CHINA MOBILITY SOLUTIONS, INC. (formerly Xin Net Corp.)
Form 10QSB
May 21, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

For the quarterly period ended: March 31, 2007

Commission file number 0-26559

CIK No. 0001082603

CHINA MOBILITY SOLUTIONS, INC.
(Exact name of registrant as specified in this charter)

Florida	**330-751560**
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
#407-1270 Robson, Vancouver, B.C. Canada	**V6E 3Z6**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (604) 632-9638

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days.

Yes [X] No[ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

As of May 17, 2007, there were 61,650,295 shares of $0.001 par value common stock outstanding.

CHINA MOBILITY SOLUTIONS, INC.
INDEX TO QUARTERLY REPORT
ON FORM 10-QSB
March 31, 2007

INDEX TO FORM 10-QSB

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The financial statements have been adjusted with all adjustments, which, in the opinion of management, are necessary in order to make the financial statements not misleading.

For financial information, please see the financial statements and the notes thereto, attached hereto and incorporated herein by this reference.

The financial statements have been prepared by China Mobility Solutions, Inc. without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted as allowed by such rules and regulations, and management believes that the disclosures are adequate to make the information presented not misleading. These financial statements include all of the adjustments which, in the opinion of management, are necessary to a fair presentation of financial position and results of operations. All such adjustments are of a normal and recurring nature. These financial statements should be read in conjunction with the audited financial statements at December 31, 2006, included in the Company's and Form 10-KSB.

China Mobility Solutions, Inc. and Subsidiaries
Consolidated Balance Sheets
(Expressed in US Dollars)

	March 31, 2007 (Unaudited)	December 31, 2006
ASSETS		
Current Assets		
Cash and cash equivalents	$ 181,942	$ 288,149
Accounts receivable	3,361	3,373
Prepaid expenses and other current assets	2,283	4,615
Due from related parties	39,549	25,973
Net assets of subsidiaries in liquidation	1	1
Total Current Assets	227,136	322,111
Property and Equipment, net of accumulated depreciation of $52,070 and 51,442, respectively	10,501	11,129
Other Assets		
Deposit paid in connection with contemplated acquisition of Beijing Topbiz, less allowance for doubtful recoverability	50,000	50,000
Investment	1	1
Goodwill	127,124	127,124
Other assets	785	785
Total Assets	$ 415,547	$ 511,150

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
Current Liabilities		
Accounts payable and other accrued liabilities	$ 297,515	$ 537,200
Deferred revenue	13,338	12,849
Convertible debentures	1,650,000	3,325,000
Total current liabilities	1,960,853	3,875,049
Commitments and Contingencies	-	-
Stockholders' Equity (Deficiency)		
Common stock, $0.001 par value; authorized 500,000,000 shares,		
issued and outstanding: 59,534,292 and 20,011,792 shares, respectively	59,534	20,012
Additional paid-in capital	20,429,429	18,492,826
Accumulated deficit	-21,833,974	-21,683,854
Accumulated other comprehensive income (loss)	-200,295	-192,883
Total stockholders' equity (deficiency)	-1,545,306	-3,363,899
Total Liabilities and Stockholders' Equity (Deficiency)	$ 415,547	$ 511,150

See notes to consolidated financial statements.

China Mobility Solutions, Inc. and Subsidiaries
Consolidated Statements of Operations
(Expressed in US Dollars)

	Three Months Ended March 31,	
	2007	2006
	(Unaudited)	(Unaudited)
Revenue		
Tuition fees	$ 21,009	$ 19,027
Cost of Sales		
Tuition fees	154	4,632
Gross Profit	20,855	14,395
Selling, general, and administrative expenses	108,031	231,174
Income (loss) from Operations	(87,176)	(216,779)
Other income (Expense)		
Interest income	-	17,653
Interest expense on convertible debentures	(64,647)	(54,312)
Costs relating to convertible debentures:		
Late registration penalty fees	-	(201,000)
Other income	1,703	-
Other income (expense) - net	(62,944)	(237,659)
Income (loss) before Income Taxes	(150,120)	(454,438)
Income tax expense	-	-

Income (loss) from continuing operations		(150,120)		(454,438)
Discontinued operations:				
Income (loss) from discontinued operations		-		396,839
Total		-		396,839
Net income (loss)	$	(150,120)	$	(57,599)
Net income (loss) per share				
Continuing operations	$	0	$	(0.02)
Discontinued operations				0.02
Total	$	0	$	0
Weighted average number of common shares used to compute net income (loss) per share				
Basic and Diluted		41,090,459		20,011,792
See notes to consolidated financial statements.				

