents	**4,488**	5,561
Non-pledged time deposits with original maturity of less than three months when acquired	**17,373**	17,573
Cash and cash equivalents as shown in the balance sheet	**21,861**	23,134

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2006

	Unaudited						
	Attributable to equity holders of the Company						
	Share capital	Share premium*	Statutory reserves*	Accumulated losses*	Total	Minority interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 July 2006	**12,600**	**40,744**	**477**	**(27,659)**	**26,162**	**161**	**26,323**
Loss for the period	**–**	**–**	**–**	**(3,049)**	**(3,049)**	**(5)**	**(3,054)**
At 31 December 2006	**12,600**	**40,744**	**477**	**(30,708)**	**23,113**	**156**	**23,269**
At 1 July 2005	10,500	40,026	414	(7,001)	43,939	(15)	43,924
Loss for the period	–	–	–	(15,821)	(15,821)	4	(15,817)
At 31 December 2005	10,500	40,026	414	(22,822)	28,118	(11)	28,107

* *These reserve accounts comprise the consolidated reserves of RMB10,513,000 (30 June 2006: RMB13,562,000) in the consolidated balance sheet.*

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 Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "SEHK").

2. Basis of preparation and accounting policies

The unaudited consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements in accordance with Chapter 18 of The Rules Governing the Listing of Securities of the GEM Listing Rules on the SEHK.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated interim financial statements are consistent with those followed in the Group's annual financial statements for the year ended 30 June 2006.

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]

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

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.

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 [2]
HKFRS 7	Financial Instruments – Disclosures [2]
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment [1]

Note:

[1] Effective for annual periods beginning on or after 1 November 2006
[2] Effective for annual periods beginning on or after 1 January 2007

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:

	Unaudited	
	Six months ended 31 December	
	2006	2005
	RMB'000	RMB'000
Revenue		
Rendering of services	2,604	342
Sales of goods	18,279	18,456
	20,883	18,798
Other income		
Interest income	370	433
Sundry income	154	26
Total revenue	21,407	19,257

4. Segmental information

(a) Business segments

	Unaudited			
	For the six months ended 31 December 2006			
	ODM RMB'000	Proprietary packaged software RMB'000	System solutions RMB'000	Consolidated RMB'000
REVENUE				
External sales	1,165	1,439	18,279	20,883
Segment results	111	136	(67)	180
Interest income and unallocated gains				524
Unallocated corporate expenses				(3,753)
Loss before income tax				(3,049)
Income tax expense				(5)
Loss after income tax				(3,054)
Attributable to:				
Equity holders of the Company				(3,049)
Minority interests				(5)
				(3,054)

4. Segmental information *(continued)*

(a) *Business segments* *(continued)*

	Unaudited			
	For the six months ended 31 December 2005			
	ODM RMB'000	Proprietary packaged software RMB'000	System solutions RMB'000	Consolidated RMB'000
REVENUE				
External sales	259	83	18,456	18,798
Segment results	34	11	8	53
Interest income and unallocated gains				459
Unallocated corporate expenses				(16,323)
Loss from operating activities				(15,811)
Finance cost				(4)
Loss before income tax				(15,815)
Income tax expense				(2)
Loss after income tax				(15,817)
Attributable to:				
Equity holders of the Company				(15,821)
Minority interests				4
				(15,817)

(b) *Geographical segments*

No geographical reporting is provided as over 90% of the Group's revenue are derived from the PRC.

5. Loss before income tax

The Group's loss before income tax is arrived at after charging/(crediting):

	Unaudited			
	Three months ended 31 December		Six months ended 31 December	
	2006	2005	**2006**	2005
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cost of inventories sold/services provided*	**9,553**	9,897	**19,015**	18,311
Amortisation of land use rights	**35**	35	**70**	70
Depreciation	**546**	661	**1,097**	1,334
Interest income	**(128)**	(199)	**(338)**	(433)
(Profit)/Loss on disposal of property, plant and equipment	**70**	(14)	**70**	(14)
Exchange Loss	**886**	–	**886**	–

* *Included above was depreciation amounting to RMB177,000 for the six months ended 31 December 2006 (corresponding period in 2005: RMB23,000).*

6. Income tax expense

No Hong Kong profits tax has been provided for the six months ended 31 December 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.

	Unaudited	
	Six months ended 31 December	
	2006	2005
	RMB'000	RMB'000
Provision for the period		
Hong Kong	**–**	–
PRC	**5**	2
Tax charge for the period	**5**	2

7. Interim dividends

The Board did not recommend the payment of an interim dividend for the six months ended 31 December 2006 (corresponding period in 2005: Nil).

8. Loss per share

The calculation of basic loss per share is based on the loss for the three months and six months ended 31 December 2006 of approximately RMB1,613,000 and RMB3,049,000 respectively (loss for the three months and six months ended 31 December 2005: RMB9,096,000 and RMB15,821,000 respectively) and on the weighted average of the 1,200,000,000 ordinary shares in issue during the three months and six months ended 31 December 2006 (three months and six months ended 31 December 2005: 1,000,000,000).

