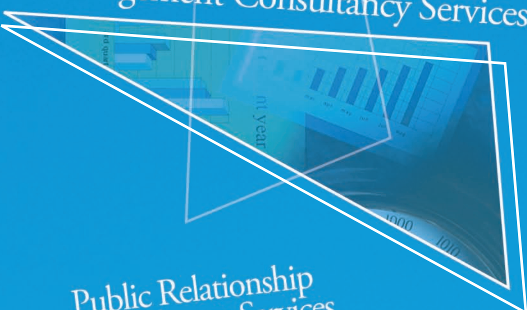
Market Research Services

Information Engineering Supervisions Consultancy Services

Data Information Management Services

Management Consultancy Services



Public Relationship Consultancy Services

Provision of Training Services

CCIDConsulting

賽迪顧問股份有限公司

CCID Consulting Company Limited

（於中華人民共和國註冊成立之股份有限公司）
（A joint stock limited company incorporated in the People's Republic of China）
（股份代號 Stock Code: 08235）

ANNUAL REPORT **2008** 年報

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This report, for which the directors (the "Director") of CCID Consulting Company Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to CCID Consulting Company Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) 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.

TABLE OF CONTENT

CORPORATE INFORMATION

Directors

Executive Directors

羅文 (Luo Wen) (General Manager)
李峻 (Li Jun) (Chief Executive Officer)
呂國英 (Lv Guoying) (Deputy General Manager)

Non-executive Directors

劉烈宏 (Liu Liehong)
王鵬 (Wang Peng)

Independent Non-executive Directors

郭新平 (Guo Xinping)
韓複齡 (Han Fuling)
潘興午 (Pan Xingwu)

Supervisors

宮承和(Gong Chenghe)
黃永金 (Huang Yongjin)
趙秀珍 (Zhao Xiuzhen)

Audit Committee

郭新平 (Guo Xinping) (Chairman of the committee)
韓複齡 (Han Fuling)
潘興午 (Pan Xingwu)

Legal Address

Room 210
No. 12 Huo Ju Jia Road
Chang Ping District, Beijing
The People's Republic of China (the "PRC")

Office and correspondence address

9th and 10th Floor, CCID Plaza,
66 Zizhuyuan Road,
Hai Dian District, Beijing, PRC
Postal code 100048

Principal Place of Business in Hong Kong

Level 28, Three Pacific Place, 1 Queen's Road East,
Wanchai, Hong Kong

Company's Website Address

www.ccidconsulting.com

Stock Code

08235

Auditors

Ho & Chung CPA Limited

Hong Kong Share Registrar and Transfer Office

Tricor Tengis Limited
Level 28
Three Pacific Place
1 Queen's Road East
Wanchai, Hong Kong

Principal Banker

中國建設銀行股份有限公司 (China Construction Bank)
北京銀行股份有限公司 (Bank of Beijing)

Remuneration Committee

潘興午 (Pan Xingwu) (Chairman of the committee)
李峻 (Li Jun) (Chief Executive Officer)
郭新平 (Guo Xinping)

Compliance Officer

羅文 (Luo Wen) (General Manager)

Company Secretary

Wong Ki Yan Davhen, ACCA, HKICPA

Qualified Accountant

Wong Ki Yan Davhen, ACCA, HKICPA

Authorised Representatives

羅文 (Luo Wen) (General Manager)
Wong Ki Yan Davhen, ACCA, HKICPA

CHAIRMAN'S STATEMENT

I am hereby to present the report on the audited results of CCID Consulting Company Limited (the "Company") and its subsidiaries, (collectively the "Group"), for the year ended 31 December 2008.

Company Profile in Brief

CCID Consulting Company Limited is China's first consulting firm that is listed in the Growth Enterprise Market of the Stock Exchange of Hong Kong and first lead through the country's quality control system ISO9001, which authenticates the professional status of the Company. The Company is directly supervised by the China Center of Information Industry Development (CCID) of the Ministry of Industry and Information Technology of the People's Republic of China (MII). Headquartered in Beijing, the Company has set up branches in cities such as Shanghai, Guangzhou, Shenzhen, Nanjing, Wuhan, and Chengdu. Meanwhile the Company has agents in US, Japan, South Korea, Singapore, Europe. With total over 300 professional consultants, the Company's business network covers more than 200 large- and medium-sized cities in China.