China Mobility Solutions, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity (Deficiency)
(Expressed in US Dollars)

	Common Stock, $0.001 par value		Additional paid-in	Accumulated	Accumulated other comprehensive	
	Shares	Amount	capital	deficit	income	Total
Balance at December 31, 2004	15,826,792	$ 15,827	$ 8,770,378	$ (4,640,956)	$ (183,532)	$ 3,961,717
Issuance of common stock for cash on exercise of stock options on February 24, 2005 at $0.30	495,000	495	148,005	-	-	148,500
Issuance of common stock for services rendered	600,000	600	350,700	-	-	- 351,300
Issuance of common stock for cash on exercise of stock options on September						

1, 2005 at $0.40	500,000	500	199,500	-	-	200,000
Issuance of common stock for cash on exercise of stock options on September 1, 2005 at $0.35	2,590,000	2,590	903,910	-	-	906,500
Stock-based compensation	-	-	126,000	-	-	126,000
Fair value of new Series "A" warrants issued	-	-	3,254,305	-		3,254,305
Fair value of new Series "B" warrants issued	-	-	3,637,165	-	-	3,637,165
Intrinsic value of the conversion feature of the convertible debenture	-	-	1,052,863	-	-	1,052,863
Net loss for the year ended December 31, 2005	-	-	-	(9,163,453)	-	(9,163,453)
Foreign currency translation adjustment	-	-	-	-	(17,829)	(17,829)
Balance at December 31, 2005	20,011,792	20,012	18,442,826	(13,804,409)	(201,361)	4,457,068
Fair value of 200,000 Series "C" warrants issued for services rendered	-	-	50,000	-	-	50,000
Net loss for the year ended December 31, 2006	-	-	-	(7,879,445)	-	(7,879,445)
Foreign currency translation adjustment	-	-	-	-	8,478	8,478
Balance at December 31, 2006	20,011,792	20,012	18,492,826	(21,683,854)	(192,883)	(3,363,899)
Unaudited:						
Conversion of convertible debentures to common stock at $0.05 per share	33,500,000	33,500	1,641,500			1,675,000
Issuance of common stock in satisfaction of unpaid accrued interest and late regisration penalty fees relating to convertible debentures at $0.05 per share	6,022,500	6,022	295,103			301,125
Net loss for the three months ended March 31, 2007				(150,120)		(150,120)
Foreign currency translation adjustment					(7,412)	(7,412)

Balance at March 31, 2007	59,534,292	$	59,534	$	20,429,429	$	(21,833,974)	$	(200,295)	$	(1,545,306)

See notes to consolidated financial statements.

China Mobility Solutions, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(Expressed in US Dollars)

	Three Months Ended March 31,			
		2007		2006
		(Unaudited)		(Unaudited)
Cash Flows from Operating Activities				
Net loss	$	(150,120)	$	(57,599)
Adjustments to reconcile net income (loss)				
to net cash provided by (used for) operating activities:				
Depreciation		628		611
Foreign currency translation adjustment		(7,412)		3,025
Changes in operating assets and liabilities				
Accounts receivable		12		(965)
Prepaid expenses and other current assets		2,332		122,034
Due from related parties		(13,576)		(12,472)
Accounts payable and other accrued liabilities		61,440		(25,278)
Deferred revenue		489		(426,396)
Net cash provided by (used for) operating activities		(106,207)		(397,040)
Cash Flows from Investing Activities		-		-
Cash Flows from Financing Activities		-		-
Increase (decrease) in cash and cash equivalents		(106,207)		(397,040)
Cash and cash equivalents, beginning of period		288,149		6,138,609
Cash and cash equivalents, end of period	$	181,942	$	5,741,569
Supplemental disclosures of cash flow information:				
Cash paid for:				
Interest paid	$	-	$	53,600
Income taxes paid	$	-	$	-
Schedule of non-cash financing activities:				
Conversion of convertible debentures to				

common stock at $0.05 per share	$ 1,675,000	$ -
Issuance of common stock in satisfaction of unpaid accrued interest and late registration penalty fees relating to convertible debentures	$ 301,125	$ -
See notes to consolidated financial statements.		

CHINA MOBILITY SOLUTIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007
(Stated in U.S. dollars)
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. However, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted or condensed pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). In the opinion of management, all adjustments of a normal recurring nature necessary for a fair presentation have been included. The results for interim periods are not necessarily indicative of results for the entire year. These condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company's annual consolidated financial statements and the notes thereto for the fiscal year ended December 31, 2006 included in its Annual Report on Form 10-KSB.

The unaudited condensed consolidated financial statements include China Mobility Solutions, Inc. and its subsidiaries. All inter-company transactions and accounts have been eliminated.

Certain items have been reclassified to conform to the current period presentation. There is no effect on total results of operations or stockholders' equity.

NOTE 2 - DISCONTINUED OPERATIONS

On August 15, 2006, a total of $3,350,000 of convertible debentures became due and payable. In October 2006, the Company was notified by the PRC State Administration of Foreign Exchange ("SAFE") that its application to convert certain cash held by the Company's two subsidiaries organized under the laws of the People's Republic of China (the "PRC Subsidiaries") into U.S. dollars and repay the debentures was denied. Later, in the three months ended December 31, 2006, based upon advice of PRC counsel that the Beijing Rule of Liquidation was the sole means to repay the outstanding debentures, the PRC subsidiaries submitted applications to a PRC regulatory authority to liquidate pursuant to the Beijing Rule of Liquidation. In connection therewith, the accounting responsibilities for the operations of the PRC subsidiaries were transferred from the Company to a PRC accounting firm approved by the PRC regulatory authority. The Company has been unable to obtain reports from this accounting firm and has not received a definitive opinion regarding the ultimate outcome of these liquidations; accordingly, the Company reduced the carrying value of the net assets of the PRC Subsidiaries to $1 at December 31, 2006 and reflected operations of the PRC Subsidiaries to September 30, 2006 as discontinued operations. In the event that the Company receives more that $1 from the liquidations, it will recognize a gain in such future periods that the proceeds are realized.