Diluted loss per share for the three months and six months ended 31 December 2006 and 2005 was not presented as there is no dilutive potential ordinary shares.

9. Property, plant and equipment

	Unaudited					
	Buildings	**Leasehold improvements**	**Computer equipment**	**Furniture, fixtures and office equipment**	**Motor vehicles**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 July 2006						
Cost	1,847	4,016	8,417	1,162	463	15,905
Accumulated depreciation	(396)	(3,461)	(6,518)	(934)	(384)	(11,693)
Net book value	1,451	555	1,899	228	79	4,212
Period ended 31 December 2006						
Opening net book value	1,451	555	1,899	228	79	4,212
Disposals	–	(4)	(72)	(10)	–	(86)
Depreciation	(45)	(373)	(561)	(87)	(31)	(1,097)
Closing net book value	1,406	178	1,266	131	48	3,029
At 31 December 2006						
Cost	**1,847**	**3,848**	**5,801**	**891**	**463**	**12,850**
Accumulated depreciation	**(441)**	**(3,670)**	**(4,535)**	**(760)**	**(415)**	**(9,821)**
Net book value	**1,406**	**178**	**1,266**	**131**	**48**	**3,029**

10. Inventories

	31 December 2006 RMB'000 (Unaudited)	30 June 2006 RMB'000 (Audited)
Finished goods	**3,138**	2,720
Less: write-down of inventories to net realisable value	**(253)**	(253)
	2,885	2,467

11. Trade receivables

The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one to three months, extending up to three to six months for major customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

An aging analysis of the trade receivables as at the balance sheet date, based on invoice date and net of provision is as follows:

	31 December 2006 RMB'000 (Unaudited)	30 June 2006 RMB'000 (Audited)
Within one month	**1,268**	956
One to two months	**571**	272
Two to three months	**454**	771
Three months to one year	**367**	38
	2,660	2,037

12. Due from a related company

Particulars of the amount due from a related company disclosed pursuant to Section161 B of the Hong Kong Companies Ordinance are as follows:

Name	**Joinn Strategic Holdings Limited ("Joinn Strategic")**
Substantial shareholder connected with borrower	Mr. Huang Quan
Amounts outstanding at	
1 July 2006	RMB126,000
31 December 2006	RMB180,000
Maximum amount outstanding during the period	RMB180,000
Terms	Unsecured, interest-free and repayable on demand

Mr. Huang Quan, a substantial shareholder and director of Joinn Holdings, is the beneficial shareholder of Joinn Strategic.

13. Trade payables

An aging analysis of the trade payables as at the balance sheet date, based on invoice date, is as follows:

	31 December 2006 RMB'000 (Unaudited)	30 June 2006 RMB'000 (Audited)
Within 1 month	**2**	27
One months to two months	**–**	521
Two months to three months	**–**	13
Three months to one year	**3**	15
	5	576

14. Due to related companies

	Notes	31 December 2006 RMB'000 (Unaudited)	30 June 2006 RMB'000 (Audited)
Joinn Investment Advisory Limited	*(i)*	**1,510**	1,347
南昌金鼎軟件發展有限公司	*(ii)*	**75**	416
		1,585	1,763

The above amounts due to related companies are unsecured, interest free and have no fixed terms of repayment.

(i) Joinn Investment Advisory Limited is the subsidiary of Joinn Holdings Limited which is a substantial shareholder of the Company.

(ii) Mr. Huang Boqi (黃伯麒先生), a director of the Company, has beneficial interest in 南昌金鼎軟件發展有限公司.

15. Share capital

	31 December 2006		30 June 2006	
	HK$'000 (Unaudited)	**RMB'000 (Unaudited)**	HK$'000 (Audited)	RMB'000 (Audited)
Authorised:				
20,000,000,000 ordinary shares of HK$0.01 each	**200,000**	**210,000**	200,000	210,000
Issued and fully paid:				
1,200,000,000 ordinary shares of HK$0.01 each	**12,000**	**12,600**	12,000	12,600

16. Share option scheme

The Company operates a share options scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include employees or proposed employees of the Group, the Company's directors, including non-executive directors, suppliers of goods or services to the Group, customers of the Group, persons or entities who provide technology support to the Group, shareholders of any of the Group companies, and any other participants determined by the Company's directors as having contributed or who may contribute by way of joint venture or business alliances to the development and growth of the Group. The Scheme became effective on 24 January 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option scheme of the Group may not in aggregate exceed 30% of the Company's shares in issue from time to time. The total number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Scheme and any other share option scheme of the Group) to be granted under the Scheme and any other share option scheme of the Group, may not in aggregate exceed 10% of the Company's shares in issue as at the date on which the Scheme was adopted without prior approval from the Company's shareholders.

The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive, management shareholder or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than ten years from the date of grant of the share options or the expiry date of the Scheme, whichever is earlier.