Based on the Company's competitive advantage in industry resources, information technology, and data channels, the Company focuses in six major business areas, namely "Market Research", "Data Information Management", "Management Consultancy", "Public Relationship Consultancy", "Information Engineering Supervision" and "Training" services to clients in areas such as the formulation of public policy, enhancement of industry competitiveness, development of strategy and planning, marketing strategy and research, human resources management, information technology planning and management etc. The Company services target not only at various level of government management departments, but also industries and enterprises in electronics, telecommunications, energy, automobile etc., striving to become China's Number one brand in strategic consulting, Number one consulting firm in enterprise management, and Number one brain tank in government decision-making.

Financial Results

For the year ended 31 December 2008, the Group recorded turnover of RMB 117,873,741, gross profit of RMB 49,443,999, and profit per share of RMB 1.7 cents per ordinary share. The turnover and gross profit of the Group were increased by approximately 42% and 41% respectively, as compared to last year. The increases were mainly attributable to (1) the success of budgeting control policy in reducing unnecessary direct and indirect cost, (2) the simultaneous strengthening of the marketing and sales force and (3) the synergy effect from the new acquisition of information engineering supervision business.

Despite of the intense market competitions in 2008, the Group gained high reputation and popularity, maintained sound growth momentum of sales income and presented an active and favorable development trend through reinforcing business transformation and upgrade, promoting specialty, brand influence and team competitiveness, actively exploring new business modes and laying stress on establishment and improvement of quality management system.

Future Developments

In 2009, the Group will continue to strengthen its profitability through deepening its business remodeling and enhancement, strengthening the development of large customers, increasing company's professional and branding competitiveness and attracting professional talents.

The Group will break through important government customers by systematically advancing the business remodeling from government industry plan, analysis of investment environment competitiveness, cost analysis of attracting foreign capital, e-government evaluation and information engineering supervision. The Group will improve the construction of data channels and promote the upgrade of data online business. The Group will further develop overseas markets and enhance business cooperation with strategic partners in United States, Japan, Korea, Singapore etc. The Group will also increase the company branding popularity and reputation through highly effective branding publicity, including a series of media advertisements, activities, and network marketing. In the meantime, the Group will further improve the internal regulation and managing internal flow control; enhance the strength of quality control in study and consulting; facilitate the sharing of knowledge; and establish the evaluation and training system in its professional ability.

In sum, the Group will endeavor to provide comprehensive service such as policy research for and society, consulting plans, information engineering supervision, media advertisement and product testing. The Group will continue to promote the competitiveness of professional, branding and data channels, and deepen the branding influence in the areas of market study and management consulting in the market; expedite the development in information technology consulting and marketing consulting; establish new brands with popularity; and further enrich the product chain in consulting services, all with the goal of creating a brand group in consulting services that is well established internationally.

Despite of the challenges ahead, the Board and I, have full confidence in the future of the Group will go on leading the Group to overcome all difficulties together with all employees in order to create the maximum values for all shareholders.

Acknowledgment
I avail myself of this opportunity to thank all directors, management of the Group and all the employees for their dedication and commitment and all customers, bankers and shareholders for their continued support.

Liu Liehong
Chairman

Beijing, The People's Republic of China
29 March 2009

Industry Overview

The consulting service industry is a new industry providing information and intelligence services and is a major component of the service industry.

There are extensive demands for market research

In the face of intense market competitions in recent years, enterprises are requiring more extensive market researches, covering industrial and market researches, such as current status and development trend of related industries, development of associated industries and their development trends, researches on competitors, such as their products, markets and sales, researches on enterprises themselves, such as degree of customer satisfaction, competitiveness and brand status, and researches on clients, such as client positioning, their potential demands, etc.

Management consulting service enjoys a bright prospect

Enterprises are in face of new challenges along with the rapid development of economy and technology that brings along complex economic environment and intense market competitions and they have growing demand for high-level management consulting services, which provides a broad market for the development of the management consulting industry. The demands include development strategy formulation, organizational structure optimization, for instance, many traditional state-owned enterprises require establishing market-oriented organizational structure and operation mechanism, and improvement of performance review and payment system for promoting competitiveness.