Income (loss) from discontinued operations consists of:

		2007		2006
Revenue from wireless communications services	$	-	$	1,440,917
Cost of revenues		-		291,833
Gross profit		-		1,149,084
Selling, general, and administrative expenses		-		759,150
Income (loss) from operations		-		389,934
Interest income		-		6,905
Income (loss) from discontinued operations	$	-	$	396,839

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment, net consists of:

		March 31, 2007		December 31, 2006
Equipment	$	36,913	$	36,913
Library		12,816		12,816
Furniture		12,842		12,842
Total		62,571		62,571
Less : Accumlated depreciation		(52,070)		(51,442)
Net book value	$	10,501	$	11,129

The depreciation expense charged to continuing operations for the three months ended March 31, 2007 and 2006 were $628 and $602, respectively.

NOTE 4 - BEIJING TOPBIZ TECHNOLOGY DEVELOPMENT CORP., INC.

On August 8, 2006, the Company subsidiary Infornet HK and Mr. Xin Wei, a citizen and resident of the PRC and President of a subsidiary of the Company (“Wei”) (Infornet HK and Wei together being referred to as the “Purchasers”), QiFang Niu and XiaoXia Chen, both citizens and residents of the PRC (together being referred to as the “Sellers”) and Beijing Topbiz Technology Development Corp., Ltd. (“Topbiz”), a company organized and existing under the laws of the PRC, entered into a Share Purchase Agreement (the “Agreement”) providing for the acquisition by the Purchasers of control of Topbiz from the Sellers.

Under the Agreement, Infornet HK was to directly acquire 49% of the capital stock of Topbiz, and indirectly acquire control through Mr. Wei of an additional 11% of Topbiz, giving it effective control of 60% of Topbiz. Infornet HK was to pay the Sellers on a pro rata basis US$3,700,000 in cash ($950,000 on August 8, 2006, $1,350,000 on November 8, 2006, and $1,400,000 on February 8, 2006) and issue to them on a pro rata basis 8,081,818 new investment shares in an offering which is intended to be exempt from registration pursuant to Regulation S under the Securities Act of 1933, as amended. This acquisition structure was chosen to comply with China's foreign ownership rules which permit the Company, at this point in time, to have a direct ownership stake in Topbiz of up to 49%. Mr. Wei has agreed to execute and deliver to Infornet a Stock Option Agreement in the form and substance satisfactory to Infornet, which grants Infornet, among other things, the option to purchase his 11% ownership stake that he will acquire under the Agreement for an aggregate price of $100, upon the satisfaction of certain conditions precedent.

Infornet HK paid a $950,000 deposit to the Sellers on August 8, 2006 in contemplation of closing of the acquisition. Infornet HK has not made any additional payments to the Sellers. Due to the matters described in Note 2, the Company presently does not have sufficient cash to make the remaining payments of $2,750,000 required under the Agreement. Accordingly, the Company believes that the $950,000 may not be recoverable and recorded an impairment charge of $900,000 at December 31, 2006 to reduce the carrying cost of the deposit from $950,000 to $50,000.

Topbiz develops and customizes short messaging system, or SMS, platforms for banks in China. The 8,081,818 shares issued in connection with the acquisition were to be subject to a one-year restriction on transfer to a U.S. person pursuant to Regulation S.

NOTE 5 - CONVERTIBLE DEBENTURES

On August 15, 2005, the Company completed an offering of 134 units ("Units") for $3,350,000. Each Unit was sold for $25,000, consisting of $25,000 principal amount of senior convertible debentures (the "Debentures"), and one new Series “A” Warrant and one new Series “B” Warrant. The Debentures were initially convertible at $0.35 per share for 71,429 shares of common stock of the Company; maturing on August 15, 2006 and accruing interest at a rate of not less than 6% per annum equal to the sum of 2% per annum plus the one-month London Inter-Bank Offer Rate (“LIBOR”). The Debentures are subject to redemption at 125% of the principal amount plus accrued interest commencing six months after August 7, 2006.

Each Unit also included: (i) new Series “A” Warrants exercisable at $0.44 per share to purchase 71,429 shares of Common Stock of the Company until February 15, 2008; and (ii) new Series “B” Warrants exercisable at $0.52 per share to purchase 71,429 shares of Common Stock until February 15, 2009. The new Series “A” and new Series “B” Warrants are subject to redemption by the Company at $0.001 per Warrant at any time commencing six months and twelve months, respectively, from August 7, 2006, provided the average closing bid price of the common stock of the Company equals or exceeds 175% of the respective exercise prices for 20 consecutive trading days.

On January 18, 2006, the Company received a letter (the “Default Notice”) from the attorney for Southridge Partners, LP, (the “Lender”), the holder of $500,000 principal amount of the Company's Senior Convertible Debentures (the “Debenture”) stating that the Company was in default of certain transaction agreements (the “Transaction Agreements”) issued in connection with the Debenture by virtue of the Company's issuance of registered shares of stock to employees and consultants under a Form S-8 registration statement and the filing of the Form S-8 prior to the date of effectiveness, August 7, 2006, of the Company's SB-2 Registration Statement required under the Registration Rights Agreement (one of the Transaction Agreements).

The Company denied that it was in default of the Transaction Agreements. However, in order to avoid costly litigation, the parties entered into a waiver/settlement agreement on May 4, 2006 (the “Waiver/Settlement Agreement”).

