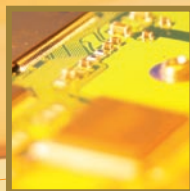
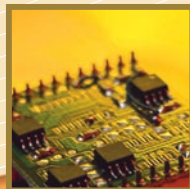
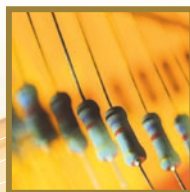


# **GOLDMOND**

## **Goldmond Holdings Limited**

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8190)



First Quarterly Report

# 2008/2009

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

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “Directors”) of Goldmond Holdings 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 financial highlights of the Group for the three months ended 30 September 2008 (the "Period") are presented as follows:

	Continuing operations		Discontinued operations		Total	
	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000
Revenue	<b>196,598</b>	376	–	41	<b>196,598</b>	417
Profit/(Loss) attributable to the equity holders of the Company	<b>3,806</b>	(1,302)	<b>(16)</b>	(9)	<b>3,790</b>	(1,311)
Earnings/(Loss) per share						
– basic	<b>0.16 cents</b>	(0.11) cents	<b>0 cents</b>	0 cents	<b>0.16 cents</b>	(0.11) cents
– diluted	<b>N/A</b>	N/A	<b>N/A</b>	N/A	<b>N/A</b>	N/A

## 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 2008 (the “Period”), together with the unaudited comparative figures for the three months ended 30 September 2007 (“corresponding period in 2007”) as follows:

### UNAUDITED CONSOLIDATED INCOME STATEMENT

		<b>Unaudited</b>	
		<b>Three months ended</b>	
		<b>30 September</b>	
		<b>2008</b>	2007
	<i>Notes</i>	<b>RMB'000</b>	RMB'000
<b>Continuing operations:</b>			
<b>Revenue</b>	3	<b>196,598</b>	376
Cost of sales		<b>(174,085)</b>	(341)
<b>Gross profit</b>		<b>22,513</b>	35
Other income	3	<b>4,197</b>	220
Selling and distribution costs		<b>(5,302)</b>	(137)
Administrative expenses		<b>(6,723)</b>	(1,349)
Other operating expenses		–	(71)
<b>Profit/(loss) from operating activities</b>		<b>14,685</b>	(1,302)
Finance costs	4	<b>(3,120)</b>	–
<b>Profit/(loss) before income tax</b>		<b>11,565</b>	(1,302)
Income tax expense	5	<b>(1,589)</b>	–
<b>Profit/(loss) after income tax from continuing operations</b>		<b>9,976</b>	(1,302)
<b>Discontinued operations:</b>			
Loss for the year from discontinued operations	6	<b>(16)</b>	(9)
<b>Profit/(loss) for the Period</b>		<b>9,960</b>	(1,311)

		<b>Unaudited</b>	
		<b>Three months ended</b>	
		<b>30 September</b>	
		<b>2008</b>	2007
<i>Notes</i>		<b>RMB'000</b>	RMB'000
Attributable to:			
	Equity holders of the Company	<b>3,790</b>	(1,311)
	Minority interests	<b>6,170</b>	–
<b>Profit/(loss) for the Period</b>		<b>9,960</b>	(1,311)
<b>Profit/(loss) per share</b>			
<b>for profit/(loss) attributable</b>			
<b>to the equity holders</b>			
<b>of the Company</b>			
	8		
– Basic			
	From continuing and discontinued operations	<b>0.16 cents</b>	(0.11) cents
	From continuing operations	<b>0.16 cents</b>	(0.11) cents
– Diluted			
		<b>N/A</b>	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 Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "SEHK").

## 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 2008.

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").

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 2008.

The following new standards, amendments to standards and interpretations issued by HKICPA are applicable for the year ending 30 June 2009.

HK(IFRIC) -Interpretation12	Service Concession Arrangements
HK(IFRIC) -Interpretation13	Customer Loyalty Programmes
HK(IFRIC) -Interpretation14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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.

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

HKAS 1 (Revised)	Presentation of Financial Statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to HKFRS 3 <sup>2</sup>
HKAS 28 (Amendments)	Investment in Associates – Consequential amendments arising from amendments to HKFRS 3 <sup>2</sup>
HKAS 31 (Amendments)	Investment in Joint Ventures – Consequential amendments arising from amendments to HKFRS 3 <sup>2</sup>
HKAS 32 (Amendments)	Financial instruments: Presentation – Amendments relating to puttable financial instruments and obligations arising on liquidation <sup>1</sup>
HKAS 39 (Amendments)	Financial instruments: Recognition and measurement – Amendments relating to puttable financial instruments and obligations arising on liquidation <sup>1</sup>
HKFRS 2 (Amendments)	Share-based Payment – Amendments relating to vesting conditions and cancellations <sup>1</sup>
HKFRS 3 (Revised)	Business Combinations – Comprehensive revision on applying the acquisition method <sup>2</sup>
HKFRS 7 (Amendments)	Financial instruments: Disclosures – Amendments relating to puttable financial instruments and obligations arising on liquidation <sup>1</sup>
HKFRS 8	Operating Segments <sup>1</sup>

