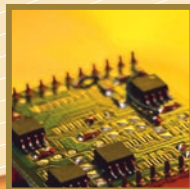
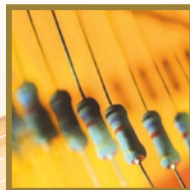


GOLDMOND

Goldmond Holdings Limited

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



Interim 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim 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

1. The financial highlights of the Group for the six month ended 31 December 2008 (the "Period") are presented as follows:

	Continuing operations		Discontinued operations		Total	
	2008	2007	2008	2007	2008	2007
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	416,773	50,024	–	356	416,773	50,380
Profit/(Loss) attributable to the equity holders of the Company	8,797	9,968	(30)	(311)	8,767	9,657
Earnings/(Loss) per share						
– basic	0.36 cent	0.67 cent	0 cent	(0.02) cent	0.36 cent	0.65 cent
– diluted	N/A cent	0.12 cent	N/A cent	(0.02) cent	N/A cent	0.10 cent

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 2008, together with the unaudited comparative figures for the corresponding periods in 2007 as follows:

CONSOLIDATED INCOME STATEMENT

		Unaudited			
		Three months ended		Six months ended	
		31 December		31 December	
		2008	2007	2008	2007
Note		RMB'000	RMB'000	RMB'000	RMB'000
Continuing operations:					
		Revenue		416,773	50,024
	3	220,175	49,648	416,773	50,024
		(193,257)	(37,794)	(367,342)	(38,135)
		Gross profit		49,431	11,889
		26,918	11,854	49,431	11,889
	3	1,565	11,689	5,762	11,909
		(4,268)	(624)	(9,570)	(761)
		(8,247)	(5,811)	(14,970)	(7,160)
		-	(351)	-	(422)
		Profit from operating activities		30,653	15,455
	5	15,968	16,757	30,653	15,455
		(3,296)	(1,514)	(6,416)	(1,514)
	6	12,672	15,243	24,237	13,941
	7	(318)	(1,052)	(1,907)	(1,052)
		Profit after income tax		22,330	12,889
		12,354	14,191	22,330	12,889
		Discontinued operations:		(30)	(311)
	9	(14)	(302)	(30)	(311)
		Profit for the Period		22,300	12,578
		12,340	13,889	22,300	12,578

		Unaudited			
		Three months ended 31 December		Six months ended 31 December	
		2008	2007	2008	2007
<i>Note</i>		RMB'000	RMB'000	RMB'000	RMB'000
Attributable to:					
	Equity holders of the Company	4,977	10,968	8,767	9,657
	Minority interests	7,363	2,921	13,533	2,921
Profit for the Period		12,340	13,889	22,300	12,578
Earnings per share for profit attributable to the equity holders of the Company					
		<i>10</i>			
	– Basic				
	From continuing and discontinued operations	0.21 cent	0.61 cent	0.36 cent	0.65 cent
	From continuing operations	0.21 cent	0.63 cent	0.36 cent	0.67 cent
	– Diluted				
	From continuing and discontinued operations	N/A cent	0.14 cent	N/A cent	0.10 cent
	From continuing operations	N/A cent	0.15 cent	N/A cent	0.12 cent

CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	31 December 2008 RMB'000 (Unaudited)	30 June 2008 RMB'000 (Audited)
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	11	115,371	112,768
Land use rights		47,809	47,950
Investment properties		12,600	12,600
Goodwill		291,436	291,436
		467,216	464,754
CURRENT ASSETS			
Financial assets at fair value through profit or loss		15,771	15,702
Inventories	12	19,249	50,100
Trade receivables	13	131,001	130,772
Prepayments, deposits and other receivables		22,917	40,564
Due from a related company	14	26	53
Pledged time deposits		–	2,986
Cash and cash equivalents		99,470	92,648
		288,434	332,825
CURRENT LIABILITIES			
Trade and bills payables	15	167,299	155,825
Other payables and accruals		19,604	26,667
Due to a director of a subsidiary		22,114	38,957
Due to related parties	16	582	489
Due to a minority shareholder		18,019	17,956
Bank overdrafts and borrowings		–	45,724
Tax payable		880	4,543
		228,498	290,161
NET CURRENT ASSETS		59,936	42,664