In accordance with the terms of the Waiver/Settlement Agreement, the initial conversion price of the Debenture was reduced from $.35 per share to $.30 per share, the new Series “A” Warrant exercise price was reduced from $.44 to $.38 per share and the new Series “B” Warrant exercise price was reduced from $.52 to $.45 per share. In addition, the number of shares of the Company's common stock exercisable upon conversion of each $25,000 principal amount of Debenture and upon exercise of the new Series “A” and new Series “B” Warrants included in each Unit was increased from 71,429 shares to 83,333 shares for each of the Debenture, Class A Warrants and Class B Warrants, or an aggregate of 250,000 shares per unit.

The Lender waived the S-8 Default set forth in the Default Notice and the Company agreed not to file any additional S-8 Registration Statements prior to 45 days after August 7, 2006.

On August 15, 2006, the Company did not repay the $3,350,000 of Debentures then due. The Company has paid all interest on the Debentures accrued through November 15, 2006. As discussed in Note 2, the Company had applied to the regulatory authority in China to approve converting its subsidiaries' funds into U.S. dollars and repay the Debentures and was denied. The Company was advised that the Rule of Liquidation is the sole means of assuring repayment of the Debentures and subsequently submitted applications for such liquidations to a PRC regulatory authority. At May 18, 2007, these liquidations have not been completed.

The holder of an aggregate of $300,000 of the Debentures has agreed to extend the due date to December 31, 2007 with an interest rate of 10% per annum starting from August 15, 2006 and the exercise price of the new Series “A” Warrants and new Series “B” Warrants being reduced to $0.15 and $0.20 per share respectively. Other terms remain the same.

The Company received letters (the “Default Letters”) from the attorneys for two holders of an aggregate $875,000 principal amount of Debentures stating that the Company was in default under the Debentures as a result of its failure to pay principal plus interest thereon. On September 18, 2006, one of the debenture holders commenced a lawsuit against the Company in the Supreme Court of the State of New York, New York County (No. 603266). The action is a motion for summary judgment in lieu of complaint based on the Company's Debentures in the amount of $500,000 in favor of Plaintiff which was due on August 15, 2006, with interest at 12% per annum. On January 19, 2007, this motion was granted and a judgment in the amount of $545,440 was awarded the Plaintiff.

The Company entered into conversion/settlement agreements (the “Conversion Agreements”) dated February 2, 2007, which provided that the conversion price (the “Conversion Price”) of the Debentures, as set forth in paragraph 7(d) of the Debentures shall be reduced to $.05 per share of Common Stock (“Underlying Common Stock") issuable upon conversion (the “Conversion”), provided that at least fifty (50%) percent in principal amount (or $1,675,000) of the initial $3,350,000 of Debentures (the “Minimum Conversion”) agree to the Conversion. The closing of the Conversion (the “Closing”) occurred on February 12, 2007. Those Debenture holders who agree to the Conversion shall also agree to convert all accrued but unpaid penalties and interest owed by the Company into Common Stock at $.05 per share. Pursuant to the terms of the May 4, 2006 Waiver/Settlement Agreement entered into between the Company and Debenture holders the Conversion Price of the Debentures was reduced to its current price of $.30 per share. A total of 39,522,500 shares of common stock were issued to 29 Debenture holders under Conversion Agreements in satisfaction of $1,675,000 total principal amount of Debentures and $301,125 unpaid accrued interest and late registration penalty fees.

The Conversion Agreements provided for the Debenture holders who signed such agreements to: (i) terminate any and all pending litigation with the Company to which they are a party, without prejudice to reinstatement if and only if the Minimum Conversion is not completed, and/or the Company defaults in its obligations under the Conversion Agreement; (ii) in any vote of shareholders not vote against any nominee to the Board of Directors of the Company and any proposal designated by current management of the Company which does not effect the Conversion, and (iii) release and hold harmless the Company and its officers, directors, employees, representatives and affiliates following the Closing.

The Company agreed to make whatever filings are necessary with the SEC, whether by way of supplement or post-effective amendment to this registration statement concerning the Underlying Common Stock, to permit the issuance of common stock at the reduced Conversion Price of $.05 per share. Notwithstanding the foregoing, only the original 214,287 shares of Common Stock issuable underlying each $25,000 Unit, including 71,429 Shares of Common Stock underlying each Debenture, are registered on this Registration Statement. Accordingly, at the reduced Conversion Price of $.05 per share an aggregate of 500,000 shares of Common Stock would be issuable upon conversion of the Debentures and an additional 166,666 shares of Common Stock issuable upon exercise of warrants included in the Units. All additional shares of Common Stock not included in this Registration Statement, as well as those issuable in exchange for any interest and penalties due under the Debentures at the time of the Closing, have been included in a second registration statement filed by the Company on February 12, 2007.

The Company shall also provide the Debenture holders with "most favored nation" status and reduce the Conversion Price to the per share price of any equity offering made by the Company within 18 months of the Closing Date. The Company shall issue such number of additional shares to the Debenture holders to reduce their Conversion Price to that of such subsequent offering.

At March 31, 2007, accounts payable and accrued liabilities include interest payable of $121,676 and unpaid late registration penalty fees payable of $129,277.