Notes:

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2009

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

The results of the Company are presented in Renminbi (“RMB”). The functional currency of the Company has been changed from RMB to Hong Kong Dollars (“HK\$”) as most of the underlying transactions of the Company are denominated in HK\$.

### 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.

An analysis of the Group's revenue and other income for the three months ended 30 September 2007 and 2008 is as follows:

	Unaudited					
	Continuing operations		Discontinued operations		Consolidated	
	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000
<b>Revenue</b>						
Sales of goods	196,597	–	–	41	196,597	41
Rendering of services	1	376	–	–	1	376
	<b>196,598</b>	376	–	41	<b>196,598</b>	417
<b>Other income</b>						
Interest income	151	2	–	–	151	2
Gain on disposal of property, plant and equipment	399	–	–	–	399	–
Sales of scrap materials	3,266	–	–	–	3,266	–
Sundry income	381	218	10	86	391	304
	<b>4,197</b>	220	<b>10</b>	86	<b>4,207</b>	306



#### 4. Finance Cost

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>30 September</b>	
	<b>2008</b>	2007
	<b>RMB'000</b>	RMB'000
Interest on bank loans and overdraft wholly repayable within five years	<b>644</b>	–
Imputed interest on convertible bonds	<b>2,476</b>	–
	<b>3,120</b>	–

#### 5. Income tax expense

Hong Kong profits tax has been provided at the tax rate of 16.5% on the estimated assessable profit for the three months ended 30 September 2008 (corresponding period in 2007: Nil). 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.

An analysis of the Group's income tax expense for the three months ended 30 September 2007 and 2008 is as follows:

	<b>Unaudited</b>					
	<b>Continuing operations</b>		<b>Discontinued operations</b>		<b>Consolidated</b>	
	<b>2008</b>	2007	<b>2008</b>	2007	<b>2008</b>	2007
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
Hong Kong profits tax	<b>252</b>	–	–	–	<b>252</b>	–
PRC income tax	<b>1,337</b>	–	–	–	<b>1,337</b>	–
	<b>1,589</b>	–	–	–	<b>1,589</b>	–

## 6. Discontinued operations

On 30 June 2007, the Group resolved to cease the operations of Jiangxi Jinlixin, a subsidiary of Jiangxi Jinding. Jiangxi Jinding held 51% equity interest in Jiangxi Jinlixin, which was principally engaged in sale of computer hardware and accessories, office equipment and electronics and provision of system solutions.

An analysis of the results of the discontinued operations included in the consolidated income statement is as follows:

	Unaudited	
	Three months ended	
	30 September	
	2008	2007
	RMB'000	RMB'000
Revenue	–	41
Cost of sales	–	(47)
Gross loss	–	(6)
Other income	10	86
Selling and distribution costs	–	–
Administrative expenses	(26)	(89)
Loss before income tax	(16)	(9)
Income tax expense (Note 4)	–	–
Loss for the Period from discontinued operations	(16)	(9)

## 7. Interim Dividends

The Board did not recommend the payment of an Interim Dividend for the three months ended 30 September 2008 (Corresponding period in 2007: Nil).

## 8. Earnings/(Loss) per share

### *From continuing and discontinued operations*

The calculation of basic earnings/(loss) per share for the Period from continuing and discontinued operations is based on the earnings/(loss) attributable to the equity holders of the Company of approximately RMB3,806,000 and loss of RMB16,000 respectively (corresponding period in 2007: approximately loss of RMB1,302,000 and RMB9,000 respectively) and on the weighted average of the 2,416,500,000 ordinary shares in issue during the three months ended 30 September 2008 (three months ended 30 September 2007: the weighted average of 1,200,000,000).

### *From continuing operations*

The calculation of the basic earnings/(loss) per share from continuing operations attributable to the equity holders of the Company is based on the following data:

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>30 September</b>	
	<b>2008</b>	<b>2007</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit/(Loss) for the Period attributable to the equity holders of the Company	<b>3,790</b>	(1,311)
Less: Loss for the period from discontinued operations excluding loss shared by minority interest	<b>16</b>	9
Profit/(Loss) for the Period for the purpose of basic loss per share from continuing operations	<b>3,806</b>	(1,302)

The denominators used are the same as those detailed above for basic earnings/(loss) per share from continuing and discontinued operations.