16. Share option scheme *(continued)*

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Up to the approval date of the financial statements, no options have been granted or agreed to be granted under the Scheme since its effective date on 24 January 2002.

17. Related party transactions

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

		Unaudited	
		Six months ended 31 December	
		2006	2005
	Notes	**RMB'000**	RMB'000
Rental income received from a related company	*(i)*	**60**	–
Operating lease rentals paid to a related company	*(ii)*	**210**	221

(i) The rentals were received, in respect of the Group's office premises situated in Hong Kong, to Joinn Strategic Holdings Limited. The directors of the Company have confirmed that the monthly rentals were calculated with reference to open market rentals for similar premises.

(ii) The rentals were paid, in respect of the Group's office premises situated in Hong Kong, to Joinn Investment Advisory Limited. The directors of the Company have confirmed that the monthly rentals were calculated with reference to open market rentals for similar premises.

FINANCIAL REVIEW

We recorded a turnover of approximately RMB20,883,000 million for the six months ended 31 December 2006, representing an increase of 11.1% as compared to the corresponding period in 2005. The gross profit margin increased approximately 6.3% from 2.6% to 8.9% as compared to the corresponding period in last year. The increase in gross profit margin was mainly due to the decrease in average cost of services render from ODM and proprietary packaged software segments. The decrease in selling and distribution costs, administrative expenses and other operating expenses as compared for the six months ended 31 December 2005 was mainly due to the reduction of labour costs as our cost reduction scheme was done in December 2005.

Liquidity and financial resources

We generally finance its operation by the net proceeds from the public listing on 8 February 2002 (date of listing). As at 31 December 2006, we had cash and bank balances amounting to a total of approximately RMB21,861,000 (30 June 2006: RMB22,758,000) and we had net current assets of approximately RMB18,684,000 (30 June 2006: RMB20,484,000).

With these resources, we are confident we have adequate capital resources to finance our operations.

Charge on the Group's assets

We did not have any charge on its assets for the six months ended 31 December 2006 (the corresponding period in 31 December 2005: none).

Gearing ratio

As at 31 December 2006, our gearing ratio as a percentage for bank borrowing and bills payable over total assets was approximately 7.5% (30 June 2006: Nil).

Material acquisitions and disposals of subsidiaries and affiliated companies

The Group had no material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 31 December 2006 and 2005.

Treasury policies and capital structure

Any surplus fund derived from operating activities will be strategically placed in savings account which secures the Group's liquidity position for our daily operations.

Exposure to exchange rate risks

During the six months ended 31 December 2006 and 2005, we conducted its business transactions principally in Renminbi which is our reporting currency. We have not employed any financial instruments for hedging purposes on our bank balances denominated at Hong Kong Dollars as the exchange rate risks of the Group is considered to be insignificant.

Contingent liabilities

As at 31 December 2006, we did not have any significant contingent liabilities (30 June 2006: Nil).

Details of future plans for material investment or capital assets

At present, we have no future plan for material investment or capital assets.

Employee and remuneration policies

The total number of full-time employee in the Group was approximately 100 at 31 December 2006 (30 June 2006: 105). It is our policy to remunerate and appraise our employee on the basis of performance, experience, and the prevailing industry practice.

To maintain our service standard and for staff development, we provided comprehensive training programs for our staff.

We have adopted a share option scheme whereby certain employee may be granted options to acquire shares.

BUSINESS REVIEW

We are 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. The current status of our business segments is shown as follows:

Provision of ODM software

This segment mainly consists of the e-government projects.

Software outsourcing continues to be a tread in the development of global software market, and the ODM software market in the PRC has continued to grow over the past years. Accordingly, our core strategy is to establish and maintain long-term relationship with international technology vendors and constantly improve our product quality and standard in order to keep abreast of the latest software development trend.

Provision of proprietary packaged software

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

Provision of systems solutions

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

Sales and marketing

We actively participate in biding for the e-government projects in Jiangxi Province, the PRC and proactively carry out various marketing activities, such as the trade shows and exhibitions in the PRC and overseas.

RESEARCH AND DEVELOPMENT

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

We continuously upgrade and develop our products and services for domestic and overseas markets.

As at 31 December 2006, we had a pool of 28 (30 June 2006: 28) IT professionals servicing our customers.

OUTLOOK

Looking forward, we will continue to pursue high-profit margin software development projects and also explore other business opportunities in order to improve our performance.

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

As at 31 December 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 31 December 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 31 December 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 six months ended 31 December 2006.

CORPORATE GOVERNANCE

For the six months ended 31 December 2006, the Company complied with the provisions set out in Appendix 15 of the Code on Corporate Governance Practice of the Rules Governing the Listing of Securities on the GEM ("GEM Listing Rules") of the Stock Exchange.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the six months ended 31 December 2006.

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 six months ended 31 December 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 31 December 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 primary responsibilities of the audit committee are to review the Group's annual report and financial statements, half-yearly reports and quarterly reports and to provide advice and comments to the Board of Directors. The audit committee also 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, 8 February 2007

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.