NOTE 6 - BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share are computed by dividing net earnings (loss) available to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net earnings available to common stockholders by the weighted-average number of common shares outstanding during the period increased to include the number of additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

The following table sets forth the computations of shares and net loss used in the calculation of basic and diluted loss per share for the three months ended March 31, 2007 and 2006:

	2007	2006
Net loss for the period	(150,120)	(57,599)
Weighted-average number of shares outstanding	41,090,459	20,011,792
Effective of dilutive securities :		
Dilutive options - $0.30	-	-
Dilutive warrants new Series "A" - $0.15	-	-
Dilutive warrants new Series "A" - $0.38	-	-
Dilutive warrants new Series "B" - $0.20	-	-
Dilutive warrants new Series "B" - $0.45	-	-
Dilutive warrants Series "C" - $0.45	-	-
Dilutive potential common shares	-	-
Adjusted weighted-average shares and assumed conversions	41,090,459	20,011,792
Basic income (loss) per share attributable to common shareholders	$ 0	$ 0
Diluted income (loss) per share attributable to common shareholders	$ 0	$ 0

The effect of outstanding options and warrants was not included as the effect would be anti-dilutive.

NOTE 7 - SHARE PURCHASE WARRANTS

During the three months ended March 31, 2007, no share purchase warrants were issued, exercised or cancelled.

As of March 31, 2007, 122 new Series "A" warrants were outstanding which entitle the holders to purchase 83,333 common shares of the Company at $0.38 until February 15, 2008. 122 new Series "B" warrants were outstanding which entitle the holders to purchase 83,333 common shares of the Company at $0.45 until February 15, 2009. 12 amended new Series "A" warrants were outstanding which entitle the holders to purchase 83,333 common shares of the Company at $0.15 each until February 15, 2008. 12 amended new Series "B" warrants were outstanding which entitle the holders to purchase 83,333 common shares of the Company at $0.20 until February 15, 2009. 200,000 Series "C" warrants were outstanding which entitle the holders to purchase 200,000 common shares of the Company at $0.45 each expiring on May 5, 2010.

NOTE 8 - STOCK OPTIONS

The Company filed Form S-8 for its 2006 non-qualified Stock Option Plan with the Securities and Exchange Commission on November 3, 2005. The total number of shares of the Company available for grants of stock options and common stock under the Plan shall be 4,000,000 common shares. Stock options may be granted to non-employees and directors of the Company or other persons who are performing or who have been engaged to perform services of special importance to the management, operation or development of the Company. All stock options granted hereunder must be granted within ten years from the earlier of the date of this Plan is adopted or approved by the Company's shareholders. No stock option granted to any employee or 10% shareholder shall be exercisable after the expiration of ten years from the date such non qualifying stock option ("NQSO") is granted. The Company, in its discretion, may provide that an option shall be exercisable during such ten year period or during any lesser period of time. At the discretion of the Company, through the delivery of fully paid and non-assessable common shares, with an aggregate fair market value on the date the NQSO is exercised equal to the option price, provided such tendered shares have been owned by the Optionee for at least one year prior to such exercise.

No options were granted, exercised, canceled or forfeited during the three months ended March 31, 2007. The weighted average remaining contractual life is 0.31 years.

Options outstanding at March 31, 2007 were 660,000 with an option exercise price of $0.30 per share.

NOTE 9 - RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2007, the Company paid $14,248 (2006: $14,738) to a director and an officer as wages and benefits.

As of March 31, 2007, the Company has a receivable of $21,684 due from a company with a common ex-director without interest or specific terms of repayment.

As of March 31, 2007, the Company has an advance receivable of $17,865 from a director of the Company, which is to be used for future Company expenses.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Critical Accounting Policies

Our discussion and analysis is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to revenue recognition, accounts receivable and allowance for doubtful accounts, intangible and long-lived assets, and income taxes. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used or changes in the accounting estimate that are reasonably likely to occur could materially change the financial statements. We believe the following critical accounting policies reflect our more significant estimates and assumptions in the preparation of our consolidated financial statements:

Contingencies - We may be subject to certain asserted and unasserted claims encountered in the normal course of business. It is our belief that the resolution of these matters will not have a material adverse effect on our financial position or results of operations, however, we cannot provide assurance that damages that result in a material adverse effect on our financial position or results of operations will not be imposed in these matters. We account for contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

Income Taxes - We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. We have considered future market growth, forecasted earnings, future taxable income, and prudent and feasible tax planning strategies in determining the need for a valuation allowance. We currently have recorded a full valuation allowance against net deferred tax assets as we currently believe it is more likely than not that the deferred tax assets will not be realized.

Valuation Of Long-Lived Assets - We review property, plant and equipment and other assets for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Our asset impairment review assesses the fair value of the assets based on the future cash flows the assets are expected to generate. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset (if any) are less than the carrying value of the asset. When an impairment is identified, the carrying amount of the asset is reduced to its estimated fair value. Deterioration of our business in a geographic region could lead to impairment adjustments when identified. The accounting effect of an impairment loss would be a charge to income, thereby reducing our net profit.