New opportunities of decisional consulting services to government

The global financial crisis now, is slowing down the global economic growth, and more destabilizing factors have appeared in the global economic environment, which has a direct impact on the Chinese economy. Under the unprecedented complex economic development conditions, competent authorities at all levels need to study industrial structure, industrial system, industrial layout, industrial policy and industry competitive edge and to have clear judgment and understanding of the orientation of industrial structure, investment structure, business organization structure and ownership structure. The external consulting services can help decision makers solve different kinds of problems and achieve scientific governmental decisions with objective and fair proposals.

Information supervision service extends to both ends

It is difficult for information supervision constructors to determine master plans, technical proposals and equipment models owing to their insufficient technical force, and they require consultative bodies to participate in the preliminary works. Moreover, after having helped clients work out master plans and technical proposals, consultative bodies often serve as supervision units during on-site construction, so the information project consulting services extend to both ends to cover the overall process from the project initiation to the whole operation.

Consulting firms are developing towards integrated information service providers

Boosted by information technology innovation and pattern innovation, clients are presenting individualized and diversified demands. The intense market competitions encourage traditional consulting firms to develop towards integrated information service providers that will provide one-stop services to ensure market competitiveness. The amalgamation between consulting industry and information service industry boosts the development of the information service industry and revolutionary breakthrough of the consulting industry.

Turnover Analysis

For the year ended 31 December 2008 the turnover by operations can be classified as follows:

	2008	**%**	2007	%
	RMB		RMB	
			（Restated）	
Market Research Services	**41,854,712**	**36%**	33,712,250	41%
Data Information Management Services	**3,780,994**	**3%**	2,383,392	3%
Management Consultancy Services	**24,673,484**	**21%**	20,428,938	25%
Public Relationship Consultancy Services	**9,749,028**	**8%**	3,910,108	5%
Information Engineering Supervision Services	**27,638,960**	**23%**	10,733,157	13%
Provision of Training Services	**10,176,563**	**9%**	11,626,356	14%
Total	**117,873,741**	**100%**	82,794,201	100%
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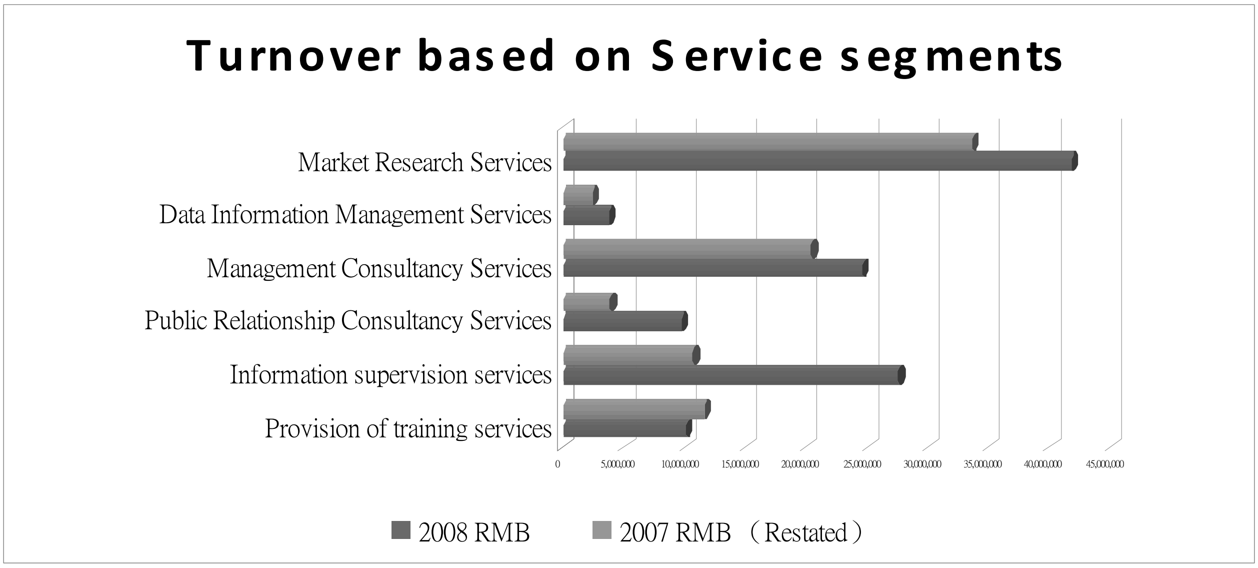