		31 December 2008 RMB'000 (Unaudited)	30 June 2008 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Bank borrowings		–	15,236
Convertible bonds	17	116,924	111,663
Deferred tax liabilities		18,977	18,942
		135,901	145,841
NET ASSETS		391,251	361,577
EQUITY			
Equity attributable to Company's equity holders			
Share capital	18	23,992	23,992
Reserves		294,631	281,800
		318,623	305,792
Minority interests		72,628	55,785
TOTAL EQUITY		391,251	361,577

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited	
	For the six months ended 31 December	
	2008	2007
	RMB'000	RMB'000
Net cash inflow from operating activities	65,751	14,048
Net cash outflow from investing activities	(4,349)	(90,483)
Net cash (outflow)/inflow from financing activities	(62,430)	123,124
Net (decrease)/increase in cash and cash equivalents	(1,028)	46,689
Cash and cash equivalents at beginning of the Period	92,648	17,646
	91,620	64,335
Effects of exchange rate changes on the balance of cash held in foreign currencies	7,850	2,306
Cash and cash equivalents at end of the Period	99,470	66,641
Analysis of the balances of cash and cash equivalents:		
Cash and cash equivalents	75,203	68,725
Non-pledged time deposits with original maturity of less than three months when acquired	24,267	6,038
Bank overdrafts	–	(8,122)
	99,470	66,641

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2008

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital	Share premium*	Statutory reserves*	Exchange fluctuation reserve*	Convertible bonds equity reserve*	Accumulated losses*	Total	Minority interests	Total
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
Profit for the Period	-	-	-	-	-	8,767	8,767	13,533	22,300
Transfer to reserves	-	-	1,750	-	-	(1,750)	-	-	-
Exchange differences on translation	-	-	-	4,064	-	-	4,064	3,310	7,374
At 31 December 2008	23,992	224,895	10,788	10,016	72,040	(23,108)	318,623	72,628	391,251
At 1 July 2007	12,600	40,745	477	(1,348)	-	(34,646)	17,828	-	17,828
Acquisition of a non-wholly owned subsidiary	-	-	-	-	-	-	-	26,047	26,047
Profit for the Period	-	-	-	-	-	9,657	9,657	2,921	12,578
Transfer to reserves	-	-	790	-	-	(790)	-	-	-
Exchange differences on translation	-	-	-	2,306	-	-	2,306	-	2,306
Issue of convertible bonds	-	-	-	-	72,040	-	72,040	-	72,040
Issue of new shares	11,392	188,243	-	-	-	-	199,635	-	199,635
Share issue expenses	-	(4,093)	-	-	-	-	(4,093)	-	(4,093)
At 31 December 2007	23,992	224,895	1,267	958	72,040	(25,779)	297,373	28,968	326,341

* These reserve accounts comprise the consolidated reserves of RMB294,631,000 (30 June 2008: RMB281,800,000) 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 presentation and accounting policies

The unaudited condensed consolidated results incorporate those of the Company and its subsidiaries for the six months ended 31 December 2008.

The unaudited condensed consolidated results of the Group are prepared in accordance with and comply with all applicable 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 of the Rules Governing the Listing of Securities on the GEM of the SEHK (the "GEM Listing Rules").

The accounting policies and methods of computation used in the preparation of this set of results announcement 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.

HKAS 39 and HKFRS 7 (Amendments)	Financial instruments: recognition and measurement and Financial instruments: disclosures – Reclassification of financial assets
HK(IFRIC) – Interpretation 12	Service Concession Arrangements
HK(IFRIC) – Interpretation 13	Customer Loyalty Programmes
HK(IFRIC) – Interpretation 14	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 ¹
Amendments to HKAS 1 (Revised)	Presentation of Financial Statements – Puttable financial instruments and obligations arising on liquidation ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to HKFRS 3 ²
HKAS 28 (Amendments)	Investment in Associates – Consequential amendments arising from amendments to HKFRS 3 ²
HKAS 31 (Amendments)	Investment in Joint Ventures – Consequential amendments arising from amendments to HKFRS 3 ²
HKAS 32 (Amendments)	Financial instruments: Presentation – Amendments relating to puttable financial instruments and obligations arising on liquidation ¹
HKAS 39 (Amendments)	Financial instruments: Recognition and measurement – Amendments relating to puttable financial instruments and obligations arising on liquidation ¹
HKAS 39 (Amendments)	Financial instruments: Recognition and measurement – Eligible hedged items ²
HKFRS 1 and HKAS 27 (Amendments)	First-time adoption of Hong Kong Financial Reporting Standards and Consolidated and separate financial statements – Cost of an investment in a subsidiaries, jointly controlled entity or associate ¹
HKFRS 1 (Revised)	First-time adoption of Hong Kong Financial Reporting Standards ²
HKFRS 2 (Amendments)	Share-based Payment – Amendments relating to vesting conditions and cancellations ¹
HKFRS 3 (Revised)	Business Combinations – Comprehensive revision on applying the acquisition method ²
HKFRS 7 (Amendments)	Financial instruments: Disclosures – Amendments relating to puttable financial instruments and obligations arising on liquidation ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Interpretation 2 (Amendments)	Members' shares in co-operative entities and similar instruments ¹
HK(IFRIC) – Interpretation 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC) – Interpretation 16	Hedges of a Net Investment in a Foreign Operation ³
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners ²