Forward-looking statements

Statements contained in this report include "forward-looking statements" within the meaning of such term in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Exchange Act. Forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause actual financial or operating results, performances or achievements expressed or implied by the forward-looking statements not to occur or be realized. Forward-looking statements generally are based on our best estimates of future results, performances or achievements, based upon current conditions and the most recent results of the companies involved and their respective industries. Forward-looking statements may be identified by the use of forward-looking terminology such as "may," "will," "could," "project," "expect," "believe," "estimate," "anticipate," "intend," "continue," "potential," "opportunity" or similar terms, variations of those terms or the negative of those terms or other variations of those terms or comparable words or expressions.

Potential risks and uncertainties include, among other things, such factors as:

- the Liquidation of our PRC Subsidiaries as set forth in Item 1,
- our business strategies and future plans of operations,
- general economic conditions in the United States and elsewhere, as well as the economic conditions affecting the industries in which we operate,
- the market acceptance and amount of sales of our products and services,
- our historical losses,
- the competitive environment within the industries in which we compete,
- our ability to raise additional capital, currently needed for expansion, the other factors and information discussed in other sections of this report and in the documents incorporated by reference in this report.

Persons reading this report should carefully consider such risks, uncertainties and other information, disclosures and discussions which contain cautionary statements identifying important factors that could cause actual results to differ materially from those provided in the forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Working Capital Needs

For the education services, the Company will use the working capital to explore the local market, launch new courses, set up new market campaign, sign up with more agents, both domestic and international agents and provide some marketing materials and financial support to those agents.

Future Strategy

The Company accumulated nearly 500,000 corporate leads from its previous domain name registration and web hosting services in China.

In January 2007, the Beijing Bureau of Commerce approved the Liquidation of the Company’s operating subsidiaries in China. In connection with the Liquidation, the accounting responsibilities for the operations of the PRC subsidiaries were transferred from the Company to a PRC accounting firm approved by the PRC regulatory authority. The Company has been unable to obtain reports from this accounting firm and has not received a definitive opinion regarding the ultimate outcome of these liquidations; accordingly, the Company has reduced the carrying value of the net assets of the PRC subsidiaries to $1 at December 31, 2006 and has reflected operations of the PRC Subsidiaries for the years ended December 31, 2006 (which only includes these operations to September 30, 2006) and 2005 as discontinued operations.

In view of the foregoing, as a result of the Liquidation, the Company’s sole operations are those of Windsor Education Academy Inc., a British Columbia based school specializing in English as a Second Language courses for foreign students. This business had total revenues of $21,009 for the period ends at March 31, 2007. Accordingly, we intend to seek to expand our business through acquisitions or mergers with other entities. Any decision to make an acquisition or merge will be based upon a variety of factors, including, among others, the purchase price and other financial terms of the transaction, the business prospects of the target company and the extent to which any acquisition/merger would enhance our prospects. We will continue to try to complete the acquisition of Topbiz, as described below. While we have had discussions with various potential acquisitions targets, we presently have no agreements, understandings or arrangements for any other acquisitions or mergers. As part of the Liquidation, it is necessary to appoint an auditor to do the appraisal of an evaluation of the assets of the Company and to submit such appraisal to the BOMOC for its approval.

At such time as the Company is able to convert the Debentures and/or repay the remainder though the Liquidation process it will need to seek additional funds in order to implement its business plan. No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any additional funds will be available to the Company when it is needed.

Liquidation of Quicknet Subsidiary to Repay Debentures in Default

On August 15, 2006, the Company’s Debentures in the principal amount of $3,350,000 matured. While the Company had sufficient cash on hand to repay the Debentures in their entirety with accrued interest, the Company's operating subsidiary in China, Quicknet was denied the ability to withdraw funds from China, as described below. The Company received letters from the attorneys for two holders of an aggregate $875,000 principal amount of Debentures stating that the Company was in default under the Debentures as a result of its failure to pay principal plus interest thereon. One of such debenture holders obtained a default judgment against the Company for $500,000 principal amount of Debenture plus interest and expenses. The Company had paid all interest on the Debentures accrued through August 15, 2006. Interest accrued on the Debentures though maturity, at the rate of not less than 6% per annum equal to the sum of 2% per annum plus the one month LIBOR rate. From the maturity date of August 15, 2006, interest on outstanding principal amount of Debentures
and unpaid accrued interest accrues at the rate of 12% per annum.

The Company disclosed in a Current Report on Form 8-K for August 31, 2006, that it had applied to the banking authorities (State Administration of Foreign Exchange (“SAFE”)) in China to convert its subsidiaries' funds into U.S. dollars and repay the Debentures. The Company's operating subsidiary in China has advised the Company that its application to SAFE to withdraw the funds from China had been denied. On October 25, 2006, the Company retained the law firm of Wyatt & Wang in Beijing to assist it comply with the Beijing Rule of Liquidation of companies with foreign investment (the “Rule of Liquidation”). The Company has been advised by PRC Counsel that the Rule of Liquidation is the sole means of assuring repayment of the Debentures. The Company began the process to submit an application for such liquidation to the Bureau of Ministry of Commerce (“BOMOC”). On January 16, 2007, the Beijing Bureau of Commerce approved the Liquidation. As part of the Liquidation, the PRC Subsidiaries were ordered to discontinue operations and set up a liquidation committee. Their accounting responsibilities were transferred from the Company to a PRC accounting firm approved by the PRC regulatory authority. As reflected in the financial statements included in this Report, the operations of the PRC Subsidiaries for the years ended December 31, 2006 (which only includes these operations to September 30, 2006) and 2005 are reflected as discontinued operations.

