



GOLDMOND

Goldmond Holdings Limited

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

First Quarterly Report

2009/2010

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.

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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 2009 (the "Period") are presented as follows:

	Continuing operations		Discontinued operations		Total	
	2009 RMB'000	2008 RMB'000 (Restated)	2009 RMB'000	2008 RMB'000 (Restated)	2009 RMB'000	2008 RMB'000
Revenue	115,050	196,597	-	1	115,050	196,598
(Loss)/Profit attributable to the equity holders of the Company	(199,920)	4,557	-	(767)	(199,920)	3,790
(Loss)/Earnings per share						
- basic	(8.27) cents	0.19 cents	-	(0.03) cents	(8.27) cents	0.16 cents
- diluted	N/A	N/A	N/A	N/A	N/A	N/A

On 30 April 2009, the Group has disposed its entire interest in Twyla Services Limited and its subsidiaries, Jiangxi Jinding Information System Co., Ltd., Jiangxi Jinlixin Technology Co., Ltd and Goldmond (HK) Limited (collectively, the "Twyla Group"). The principal activities of the Twyla Group are design and development of original design manufacturing ("ODM") software and proprietary packaged software and provision of the system solutions. The results of these segments for the three months ended 30 September 2008 are presented as discontinued operations in this report.

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 2009 (the “Period”), together with the unaudited comparative figures for the three months ended 30 September 2008 (“corresponding period in 2008”) as follows:

UNAUDITED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Three months ended	
		30 September	
		2009	2008
	<i>Note</i>	RMB'000	RMB'000
			(Restated)
Continuing operations:			
Revenue	3	115,050	196,597
Cost of sales		(101,525)	(174,085)
Gross profit		13,525	22,512
Other income	3	4,167	4,064
Selling and distribution costs		(3,558)	(5,302)
Administrative expenses		(7,214)	(5,838)
Other operating expenses	4	(200,000)	–
(Loss)/profit from operating activities		(193,080)	15,436
Finance costs	5	(2,706)	(3,120)
(Loss)/profit before income tax		(195,786)	12,316
Income tax expense	6	(1,032)	(1,589)
(Loss)/profit after income tax from continuing operations		(196,818)	10,727
Discontinued operations:			
Loss for the year from discontinued operations	7	–	(767)
(Loss)/profit for the Period		(196,818)	9,960

		Unaudited	
		Three months ended	
		30 September	
		2009	2008
<i>Note</i>		RMB'000	RMB'000 (Restated)
Attributable to:			
	Equity holders of the Company	(199,920)	3,790
	Minority interests	3,102	6,170
	(Loss)/profit for the Period	(196,818)	9,960
(Loss)/profit per share			
for (loss)/profit attributable			
to the equity holders			
of the Company			
		<i>9</i>	
	– Basic		
	From continuing and discontinued operations	(8.27) cents	0.16 cents
	From continuing operations	(8.27) cents	0.19 cents
	– Diluted	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>Unaudited</u>	
	Three months ended	
	30 September	
	2009	2008
	RMB'000	RMB'000
		(Restated)
(Loss)/profit for the period	(196,818)	9,960
Exchange difference on translation of foreign operations	<u>1,011</u>	<u>3,900</u>
Other comprehensive income for the period, net of tax	<u>1,011</u>	<u>3,900</u>
Total comprehensive income for the period, net of tax	<u>(195,807)</u>	<u>13,860</u>
Attributable to:		
Equity holders of the Company	(199,365)	6,040
Minority Interest	<u>3,558</u>	<u>7,820</u>
	<u>(195,807)</u>	<u>13,860</u>



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 2009.

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 2009.

The following new standards, amendments to standards and interpretations issued by HKICPA are applicable for the year ending 30 June 2010.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32, HKAS 39 and HKFRS 7 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Financial instruments: Recognition and Measurement – Eligible Hedged Items

2. Basis of presentation and accounting policies (Continued)

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 Subsidiary, Jointly Controlled Entity or an Associate
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations – Comprehensive Revision on Applying the Acquisition Method
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Interpretation 2 (Amendment)	Members' Shares in Co-operative Entities and Similar Instruments
HK(IFRIC) – Interpretation 9	Reassessment of Embedded Derivatives and HKAS 39 (Amendment)
HK(IFRIC) – Interpretation 13	Customer Loyalty Programmes
HK(IFRIC) – Interpretation 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Interpretation 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) – Interpretation 18	Transfer of Assets from Customers
Improvements to HKFRSs	Annual Improvements to HKFRS 2008 (May 2008)

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

2. Basis of presentation and accounting policies (Continued)

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

HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ¹
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions ¹
Improvements to HKFRSs	Annual Improvements to HKFRS 2009 (April 2009) ²

Notes:

¹ *Effective for annual periods beginning on or after 1 January 2010.*

² *Generally effective for annual periods beginning on or after 1 January 2010 unless otherwise stated in the specific HKFRS.*

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"), which is different from the functional currency of the Company, Hong Kong dollars ("HK\$"), as the Directors consider that RMB is the most appropriate presentation currency in view of the most of the underlying transactions of the Group are denominated 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.