Notes:

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 July 2009

³ Effective for annual periods beginning on or after 1 October 2008

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

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. Analysis of the Group's revenue and other income is shown as follows:

	Unaudited					
	Continuing operations		Discontinued operations		Total	
	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000
Revenue						
Sales of goods	416,708	49,096	–	356	416,708	49,452
Rendering of services	65	928	–	–	65	928
	416,773	50,024	–	356	416,773	50,380
Other income						
Interest income	355	508	–	–	355	508
Rental income	655	109	–	–	655	109
Reversal of provision for doubtful debts	–	–	10	503	10	503
Gain on fair value change in respect of redemption option	–	9,014	–	–	–	9,014
Sales of scrap materials	3,997	–	–	–	3,997	–
Sundry income	755	2,278	–	90	755	2,368
	5,762	11,909	10	949	5,772	12,502

4. Segmental information

Business segments

	Unaudited				
	For the six months ended 31 December 2008				
	Continuing operations		Discontinued operations		Consolidated
ODM and proprietary packaged softwares RMB'000	Satellite and telecommunication products and electronic components and accessories RMB'000	Total RMB'000	System solutions RMB'000		
REVENUE					
External sales	65	416,708	416,773	-	416,773
Segment results	(1,101)	31,676	30,575	(40)	30,535
Interest income and unallocated gains					618
Unallocated corporate expenses					(6,946)
Profit before income tax					24,207
Income tax expense					(1,907)
Profit after income tax					22,300
Attributable to:					
Equity holders of the Company					8,767
Minority interest					13,533
					22,300

4. Segmental information (continued)

Business segments (continued)

	Unaudited				
	For the six months ended 31 December 2007			Discontinued operations	
	Continuing operations		Total	System solutions	Consolidated
	Satellite and telecommunication products and electronic components and accessories	ODM and proprietary packaged softwares	RMB'000	RMB'000	RMB'000
REVENUE					
External sales	928	49,096	50,024	356	50,380
Segment results	(1,286)	6,452	5,166	(311)	4,855
Interest income and unallocated gains					12,502
Unallocated corporate expenses					(3,727)
Profit before income tax					13,630
Income tax expense					(1,052)
Profit after income tax					12,578
Attributable to:					
Equity holders of the Company					9,657
Minority interest					2,921
					12,578

5. Finance costs

	Unaudited	
	Six months ended	
	31 December	
	2008	2007
	RMB'000	RMB'000
Interest on bank loans and overdrafts wholly repayable within five years	1,470	486
Interest on finance leases	–	10
Imputed interest on convertible bonds	4,946	1,018
	6,416	1,514

6. Profit before income tax

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

	Unaudited	
	Six months ended	
	31 December	
	2008	2007
	RMB'000	RMB'000
Cost of inventories sold/services provided	367,342	38,503
Amortisation of land use rights	144	92
Depreciation	4,678	969
Exchange loss	139	2,842
Provision for impairment of trade receivables	–	791
Minimum lease payments under operating leases in respect of land and buildings	192	295
Staff costs (including directors' remuneration and retirement scheme contribution)	16,834	5,132
Gain on fair value change in respect of redemption option	–	(9,014)
Interest income	(355)	(508)
Gain on disposal of property, plant and equipment	–	(1)

7. Income tax expense

Hong Kong profits tax has been provided at the tax rate of 16.5% and 17.5% on the estimated assessable profits for the six months ended 31 December 2008 and 31 December 2007 respectively. 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 six months ended 31 December 2007 and 2008 is as follows:

	Unaudited					
	Continuing operations		Discontinued operations		Consolidated	
	2008	2007	2008	2007	2008	2007
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Hong Kong profits tax	143	131	-	-	143	131
PRC income tax	1,764	921	-	-	1,764	921
	1,907	1,052	-	-	1,907	1,052

8. Interim dividends

The Board did not recommend the payment of an interim dividend for the six months ended 31 December 2008 (corresponding period in 2007: Nil).