Upon the Liquidation of the PRC Subsidiaries and the repayment of outstanding Debentures, the Company does not know whether the PRC subsidiaries will continue to operate as subsidiaries of the Company in new entities, although it is not currently expected they will.

Liquidity And Capital Resources

The Company had cash capital of $181,942 at March 31, 2007. The Company has no other capital resources other than the ability to use its common stock to achieve additional capital raising. Other than cash capital, its other assets would be illiquid.

At the end of March, 2007, the Company had $227,136 in current assets and current liabilities of $1,960,853, consisting primarily of $1,650,000 of Debentures which matured on August 15, 2006 and were in default. At March

31, 2005, the Company had current liabilities of $3,875,049, consisting of the $3,350,000 principal amount of Debentures which were matured on August 15, 2006.

The cash capital at the end of the period of $181,942 will be used to fund continuing operations. The Company had a decrease in cash of $106,207 for this quarter, mainly for general and administrative expenses. The Company has received no cash from investing activities in this quarter.

On August 15, 2006, $3.35 million principal amount of Debentures matured. The Company offered to lower the conversion price of the Debentures to $.05 per share conditioned upon at least 50% in principal amount of Debentures agreeing to convert all of their Debentures in accordance with the terms and conditions for a Conversion/Settlement Agreement dated as of February 2, 2007. This transaction was completed in February 2007 and approximately 58 % of the Debenture has been converted at $.05 per share. The Debenture holder who executed the Agreement relieved the company from all claims.

The Company has tuition fees from Windsor Education Academy ("Windsor"). However, capital from additional private placements, borrowing against assets and/or from warrants being exercised by warrant holders, may be required to fund future operations. As of December 31, 2006, 134 new Series “A” warrants issued in the August 2005 Offering were outstanding which entitle the holders to purchase 71,429 common shares of the Company at $0.44 each within two years from the Effective Date, but no later than February 15, 2008. 134 new Series “B” warrants were outstanding issued in the August 2005 offering which entitle the holders to purchase 71,429 common shares of the Company at $0.52 each within three years from the Effective Date but no later than February 15, 2009.

On August 8, 2006, and as referenced in Item 1(a) above, the Company and President of a subsidiary of the Company consummated the acquisition of a 49% interest in Topbiz, pursuant to the Share Purchase Agreement referenced in Exhibit 10.8 hereto. As of September 30, 2006, $950,000 had been paid by the Company. According to the Share Purchase Agreement, the Company should make a payment of US$1,350,000 three months after closing date which is before end of November, 2006. However, since the Company had started the liquidation process by then, it could not make such payment on time. The Company and Topbiz stopped the ownership transferring process. As of December 31, 2006, the Company and Topbiz had not reached an amended agreement on the payment schedule. Furthermore, the Company has not issued any stock under Regulation S under the Securities Act in connection with this transaction

Need for Additional Financing:

The Company believes it has sufficient capital to meet its short-term cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934, but it will have to seek loans or equity placements to cover longer term cash needs to continue operations and expansion.

No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any additional funds will be available to the Company to allow it to cover operation expenses.

If future revenue declines or operations are unprofitable, the Company will be forced to develop another line of business, or to finance its operations through the sale of its assets, or enter into the sale of stock for additional capital, none of which may be feasible when needed. The Company has neither specific management ability, nor financial resources or plans to enter any other business as of this date.

The effect of inflation has not had a material impact on its operation, nor is it expected to in the immediate future.

Market Risk:

The Company does not hold any derivatives or investments that are subject to market risk. The carrying values of any financial instruments, approximate fair value as of those dates because of the relatively short-term maturity of these instruments which eliminates any potential market risk associated with such instruments.

Material Changes in Results of Operations For the Three Months Ended March 31, 2007 As Compared to the Three Months Ended March 31, 2006.

Revenues. The Company has revenues of $21,009 from tuition fees for the three months ended March 31, 2007, compared to $19,027 for the same period in 2006 from its subsidiary: Windsor Education Academy. The gross profit in 2007 was $20,855 compared to $14,395 in 2006 for the three months ended March 31.

Operating Expenses. The Company incurred operating expenses of $87,176 in this quarter, compared to operating expenses of $216,779 for the same period in 2006.

Loss from Continuing Operations. Loss from continuing operations for this quarter was ($150,120) compared to the same period in 2006 of ($454,438). This was caused largely by the cost relating to convertible debentures' late registration penalty fees in 2006.

Net Loss. Net Loss to Common Stockholders as of March 31, 2007 was ($150,120)) in contrast to a Net Loss of ($57,599) in 2006. This was caused largely by the income from discontinued operations of $396,839 in 2006.

Loss per Share. Loss per share was Nil for the period ended March 31, 2007, unchanged from the same period in 2006.

ITEM 3. CONTROLS AND PROCEDURES

Quarterly Evaluation of Controls

CONTROLS AND PROCEDURES

As of the end of the period covered by this Quarterly Report on Form 10-QSB, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures ("Disclosure Controls") as defined in Rules 13a -15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This evaluation ("Evaluation") was performed by our Chief Executive Officer and Principal Accounting Officer, XiaoQing Du, ("CEO") and Ernest Cheung, our Principal Financial Officer ("CFO"). In this section, we present the conclusions of our CEO and CFO based on and as of the date of the Evaluation, with respect to the effectiveness of our Disclosure Controls and Procedures.