An analysis of the Group's revenue and other income for the three months ended 30 September 2008 and 2009 is as follows:

	Unaudited					
	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	2009	2008	2009	2008
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Restated)		(Restated)		
Revenue						
Sales of goods	115,050	196,597	-	-	115,050	196,597
Rendering of services	-	-	-	1	-	1
	<u>115,050</u>	<u>196,597</u>	<u>-</u>	<u>1</u>	<u>115,050</u>	<u>196,598</u>
Other income						
Interest income	31	45	-	106	31	151
Gain on disposal of property, plant and equipment	-	399	-	-	-	399
Sales of scrap materials	3,836	3,266	-	-	3,836	3,266
Sundry income	300	354	-	37	300	391
	<u>4,167</u>	<u>4,064</u>	<u>-</u>	<u>143</u>	<u>4,167</u>	<u>4,207</u>

4. Other operating expenses

The other operating expenses are the impairment of goodwill of Satcom business and ODM business as a result of the disposal of such businesses as announced in the circular on 13 August 2009.

5. Finance Cost

	Unaudited	
	Three months ended	
	30 September	
	2009	2008
	RMB'000	RMB'000
Interest on bank loans, overdraft and other loans wholly repayable within five years	126	644
Imputed interest on convertible bonds	2,580	2,476
	2,706	3,120

6. 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 2009 and 2008 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 three months ended 30 September 2008 and 2009 is as follows:

	Unaudited					
	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	2009	2008	2009	2008
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Hong Kong profits tax	-	252	-	-	-	252
PRC income tax	1,032	1,337	-	-	1,032	1,337
	1,032	1,589	-	-	1,032	1,589

7. Discontinued operations

On 30 April 2009, the Twyla Group have been sold to a third party for a cash consideration of RMB1,500,000. The principal activities of the Twyla Group are design and development of ODM software and proprietary packaged software and provision of the system solutions.

The Group re-presented the results of discontinued operations for prior year in accordance with HKFRS 5. An analysis of the results and cash flows of the discontinued operations included in the consolidated income statement are as follows:

	Unaudited	
	Three months ended	
	30 September	
	2009	2008
	RMB'000	RMB'000
		(Restated)
Revenue	-	1
Cost of sales	-	-
Gross profit	-	1
Other income	-	143
Selling and distribution costs	-	-
Administrative expenses	-	(911)
Loss before income tax	-	(767)
Income tax expense (<i>Note 6</i>)	-	-
Loss for the Period from discontinued operations	-	(767)

8. Interim Dividends

The Board did not recommend the payment of an Interim Dividend for the three months ended 30 September 2009 (Corresponding period in 2008: Nil).

9. (Loss)/Earnings per share

From continuing and discontinued operations

The calculation of basic (loss)/earnings per share for the Period from continuing and discontinued operations is based on the loss attributable to the equity holders of the Company of approximately RMB199,920,000 and RMB NIL respectively (corresponding period in 2008: approximately profit of RMB4,557,000 and loss of RMB767,000 respectively, as restated) and on the weighted average of the 2,416,500,000 ordinary shares in issue during the three months ended 30 September 2009 (three months ended 30 September 2008: the weighted average of 2,416,500,000).

From continuing operations

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

	Unaudited	
	Three months ended	
	30 September	
	2009	2008
	RMB'000	RMB'000
		(Restated)
(Loss)/Profit for the Period attributable to the equity holders of the Company	(199,920)	3,790
Less: Loss for the period from discontinued operations excluding loss shared by minority interest	—	767
(Loss)/Profit for the Period for the purpose of basic (loss)/earnings per share from continuing operations	(199,920)	4,557

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

9. (Loss)/Earnings per share (Continued)

From discontinued operations

Basic loss per share from the discontinued operations is Nil (2008: Nil) which was calculated based on the loss from discontinued operations of approximately RMB NIL (2008: approximately loss of RMB767,000, as restated). The denominators used are the same as those detailed above for basic (loss)/earnings per share from continuing and discontinued operations.

No diluted earnings per share is presented for the three months ended 30 September 2009 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.

10. 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 2009	23,992	224,895	16,100	6,124	72,040	(15,525)	327,626	87,232	414,858
Total comprehensive income for the period	-	-	-	555	-	(199,920)	(199,365)	3,558	(195,807)
Transfer to reserve	-	-	701	-	-	(701)	-	-	-
At 30 September 2009	23,992	224,895	16,801	6,679	72,040	(216,146)	128,261	90,790	219,051
At 1 July 2008	23,992	224,895	9,038	5,952	72,040	(30,125)	305,792	55,785	361,577
Total comprehensive income 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

11. 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 RMB115,050,000 for the three months ended 30 September 2009, representing an decrease of approximately 41.48% as compared to the corresponding period in last year. The decrease in revenue of the Group is due to the economic downturn during the period.