9. Discontinued operations

On 30 June 2007, the Group resolved to cease the operations of Jiangxi Jinlixin Technology Co. Ltd. ("Jiangxi Jinlixin"). The Group 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	
	Six months ended	
	31 December	
	2008	2007
	RMB'000	RMB'000
Revenue	–	356
Cost of sales	–	(369)
Gross loss	–	(13)
Other income	10	593
Selling and distribution costs	–	(24)
Administrative expenses	(40)	(118)
Other operating expenses	–	(749)
Loss before income tax	(30)	(311)
Income tax expense	–	–
Loss for the period from discontinued operations	(30)	(311)

10. Earnings/(loss) per share

Basic

From continuing and discontinued operations

The calculation of basic earnings/(loss) per share for the three months and six months ended 31 December 2008 from continuing and discontinued operations is based on the profit/(loss) attributable to the equity holders of the Company of approximately RMB4,977,000 and RMB8,767,000, respectively (profit for the three months and six months ended 31 December 2007: RMB10,968,000 and RMB9,657,000, respectively) on the weighted average of the 2,416,500,000 and the 2,416,500,000 ordinary shares in issue during the three months and six months ended 31 December 2008 (three months and six months ended 31 December 2007: the weighted average of the 1,792,135,870 and 1,496,067,935 ordinary shares).

10. Earnings/(loss) per share (continued)

Basic (continued)

From continuing operations

The calculation of the basic profit per share from continuing operations attributable to the equity holders of the Company is based on the following data:

	Unaudited			
	Three months ended 31 December 2008		Six months ended 31 December 2008	
	RMB'000	2007 RMB'000	RMB'000	2007 RMB'000
Profit for the Period attributable to the equity holders of the Company	4,977	10,968	8,767	9,657
Add: Loss for the Period from discontinued operations	14	302	30	311
Profit for the Period for the purpose of basic profit per share from continuing operations	4,991	11,270	8,797	9,968

The denominators used are the same as those detailed above for basic profit per share from continuing and discontinued operations.

From discontinued operations

Basic loss per share from the discontinued operations is RMB0.001 and RMB0.001 cents per share for the three and six months ended 31 December 2008 (2007: loss per share of RMB0.02 and 0.02 cents per share in the corresponding periods in 2007) which was calculated based on the loss from discontinued operations of RMB14,000 and RMB30,000 for the three and six months ended 31 December 2008 (2007: loss of RMB302,000 and RMB311,000) in the corresponding periods in 2007. The denominators used are the same as those detailed above for basic loss per share from continuing and discontinued operations.

10. Earnings/(loss) per share *(continued)*

Diluted

No diluted earnings per share is presented for the three months and six months ended 31 December 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.

11. Property, plant and equipment

	Unaudited						
	Leasehold Buildings RMB'000	Plant and machinery RMB'000	Leasehold improvements RMB'000	Computer equipment RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
At 1 July 2008							
Cost	74,015	37,383	166	8,444	1,309	3,101	124,418
Accumulated depreciation	(1,677)	(2,732)	(41)	(5,700)	(853)	(647)	(11,650)
Net book value	<u>72,338</u>	<u>34,651</u>	<u>125</u>	<u>2,744</u>	<u>456</u>	<u>2,454</u>	<u>112,768</u>
Period ended 31 December 2008							
Opening net book value	72,338	34,651	125	2,744	456	2,454	112,768
Additions	–	6,753	13	6	18	491	7,281
Depreciation	(1,437)	(2,090)	(17)	(760)	(6)	(368)	(4,678)
Closing net book value	<u>70,901</u>	<u>39,314</u>	<u>121</u>	<u>1,990</u>	<u>468</u>	<u>2,577</u>	<u>115,371</u>
At 31 December 2008							
Cost	74,015	44,136	179	8,450	1,327	3,592	131,699
Accumulated depreciation	(3,114)	(4,822)	(58)	(6,460)	(859)	(1,015)	(16,328)
Net book value	<u>70,901</u>	<u>39,314</u>	<u>121</u>	<u>1,990</u>	<u>468</u>	<u>2,577</u>	<u>115,371</u>

12. Inventories

	31 December 2008 RMB'000 (Unaudited)	30 June 2008 RMB'000 (Audited)
Raw materials	3,938	8,499
Work in progress	10,924	31,231
Finished goods	4,387	10,370
	19,249	50,100

13. 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.

