

GOLDING SOFT LTD :
FRIENDS IN HIGH PLACES AND SMILES ON THEIR FACES

How some companies, operating in the People's Republic of China (PRC), are able to achieve the financial growth that they keep claiming, may boggle the imagination of many financial traditionalists, but, considering the calibre and reputation of the accountancy firms, which lend their names to prospectuses, attesting as to the truth and fairness of the company's statistics, one can hardly piss on those financial fires.

Golding Soft Ltd (Code: 8190, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) went public on January 31, 2002 when it Placed 200 million, new, one-cent shares at the hoped-for Premium of 49 cents per share.

However, it only managed to achieve a Placing Price of 30 cents per share, netting not more than about \$HK46 million for its efforts.

However, the Founders of the Company did not do too badly because they sold, also by Placement, another tranche of 50 million of their shares, presumably on the same basis as the Company Placed its shares.

Golding Soft is a company, which is engaged in flogging proprietary packaged, business application computer software in the PRC and North America, according the Prospectus at Page One.

It has only been in business since 1997 and it claims that, in its short history, it has secured about 150 premium customers, ranging from multinationals and PRC corporations to government entities in North America and the PRC.

The Company's track record, considering that it only really started bringing in the bacon in 1999, is impressive, if not hard to believe, as Page 97 illustrates:

	Financial Year ended June 30	
	2000	2001
	All Figures are Denominated in Renminbi '000*	
<u>Turnover by Activities:</u>		
Provision of ODM** Software	5,968	13,636
Provision of Proprietary Packaged Software	4,499	9,201
Provision of System Solutions	4,819	8,900
<u>Turnover by Geographic Locations:</u>		
North America	11,027	22,535
PRC	4,259	9,202
Total Turnover	15,286	31,737
<u>Gross Profit:</u>		
Provision of ODM Software	3,895	10,560
Provision of Proprietary Packaged Software	3,513	7,833
Provision of System Solutions	1,981	5,592
Total Gross Profit	9,389	23,985
Other Revenue	80	216

Selling and Distribution Expenses	(3,361)	(5,416)
Administrative Expenses	(2,423)	(2,714)
Other Operating Expenses	(847)	(639)
Profit from Operating Activities	2,838	15,432
Financing Expenses	(158)	Nil
Profit before Taxation	2,680	15,432
Taxation	Nil	Nil
Net Profit Attributable to Shareholders	2,680	15,432

* \$HK1 = 1.06 renminbi (approximately)

** ODM = **O**riginal **D**esign **M**anufacturing –
computer software, which is developed in whole or in part
with the software developer's design in accordance
with a customer's specifications and is marked under the customer's own brandname.

TARGET notes that the Gross Profit Margin for the 2000 Financial Year was about 61.42 percent, rising to nearly 76 percent in the 2001 Year.

For the 5 months, ended November 30, 2001, Golding Soft ... [CLICK TO ORDER FULL ARTICLE](#)

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