Business Review

In 2008, the Group follows the direction of "Adapting the developing law in the information service industry and promoting the core competitiveness of information service". Regarding the reforming mentality of "Upward developing and downward scratching", the Group takes actively exploring new business modes and stresses on establishment and improvement of quality management system. The Group further extended the dominant position in the information consulting industry of the modern times. The following paragraph further explained various operations and the profit resulted:

Further exploring the market consultation business

The Group has always regarded the research on market and industry as one of the major research fields and provided more than one thousand kinds of annual research report, including monthly reports, quarterly reports and annual reports to clients. The Group has accumulated mass data and research findings, developed and improved fundamental research database, sales database and media database, won many well-known international and domestic clients and established long-term partnership with such them.

In terms of market research service, for the year ended 31 December 2008, the Group had issued 358 annual research reports, completed 126 quarterly analysis reports and 214 monthly and weekly reports for reference. The operating turnover was RMB41,854,712, which constituted about 36% of the Group's turnover. The operation's turnover was increased by 24% as compared to last year. The increase was due to the Group further explored the market consultation field and made the most of client resources in order to guide clients from market consultation to management consultation, which lead to increase in the sales of annual reports, a major source of income from market consultation.

Pushing ahead with data information management service in a solid manner

In terms of data information management service, besides 35 large databases with independent intellectual property rights and being updated continuously, the Group also provides client with data products and services through membership system and ordering by making use of advanced data excavation technologies. In addition, the Group also provides governmental agencies and enterprises with data information management solutions by virtue of its abundant database development experience, advanced database development techniques and powerful R&D team.

For the year ended 31 December 2008, the Group realized an operation turnover of RMB3,780,994 from data information management service, which constituted for 3% of the Group's turnover. The operation's turnover was increased by 59% as compared to last year. The main reason is that www.cciddata.com with a new facelift was launched within the year and has become the No. 1 portal in China for industrial research and consulting that highlights enterprise research and pays close attention to industrial research and product research, and that the business of www.cciddata.com was transformed as required by the Group.

Vigorously expanding management consulting business

In terms of management consulting service, the Group has won many clients through tracking and learning about the IT market for years. It has been following the development trend of IT technologies and is in possession of ready channels and technologies for the development of management consulting service. Therefore, the Group provides management consulting services based on its advantages, mainly promoting management efficiency of enterprises and governmental agencies with advanced information technology (enterprise informatization or e-Government).

In 2008, the Group took up quite a few typical projects on industrial planning, enterprise strategies and IT projects from local governments, ministries and commissions and large-scale enterprises, and gained advantages in some regional consulting markets, such as Guangdong and Shenzhen .

For the year ended 31 December 2008, the Group realized an operation turnover of RMB24,673,484 from the management consulting service, which constituted for 21% of the Group's turnover. The operation's turnover was increased by 21% as compared to last year. The main reason is that, within this year, the Group strived to win governmental agencies and large-scale enterprises through focusing on industrial planning of the government, analysis of investment environment competitiveness, analysis of investment attraction cost, and evaluation, planning and supervision of e-Government.

Reinforcing marketing and brand communication

In terms of public relations consulting service, CCID Group began to offer consulting services on marketing, brand communication, public relations and advertising.

For the year ended 31 December 2008, the Group achieved an operating income of RMB9,749,028 from public relations consulting service, which constituted about for 8% of the Group's turnover. The operation's turnover was increased by 149% as compared to last year. This is mainly due to the increase in market demand this year.

Extending the business chain through acquisition of supervision business

Seizing upon the opportunity of IT applications, the Group purchased 70% of the stock equity of Beijing CCID Information Engineering Supervision Co., Ltd. (CCID Supervision for short) on 8 September 2008, through which it has expanded the business chain and operating scale, enhanced the competitive edge and cultivated new economic growth points.

Hong Kong Accounting Guidelines No. 5 applies to this merger as the merger of CCID Supervision is one under the same control. See Note 3 (b) for details of the accounting policies.