	31 December 2008 RMB'000 (Unaudited)	30 June 2008 RMB'000 (Audited)
Trade receivable	131,001	132,537
Less: Provision for impairment of receivables	–	(1,765)
	131,001	130,772

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 2008 RMB'000 (Unaudited)	30 June 2008 RMB'000 (Audited)
Within one month	18,245	63,755
One to three months	82,884	55,265
Three months to one year	29,872	11,565
Over one year	–	187
	131,001	130,772

14. Due from a related company

Particulars of the amount due from a related company disclosed pursuant to Section 161 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 2008	RMB53,000
31 December 2008	RMB26,000
Maximum amount outstanding during the period	RMB53,000
Terms	Unsecured, interest-free and repayable on demand

15. Trade and bills payables

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

	31 December 2008 RMB'000 (Unaudited)	30 June 2008 RMB'000 (Audited)
Within one month	97,304	70,897
One to three months	38,989	50,925
Three months to one year	26,605	33,708
Over one year	4,401	295
	167,299	155,825

16. Due to related parties

		31 December 2008 RMB'000 (Unaudited)	30 June 2008 RMB'000 (Audited)
Chinasing Investment Advisory Limited ("Chinasing Investment")	(i)	96	3
南昌金鼎軟件發展有限公司	(ii)	486	486
		582	489

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

17. Convertible bonds

182,017,500 HK\$ denominated zero coupon convertible bonds were issued by the Company on 21 November 2007 at a conversion price of HK\$0.25 per share at the following conditions:

Maturity date	Fifth anniversary of the date of issue of the convertible bonds
Interest	Zero coupon
Conversion period	Bondholders may exercise their conversion right at any time during the period commencing from the expiry of the sixth month from the date of issue of the convertible bonds up to the date falling 7 days before the maturity date
Redemption at option of the Company	At any time prior to the maturity date, the Company may, having given a notice of not less than 30 days but not more than 60 days to the bondholders, redeem, from time to time, all or some only of the convertible bonds at a redemption price equal to 115% of the outstanding amount of the relevant part of the convertible bonds

The convertible bonds contain three components, liability, asset and equity elements. The equity element is presented in equity heading "convertible bonds – equity reserve". The asset element is presented as "financial assets at fair value through profit or loss". The effective rate of the liability component is 8.5%.

17. Convertible bonds (continued)

The Convertible Bonds recognised in the balance sheet were calculated as follows:

	Asset component	Liability component	Equity component
	RMB'000	RMB'000	RMB'000
Net carrying amounts at 1 July 2008	15,700	111,663	72,040
Loss on fair value change in respect of redemption option	–	–	–
Imputed interest expenses (note 5)	–	4,946	–
Exchange differences	69	315	–
	<u>15,769</u>	<u>116,924</u>	<u>72,040</u>
Net carrying amounts at 31 December 2008	<u>15,769</u>	<u>116,924</u>	<u>72,040</u>

During the year and subsequent to the issue of Convertible Bonds, no Convertible Bonds were converted into ordinary shares of the Company.

Imputed interest expenses of approximately RMB4,946,000 has been recognised in the income statement in respect of the Convertible Bonds for the period ended 31 December 2008 and is calculated using the effective interest method by applying the effective interest rate of 8.5% per annum to the liability component of the Convertible Bonds.

18. Share capital

	31 December 2008		30 June 2008	
	HK\$'000	RMB'000	HK\$'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<i>Authorised:</i>				
20,000,000,000 ordinary shares of HK\$0.01 each	<u>200,000</u>	<u>210,000</u>	<u>200,000</u>	<u>210,000</u>
<i>Issued and fully paid:</i>				
2,416,500,000 ordinary shares (30 June 2008 2,416,500,000 ordinary shares) of HK\$0.01 each	<u>24,165</u>	<u>23,992</u>	<u>24,165</u>	<u>23,992</u>

19. 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.

19. 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.