## 8. Earnings/(Loss) per share (continued)

### From discontinued operations

Basic loss per share from the discontinued operations is Nil cents per share (2007: earnings per share of RMB0.01 cents per share) which was calculated based on the loss from discontinued operations of approximately RMB16,000 (2007: approximately loss of RMB9,000). The denominators used are the same as those detailed above for basic earnings/(loss) per share from continuing and discontinued operations.

No diluted earnings per share is presented for the three months ended 30 September 2008 as the outstanding convertible bonds were anti-dilutive. Diluted earnings per share for the corresponding period was not presented as there is no potential ordinary shares.

## 9. Share capital and reserves

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital	Share premium	Statutory reserves	Exchange fluctuation reserve	Convertible bond equity reserve	Accumulated losses	Total	Minority interests	Total equity
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 July 2008	23,992	224,895	9,038	5,952	72,040	(30,125)	305,792	55,785	361,577
Total recognised income and expenses for the period	-	-	-	2,250	-	3,790	6,040	7,820	13,860
At 30 September 2008	23,992	224,895	9,038	8,202	72,040	(26,335)	311,832	63,605	375,437
As at 1 July 2007	12,600	40,745	477	(1,348)	-	(34,646)	17,828	-	17,828
Total recognised income and expense for the period	-	-	-	(257)	-	(1,312)	(1,569)	-	(1,569)
At 30 September 2007	12,600	40,745	477	(1,605)	-	(35,958)	16,259	-	16,259

## 10. Comparative figures

Certain comparative figures have been reclassified as a result of the presentation of discontinued operations.

## **FINANCIAL REVIEW**

### **Continuing operations**

In the continuing operations, the Group recorded a revenue of approximately RMB196,598,000 for the three months ended 30 September 2008, representing an increase of approximately 52,287% as compared to the corresponding period in last year. The increase in revenue of the Group is due to the revenue contributed by Highway Bright Group as it completely becomes part of our Group since November 2007.

The Group's gross profit margin increased to 11.45% for the three months ended 30 September 2008, as compared to approximately 9.3% for the corresponding period in last year.

### **Discontinued operations**

In the discontinued operations, the Group did not record any revenue for the three months ended 30 September 2008.

### **Profit/(loss) attributable to equity holders of the Company**

The unaudited profit/(loss) attributable to the equity holders of the Company for the three months ended 30 September 2008 amounting to approximately RMB3,790,000, as compared to the loss of approximately RMB1,311,000 for the corresponding period in 2007.

## BUSINESS REVIEW

### Continuing operations

We are principally engaged in three business segments, in the continuing operations namely (i) provision of original design manufacturing (“ODM”) software; (ii) proprietary packaged software and (iii) manufacture of consumer electronic products and components, and satellite communications products. The current status of our business segments is shown as follows:

#### ***Provision of ODM and proprietary packaged softwares***

This segment mainly consists of the e-government projects.

Software outsourcing continues to be a trend 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.

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

#### ***Manufacture and sale of consumer electronic products and components, and satellite communications products***

On 21 November 2007, the Group completed its acquisition of a 55% equity interest in Highway Bright Group whose products include three categories: (1) ODM for consumer electronic products, (2) OEM consumer electronic products, and (3) satellite communications products.

1. ODM for consumer electronic products include main structure parts for electronic products’ console and high frequent modular for consumer electronic products.

2. OEM consumer electronic products include RS connectors, transmitters for consumer electronic products.
3. Satellite communications products include low-noise block converters, transceivers and digital video broadcasting decoders which are used in satellite broadcasting, satellite telephone, satellite monitoring and GPS.

### **Discontinued operations:**

#### ***Provision of systems solutions***

This segment is comprised of the e-business solutions. At 30 June 2007, the Group decided to cease the operation of this segment. The sale of stale inventories and expenses incurred in this segment are recorded under the discontinued operations.

#### ***Sales and marketing***

##### *ODM and proprietary package software segment*

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 Group has 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.

The Group proactively carries out various marketing activities. The Group has 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 the Group to meet with existing and potential customers, and to launch its latest products.

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

### *Consumer electronic products and components, and satellite communications products*

For the consumer electronic products and components, and satellite communications products segment, the Group will continue to concentrate on the manufacture of several high-tech products such as antenna and microwave equipment.

The Group will continue to partner with several OEM leaders on design and supply of key parts/products. We are also developing the China market through working with several organizations such as China Mobile, China Academy of Space Technology and China Aerospace Science and Technology Corporation. For example, we are participating in the 3G and Direct-to-Home (DTH) project, and providing key parts to them.