CCID Supervision mainly provides the following services:

In terms of information engineering supervision, it inspects the quality of software, network, communication and information safety projects provided to governmental agencies and private enterprises. For the year ended 31 December 2008, the Group completed a business volume of RMB27,638,960 from information engineering supervision, which constituted about 23% of the Group's turnover.

It also provides training on quality inspection of software, network, communication and information safety projects provided to governmental agencies and private enterprises. For the year ended 31 December 2008, the Group achieved a business volume of RMB10,176,563 from training services, which constituted about 9% of the Group's turnover.

Promoting the competitiveness of specialty, brand and work team

In 2008, the Group further strengthened the development of "three databases and one methodology" in order to promote the professional competitiveness. It enhanced the capability of supporting major governmental decisions through implementing industrial planning projects. In response to the state's call for vigorously integrating industrialization with IT application, it enhanced the IT application level of traditional industries. It adopted the brand competitiveness evaluation system and released more than 2,500 articles on media, totaling more than 4 million words and covering more than 80% of key media carriers. Nearly 150,000 copies of the six references, researches on two major industries and new management were published, covering nearly 9,000 government officials and enterprise senior managers and promoting the brand competitiveness of the company effectively. It reinforced training. In the first half of 2008, it organized 106 trainings, covering vocational trainings on advisory methods, database development, etc. and cultural training on business etiquettes and Chinese study. It assessed and selected cadres comprehensively and objectively through all-round performance review and selected middle management according to the required competition procedure. It gave full play to the role of Party organization, trade union and communist youth league and organized various hobby groups in order to create a harmonious work atmosphere.

Developing the new business mode "technology + content"

In June, 2008, in the hope of shaping a leader integrating industrialization with IT application, the Group launched a content service platform, www.cciddata.com. Oriented to the industry and IT fields, this platform provides clients with five major product systems, namely on-line database, mobile telephone retail monitoring database, market research, industrial information and enterprise perspective, by applying advanced information processing technology and retrieving measures on the basis of industrial research and market data. It provides more than ten million pieces of background database information and its retail data monitoring channels have covered the retail stores in more than 200 domestic cities, and the Group has become the first one in the domestic modern information service industry that supplies full-link information from macroscopic to microscopic. The on-line database is a new pattern of information service supply and has created new points for economic growth of the Group.

Strengthening integrated marketing and overseas promotion of publications

In 2008, the Group published nearly 150,000 publications, covering more than 9,000 target clients from governmental agencies, industrial parks and enterprises.

Through promoting Group's brand image, improving media publicity and network marketing and reinforcing overseas promotion, the Group has achieved sound publicity and expanded influence in the trade, and has displayed its strength and status in the modern information consulting service field, which actively strengthening its business development in countries, such as the USA, Japan, South Korea and Singapore.

Reinforcing scientific and standardized management

The Group has formulated a series of standardizing systems, such as the regulations for project initiation report, project completion report, project budget table, etc. in accordance with the principle of "systematic management and flow control", and has correspondingly designed the control flow to run project management through the whole process and to standardize and improve the R&D quality management system in order to further increase efficiency, reduce cost and provide quality products to enhance customer satisfaction degree. To achieve more scientific and standard enterprise management, the Group introduced ISO9001 quality management system in 2008 and was ISO9001 certified in the same year in the hope of establishing a scientific, tried and true quality management system, cultivating and reinforcing the quality awareness and service awareness of employees, in achieving scientific management methods and standard management process by definite management objectives, and improving management efficiency and organizational effectiveness at the same time by effectively reducing the management cost.

QAC®

中质协质量保证中心

质量管理体系认证证书

注册号：00608Q11115R0M

兹证明

赛迪顾问股份有限公司

GB/T 19001-2000 idt ISO 9001:2000

以管理咨询、市场研究为主要内容的咨询服务，包括常规研究、专项咨询、会议活动及在线数据库

中质协质量保证中心

代表签字：

CNAS

IAF

QAC®

Quality Assurance Centre of China Association for Quality

CERTIFICATE OF QUALITY MANAGEMENT SYSTEM

Certificate No. 00608Q11115R0M

This is to certify that the Quality Management System of

CCID Consulting Co., Ltd.