Based upon the Evaluation, our CEO and CFO determined that our disclosure controls and procedures are effective to ensure same that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within time periods specified in the Commission's rules and forms. Our CEO and CFO have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by an issuer in the reports it files or submits under the Exchange Act is accumulated and communicated to the issuer's management including the CEO and CFO, to allow timely decisions regarding required disclosure.

As a non-accelerated issuer, the Company is not required to provide management's assessment and report on the Company's internal control over financial reporting. However, in our Form 10-QSB for the period ended March 31, 2005, we determined that there were material weaknesses in our internal controls in our operations in China, that needed to be addressed by management.

The changes which we were in the process of implementing during the fourth quarter to our internal controls over financial reporting could materially affect or are reasonably likely to materially affect those controls. These changes were completed during the fourth quarter. Management does not believe such material weakness in our internal controls did, in fact, affect our disclosure controls and procedures.

The Company has implemented document control procedures for its subsidiary QuickNet in its manual. These include:

A. Expenditure controls/approvals and documentation by Board Committee for the subsidiary in China, Beijing QuickNet; and

B. Subscription accounting and tracking for its subsidiary in China, Beijing QuickNet.

The Company has completed the implementation of such changes to our internal controls and procedures based on the model framework created by the Committee of Sponsoring Organizations of the Treadway Commission (or "COSO").

There were changes in the Company's document control procedures as stated above for its subsidiary Quick Net that were completed during the Company's fourth fiscal quarter in 2005. However, no other changes in the Company's internal controls over financial reporting identified in connection with the Evaluation occurred during the Company's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect the Company's internal controls over our financial reports.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of business, the Company may be involved in legal proceedings from time to time. As of the date of this report, the only legal proceedings to report were that:

On September 18, 2006, Southridge Partners, L.P. ("Plaintiff") commenced a lawsuit against the Company in the Supreme Court of the State of New York, New York County (No. 603266) for an alleged default on repayment of its Senior Convertible Debentures due August 15, 2006 (the "Debentures"). The motion for summary judgment in lieu of complaint was granted based on the Company's Debentures in the amount of $500,000 in favor of Plaintiff which was due on August 15, 2006, with interest at 12% per annum. The Plaintiff is taking steps to execute its default judgment.

On November 25, 2006, Iroquois Management Fund LTD ("Plaintiff") commenced a lawsuit against the Company in the Supreme Court of the State of New York, New York County (No. 6604397/06). The action is a motion for summary judgment in lieu of complaint based on the Company's Debentures in the amount of $375,000 in favor of Plaintiff which was due on August 15, 2006, with interest at 6% per annum from June 30, 2005 to August 15, 2006, and with interest at 12% per annum from August 15, 2006 to the date of entry of judgment, plus costs and disbursements.

On February 7, 2005, the Company was sued by Sino-I Technology Limited for $88,270 for an alleged breach of warranty and a claim under a guarantee. The Company has retained separate counsel to represent it in the action. Counsel for the Company submitted a Notice of Motion to the plaintiff's lawyer on March 7, 2005 and is seeking an extension of response date. The Company intends to vigorously defend the suit.

On February 22, 2007, Microsoft Corporation commenced a lawsuit against the Company and others in the King County Superior Court of the State of Washington (No.06-2-18596-0 SEA). Microsoft alleges claims for trespass to chattels, conversion, and violations of the Washington Commercial Electronic Mail Act, Washington Consumer Protection Act, the Controlling the Assault of Non-Solicited Pornography and Marketing Act ("CAN-SPAM"), and the Lanham Act. The Company has retained counsel to evaluate and defend the suit.

No director, officer or affiliate of China Mobility Solutions, Inc., and no owner of record or beneficial owner of more than 5% of the securities of the Company, or any associate of any such director, officer or security holder is a party adverse to the Company or has a material interest adverse to it in reference to pending litigation.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The Company disclosed in a Current Report on Form 8-K for August 31, 2006, that it had applied to the banking authorities (State Administration of Foreign Exchange ("SAFE")) in China to convert its subsidiaries' funds into U.S. dollars and repay the Debentures. The Company's operating subsidiary in China has advised the Company that its application to SAFE to withdraw the funds from China had been denied. On October 25, 2006, the Company retained the law firm of Wyatt & Wang in Beijing to assist it comply with the Beijing Rule of Liquidation of companies with foreign investment (the "Rule of Liquidation"). The Company has been advised by PRC Counsel that the Rule of Liquidation is the sole means of assuring repayment of the Debentures. The Company began the process to submit an application for such liquidation to the Bureau of Ministry of Commerce ("BOMOC"). On January 16, 2007, the Beijing Bureau of Commerce approved the Liquidation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

The following are filed as Exhibits to this Quarterly Report. The numbers refer to the Exhibit Table of Item 601 of Regulation S-K:

Number Description

31.1 Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf of the undersigned thereunto duly authorized.

Dated: May 21, 2007

CHINA MOBILITY SOLUTIONS, INC. /s/ Angela Du	**CHINA MOBILITY SOLUTIONS, INC.** /s/ Ernest Cheung
Angela Du Name: Angela Du Title: Chief Executive Officer More Title: Principal Accounting Officer	Ernest Cheung Name: Ernest Cheung Title: Principal Financial Officer More Title