The Group's gross profit margin increased to 11.8% for the three months ended 30 September 2009, as compared to approximately 11.5% 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 2009.

(Loss)/profit attributable to equity holders of the Company

The unaudited (loss)/profit attributable to the equity holders of the Company for the three months ended 30 September 2009 amounting to approximately RMB199,920,000, as compared to the profit of approximately RMB3,790,000 for the corresponding period in 2008.

BUSINESS REVIEW

We are principally engaged in two business segments, namely (i) providing hardware and software maintenance and related business and (ii) manufacture of consumer electronic products and components, and satellite communication products. The current status of our business segments is shown as follows:

Hardware and software maintenance and related business

As the boost of the development of global computerized environment, the Group is going to start up the hardware and software maintenance and related business.

Manufacture and sale of consumer electronic products and components, and satellite communication 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 communication 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 communication products include low-noise block converters, transceivers and digital video broadcasting decoders which are used in satellite broadcasting, satellite telephone, satellite monitoring and GPS.

Sales and marketing

Consumer electronic products and components and satellite communication 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 organisations.


RESEARCH AND DEVELOPMENT

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

As at 30 September 2009, we have a pool of 25 IT professionals serving our PRC customers and 50 technical staff engaged in the Highway Bright Group (30 September 2008: 25 IT staff).

OUTLOOK

On 30 April 2009, the Group has disposed entire interest in Twyla Services Limited and its subsidiaries which principal activities are design and development of ODM software and proprietary packaged software and provision of the system solutions.



The Group established a subsidiary, Goldmond Technologies Limited and is going to start up the hardware and software maintenance and related business.

On 25 June 2009, the Group entered into a sale and purchase agreement and is going to dispose the Satellite and ODM of consumer electronic business in order to redeem all convertible bonds. After the disposal, the Group will concentrate on the manufacture of consumer electronic products and components. We believe that the Group could concentrate on the development of remaining business.

On 9 October 2009, the Group entered into two agreements with Chinasing and its subsidiaries for continuing connected transactions (i) the lease agreement and (ii) the cost sharing agreement in order to continue the operations of the connector business after disposal of 55% of the issued share capital of the Highway Bright to Chinasing pursuant to the terms and conditions of the Sale and Purchase Agreement (the "Disposal").

On 12 October 2009, the Disposal has been completed and the Group has redeemed in full and cancelled all outstanding convertible bonds before 14 October 2009.

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 2009, 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

Director	Total number and class of securities held	Capacity	Approximate percentage shareholding
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 2009, 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 Yuexiong ("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 2009, 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 <i>(Note 1)</i>	Capacity	Approximately percentage to the issued share capital of the Company
Mr. Li Jiahui	189,000,000 ordinary shares	Beneficial owner	7.82%
Brow Crown International Limited ("Brow Crown")	200,000,000 ordinary shares	Beneficial owner <i>(Note 2)</i>	8.28%
Mr. Qian Shiyu ("Mr. Qian")	200,000,000 ordinary shares	Interest of controlled corporation <i>(Note 2)</i>	8.28%
Mr. Zeng Pei Hui ("Mr. Zeng")	189,714,286 ordinary shares	Interest of controlled corporation <i>(Note 3)</i>	7.85%



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 Crown, which is wholly owned by Mr. Qian. Accordingly, Mr. Qian is deemed to be interested in all the shares in which Brow Crown is interested pursuant to the SFO.
3. The 150,000,000 and 39,714,286 shares were registered in the name of Shing Lee Holdings Limited (“Shing Lee”) and Diamond Highway Limited (“Diamond Highway”) respectively. Shing Lee and Diamond Highway are wholly owned by Mr. Zeng. Accordingly, Mr. Zeng 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 2009.

CORPORATE GOVERNANCE

For the three months ended 30 September 2009, 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, save as the following deviation.

Chairman and Chief Executive Officer

The Company has not yet adopted A.2.1. Under the code provision A.2.1 of the CG Code, the roles of Chairman and CEO should be separate and would not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

The Company does not presently have any officer with the title CEO. At present, Mr. Huang Boqi, being the Chairman and Chief Executive Director of the Company, is responsible for the strategic planning, formulation of overall corporate development policy and running the business of the Group as well as the duties of Chairman. The Board considers that, due to the nature and extent of the Group's operations, Mr. Huang is the most appropriate chief executive because he possesses in-depth knowledge and experience in the IT business and is able to ensure the sustainable development of the Group. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make the necessary amendments.

Nomination of Directors

The Board has not established a nomination committee at the moment. The appointment of new director is therefore a matter for consideration and decision by the shareholders' meeting.

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 three months ended 30 September 2009.

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 2009.

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 2009, 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
Huang Boqi
Chairman

Hong Kong, 13 November 2009

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