Address: 10/F, CCID Plaza No.66 Zishuyuan Road, Haidian District, Beijing, People's Republic of China

Post Code: 100048

is in conformity with

GB/T 19001-2000 idt ISO 9001:2000

This certificate is valid to the following scope:

The Consulting Service, Whose Main Contents are Management Consulting and Market Research, Includes: Regular Research, Customized Consultancy, Market Events and Online Database

Term of validity of this certificate from: 24th.Oct.2008 to 23rd.Oct.2011

Quality Assurance Centre of China Association for Quality (QAC)

Representative:

Huang Jinfu
General Manager
Issue Date: 24th.Oct.2008

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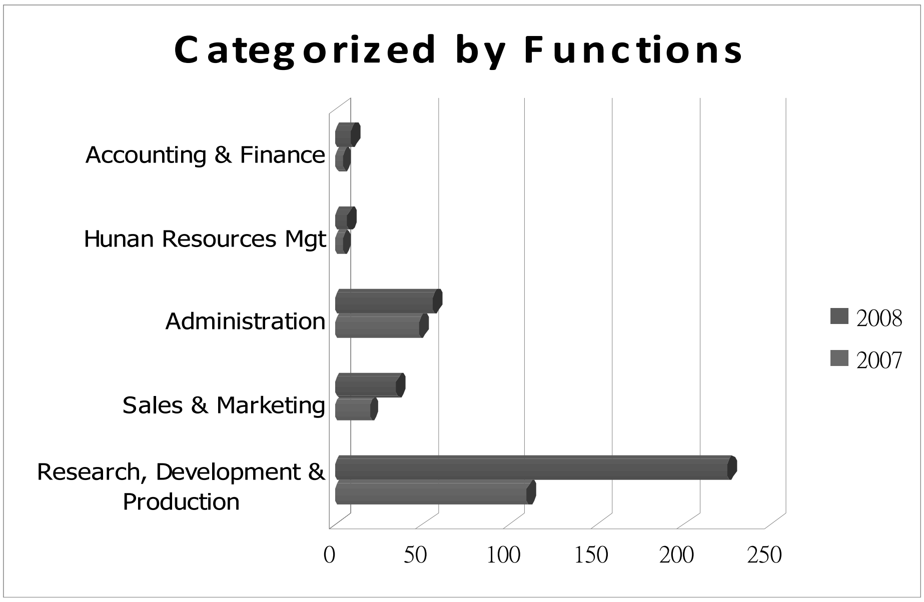
Market Promotions and Publicity

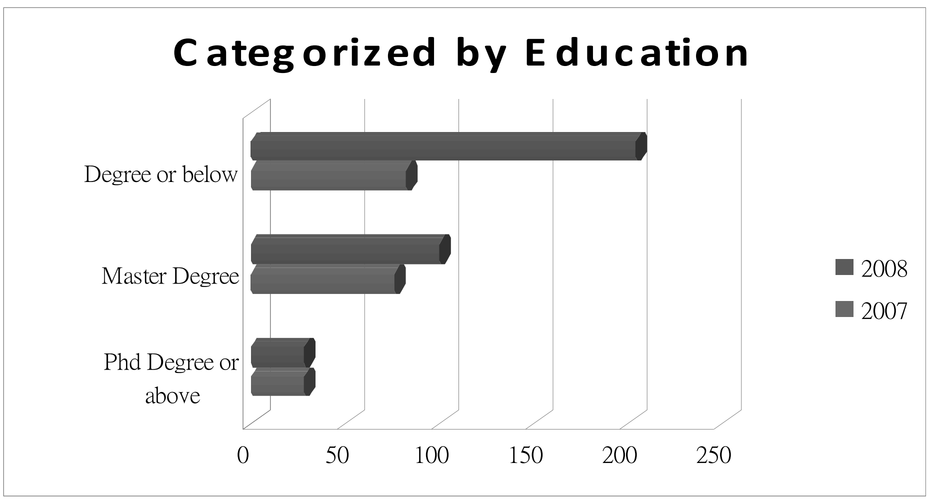
In 2008, the Group hosted or co-sponsored 26 market promotions and publicity conferences. Part of the details listed in below:-