20. Related party transactions

- (a) 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	
		2008	2007
	Notes	RMB'000	RMB'000
Rental income received from a related company	(i)	55	57
Operating lease rentals paid to a related company	(ii)	192	201

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

(b) Compensation of key management personnel

	Unaudited	
	Six months ended	
	31 December	
	2008	2007
	RMB'000	RMB'000
Total remuneration of directors and other members of key management during the Period – short-term employee benefits	747	759

FINANCIAL REVIEW

Continuing operations

In the continuing operations, the Group recorded a revenue of RMB416,773,000 for the six months ended 31 December 2008, representing an increase of 733.1% as compared to the corresponding period in 2007. The increase in revenue of the Group is due to the revenue contributed by Highway Bright Holdings Limited and its subsidiaries (collectively the "Highway Bright Group") as it become part of our Group since November 2007.

The Group's gross profit margin decreased to approximately 11.9% for the six months ended 31 December 2008, as compared to approximately 23.8% for the corresponding period in 2007.

Discontinued operations

In the discontinued operations, no revenue was recorded for the six months ended 31 December 2008, as compared to a revenue of RMB356,000 for the corresponding period in 2007. The decrease in revenue in the discontinued operations is the result of the cessation of the business solutions segment in June 2007 and the revenue for the Period represented the sale of stale inventories in that segment.

Profit attributable to equity holders of the Company

The unaudited profit attributable to the equity holders of the Company for the Period amounting of RMB8,767,000, as compared to the profit of RMB9,657,000 for the corresponding period in 2007.

Liquidity and financial resources

We generally finance our operation by our operating cashflow. As at 31 December 2008, we had cash and bank balances amounting to a total of approximately RMB99,470,000 (30 June 2008: RMB92,648,000) and we had current assets of approximately RMB288,434,000 (30 June 2008: RMB332,825,000).

With these resources, we are confident to have adequate financial resources for our operations.

Charge on the Group's assets

As at 31 December 2008, there is no asset have been pledged to financial institutions for banking facilities granted to the Group (30 June 2008: RMB128 million).

Gearing ratio

As at 31 December 2008, our gearing ratio as a percentage for bank borrowings and overdraft over total assets was NIL (30 June 2008: 7.6%).

Material acquisitions and disposals of subsidiaries and affiliated companies

The Group completely acquired 55% equity interest in Highway Bright Group on 21 November 2007. Except for the above, the Group had no material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 31 December 2008 and 2007.

Treasury policies and capital structure

Any surplus fund derived from operating activities will be strategically placed in savings account and short term time deposits with original maturity of less than three months which secures the Group's liquidity position in meeting its daily operating needs.

Exposure to exchange rate risks

For the six months ended 31 December 2008, the Group's businesses in manufacturing of electronic products and bank borrowings were transacted in HK\$, US dollar and RMB. The Directors consider that the Group did not have significant exposure to foreign exchange fluctuation as the management monitors the related foreign currency closely and will consider hedging significant foreign currency exposure.

Contingent liabilities

As at 31 December 2008, we did not have any significant contingent liabilities (30 June 2007: Nil).

Details of future plans for material investment or capital assets

The Group does not have any plan for material investment or capital assets.

Employee and remuneration policies

The total number of full-time employee in the Group was approximately 1,700 at 31 December 2008 (30 June 2008: 1,800). 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

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.

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.

RESEARCH AND DEVELOPMENT

As at 31 December 2008, we have a pool of 25 IT professionals serving our PRC customers and 50 technical staff engaged in the Highway Bright Group (30 June 2008: 25 IT staff and 50 technical staff).

OUTLOOK

Looking forward, we 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. Since then, whilst Highway Bright and its subsidiaries have been contributing to our revenues and profitability. The outlook for the manufacturing sector in the PRC in general going forward is uncertain given the effect of the ongoing global financial crisis and its impact on the revenues and profitability of many leading global manufacturing companies.

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 2008, 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 Directors/ chief executives	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	7.82%
Mr. Huang Boqi	The Company	10,030,000 ordinary shares (L)	Beneficial owner	0.42%

Note: 1. 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 2008, 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	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 Limited ("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 capitals 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.

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

As at 31 December 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 six months ended 31 December 2008.

CORPORATE GOVERNANCE

For the six months ended 31 December 2008, 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 2008.

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 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 31 December 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 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 results announcement 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, 9 February 2009

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.