## **RESEARCH AND DEVELOPMENT**

We are planning to upgrade our operations and manufacturing processes of our satellite communications products.

As at 30 September 2008, we have a pool of 25 IT professionals serving our PRC customers and 50 technical staff engaged in the Highway Bright Group (30 September 2007: Nil IT staff).

## **OUTLOOK**

Looking forward, we while completed our acquisition of a 55% equity interest in Highway Bright which is principally engaged in the manufacture and sale of consumer electronic products and components, and satellite communications products, we believe that we will benefit from such acquisition as it is expected to enhance our business potential, generate additional revenues and increase our profitability.



## 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 2008, the interests and short position of the Directors and chief executives in the securities of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or 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 Stock Exchange and the Company pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules were as follows:

### Long position in shares of the Company

<b>Director</b>	<b>Total number and class of securities held</b>	<b>Capacity</b>	<b>Approximate percentage shareholding</b>
Mr. Li Jiahui	189,000,000 ordinary shares	Beneficial owner	7.82%
Mr. Huang Boqi	10,030,000 ordinary shares	Beneficial owner	0.42%

## SUBSTANTIAL SHAREHOLDERS AND OTHER PERSON'S INTERESTS AND SHORT POSITION IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Company at 30 September 2008, the persons, other than a Director or chief executive of the Company, who had interests 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:

### Long position in shares of the Company

Name	Number and class of securities	Capacity	Approximate percentage to the issued share capital of the Company
Cytech Investment Limited ("Cytech Investment") (Note 1)	664,500,000 ordinary shares	Beneficial owner	27.50%
Benep Management Limited ("Benep") (Note 1)	664,500,000 ordinary shares	Interest of controlled corporation	27.50%
Chinasing Investment Holdings Limited ("Chinasing") (Note 1)	664,500,000 ordinary shares	Interest of controlled corporation	27.50%
Pioneer Idea Finance Limited ("Pioneer") (Note 2)	664,500,000 ordinary shares	Interest of controlled corporation	27.50%
Mr. Huang Quan ("Mr. Huang") (Note 2)	664,500,000 ordinary shares	Interest of controlled corporation	27.50%
Dream Star International Ltd ("Dream Star") (Note 3)	474,285,714 ordinary shares	Beneficial owner	19.62%
Mr. Hong Yue Xiong ("Mr. Hong") (Note 3)	474,285,714 ordinary shares	Interest of controlled corporation	19.62%

Notes:

1. The 664,500,000 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 Chinasing, a company whose shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited. Accordingly, each of Chinasing and Benep is deemed to be interested in all the shares in which Cytech Investment is interested pursuant to the SFO.
2. The issued share capital of Chinasing 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 Chinasing is interested pursuant to the SFO.
3. The 474,285,714 shares are registered in the name of Dream Star which is wholly owned by Mr. Hong. Accordingly, Mr. Hong is deemed to be interested in all the shares in which Dream Star is interested pursuant to the SFO.

## OTHER PERSONS WHOSE INTERESTS ARE RECORDED IN THE REGISTER REQUIRED TO BE KEPT UNDER SECTION 336 OF THE SFO

As at 30 September 2008, 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 save as below:

Name	Number and class of securities (Note 1)	Capacity	Approximately percentage to the issued share capital of the Company
Brow Crow International Limited ("Brow Crow")	200,000,000 ordinary shares	Beneficial owner (Note 2)	8.28%
Mr. Qian Shiyu ("Mr. Qian")	200,000,000 ordinary shares	Interest of controlled corporation (Note 2)	8.28%
Mr. Cheng Chun Shing ("Mr. Cheng")	150,000,000 ordinary shares	Interest of controlled corporation (Note 3)	6.21%

Notes:

1. It represents the interests in the shares or the underlying shares of the Company.
2. The 200,000,000 shares are registered in the name of Brow Crow, which is wholly owned by Mr. Qian. Accordingly, Mr. Qian is deemed to be interested in all the shares in which Brow Crow is interested pursuant to the SFO.
3. The 150,000,000 shares were registered in the name of Shing Lee Holdings Limited (“Shing Lee”). Shing Lee is wholly owned by Mr. Cheng. Accordingly, Mr. Cheng is deemed to be interested in all the shares in which each of Shing Lee and Diamond Highway is interested pursuant to the SFO.

## **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 2008.

## **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 2008.

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 2008, 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  
**Goldmond Holdings Limited**  
**Li Jiahui**  
*Chairman*

Hong Kong, 14 November 2008

*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.*