Conference Name	Theme	Date	Venue
IC Market China 2008	Discerning the trend and grasping business opportunities	28-29/2/2008	Shanghai
Small Home Appliances Market China 2008	Enriching modern life through technological innovation	17/1/2008	Foshan
Internet Market China 2008	Guiding amalgamation and expansion and realizing leap-forward development and promotion	22/1/2008	Beijing
Consumer Electronics Market China 2008	Boosting industrial amalgamation through highlighting application innovation	4/3/2008	Shenzhen
IT Market China 2008	Guiding consumer demand through amalgamation and collaboration and depending industrial applications through clarifying services and responsibilities	26/2/2008	Beijing
CCM 2008	Amalgamation between communication and value-added services	12/3/2008	Beijing
Brand Competitiveness Forum China 2008	Comprehending brand competitiveness	20/3/2008	Beijing
Mobile Telephone Service Market China 2008	Excavating industrial value and focusing on value-added applications	5/6/2008	Shenzhen
Power Enterprise Informatization Forum China 2008	Boosting the integration between IT technology and power industrialization	27/6/2008	Beijing
Mobile Telephone Product Market China 2008	Building product innovation platform and guiding mobile telephone development	27/11/2008	Beijing
China（Beijing）International Forum on Amalgamation between IT Application and Industrialization and Annual Meeting on Embedded Systems, China 2008	Boosting amalgamation between IT application and industrialization and pushing ahead with technological innovation of embedded systems	22/10/2008	Beijing
Second GPS China Forum, 2008	Business mode innovation and great-leap-forward industrial development	11/11/2008	Beijing
NGDC Technical Forum, 2008	Technological innovation and business integration	25/11/2008	Beijing
Digital Television Summit China 2008	Innovating operating mode and boosting network integration	13/11/2008	Guangzhou
Network Applications Market China 2008	Building integrated, intelligent and secure network systems	4/12/2008	Beijing
Peak Forum of Telecom Operating New Management China 2008	Building telecom operating management and support platforms of the new generation	24/6/2008	Beijing

Human Resources

The Group had employed 332 (2007: 186) full-time staff members as at 31 December 2008, categorized by the following:





At the same time when improving the income of employees, the Group also invited senior employees, experts and leaders at all levels to give a series of training aiming at new comers, researchers, sales people and leading cadres, and there was group training every week and departmental training every month. After organized and planned training for nearly one year, the employees have their quality improved and their sense of identification, belonging and satisfaction of the Company enhanced.

The Group organized a wide range of recreational activities to enhance understanding and solidarity among employees, departments as well as senior and junior staff, to create a harmonious working environment, and to guide and encourage employees to establish health awareness and to work and live in sound mood and physique. The Group organized interest groups for playing basket ball, football, badminton, table tennis, tennis and mountain climbing etc on a weekly or monthly basis. The Group successfully organized the “First Recreational Sports Game” for employees of the Company before the Beijing Olympic Games and all performances were created by employees in accordance with the characteristics of each interest group. Such activities have enriched the spare-time life of employees, boosted departmental solidarity and amalgamation, shown the concern of the Group towards employees and promoted the cohesive force and centripetal force of employees.

Liquidity and Financial Resources
The Group held cash and bank deposits of RMB31,212,714, HK$36,500 and USD69 as at 31 December 2008. During the year, the Group’s primary source of funds was cash provided by operating activities and the proceeds raised from listing in 2002. Management believes that the Group has adequate operating funds for it’s present needs.

Capital Structure
The capital structure as at 31 December 2008 is summarised as below:

	RMB	Percentage
Capital and Reserves	78,906,186	90%
Minority Interests	8,836,688	10%
Total	**87,742,874**	**100%**

Capital Expenditure Commitment and Contingent Liability
As at 31 December 2008, the Group had no significant capital expenditure commitment and contingent liability.

Pledge of Assets
As at 31 December 2008, the Group’s pledged assets have been listed in note 14 to the financial statements.

Gearing Ratio
As at 31 December 2008, the Group’s gearing ratio was about 33%, calculated by dividing total liability by total net asset for the year.

Acquisition, Proceed and Major investment
In 2008, the Group and CCID signed up a stock transfer agreement, the Group agreed to acquire 70% shares of Beijing CCID Information Engineering Supervision Company Limited at a consideration of RMB51,000,000. The Group had published relevant announcement on 11 April and 2008 and 7 May 2008 at the GEM website. A circular of such transaction had been mailed to shareholders on 2 June 2008. On 18 July 2008, the Group had legally obtained the approval from shareholders for such acquisition.

Exchange Risk

The Group maintains the conservative policy at the exchange risk and the interest rate management aspect. The bank deposits which are denominated in Hong Kong dollars ("HKD") are exposed to foreign exchange risk arising from the exposure of Renminbi ("RMB") against HKD. Considering the exchange rate between RMB and HKD, the Group believes the exposure to foreign exchange risk is normal and will regularly convert foreign currency to Renminbi.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Luo Wen (羅文), aged 44, is currently an Executive Director, Deputy Chairman of the Board and General Manager of the Company, he is also the Vice President for CCID group, Chairman of Board at Beijing CCID Media Investment Company Limited, Deputy Chairman of Chinese Information Advancement Alliance and Chinese Computer Profession Association. Mr. Luo graduated from Beijing Jiaotong University with a Master Degree in Business Administration. He was an assistant to director of the Research Centre. He has over 10 years of experience in operational management. He was a director of CCID Information Consulting (the predecessor company of the Company) with effect from 14 March 2001 and Mr. Luo was appointed as an Executive Director with effect from 15 March 2002.

Mr. Li Jun (李峻), aged 33, is currently an Executive Director, Chief Executive Officer and Vice General Manager of the Company. He is responsible for overall operation management and the administration of the Group. Mr. Li graduated from Wu Han University, held a PHD degree in Geographical Informatic System. He has over 6 years Senior Management experience and Mr. Li was appointed as an Executive Director on 29 December 2006.

Mr. Lv Guoying (呂國英), aged 44, is currently an Executive Director, and the senior vice general manager of the Company. He was graduated from Beijing University of Post and Telecommunication with a PHD degree and Shanghai Jiaotong University with a Post-PHD degree major in Telecommunication Engineering. Mr. Lv joined the Group in May 2002.. He held a number of positions including director of the Communication and Network department, senior vice president of the Company. He has over 10 year experience in the field of ICT scientific research, and management and consulting and Mr. Lv was appointed as an Executive Director with effect from 25 November 2008.

Non-executive Directors

Mr. Liu Liehong (劉烈宏), aged 40, Mr. Liu is currently the Chairman of the Board and a Non-executive Director of the Company. Mr. Liu is also currently the President and General Manager of the CCID Group, the controlling shareholder of the Company. Mr. Liu held a number of positions including Vice president of The Second Electronics Research Institute of Ministry of Information Industry and deputy general manager of China Electronics Technology Group Corporation. Mr. Liu has over 11 years of management experience. He was appointed as a Non-executive Director with effect from 20 May 2006.

Mr. Wang Peng (王鵬), aged 33, is being appointed as a Non-executive Director of the Company. He is also currently a Vice President, Director and Board Secretary of Beijing CCID Media Investment Company Limited.Mr. Wang graduated from Wu Han University with a master degree in Finance. He held a number of positions such as the General Manager of Investment Consulting Department of the Company and vice president of the Company. He has over 8 years of experience in the field of Strategy Consulting and Corporate Finance. Mr. Wang was appointed as a Non-executive Director with effect from 25 November 2008.

Independent Non-executive Directors

Mr. Guo Xinping (郭新平), aged 45, is currently the Deputy Chairman of the Board and Chief Financial Officer of Beijing UFSoft Co. Ltd. and Chairman of the Board of Beijing UFSoft Administrative Software Co. Ltd as well as Independent Non-executive Director of the Company. Mr. Guo graduated from Zhong Nan Financial University with a bachelor degree and a master degree in Hong Kong University of Science and Technology. Mr. Guo had held position in the Ministry of Finance’s reform office for tax system. He has over 19 years experience in the field of IT software development and enterprise management. He was appointed as an Independent Non-executive Director with effect from 25 May 2002.

Mr. Han Fuling (韓複齡), aged 45 is currently the Dean of Finance Department, Officer in Applied Finance and Head of Financial Security Institute of Central Financial University as well as Independent Non-executive Director of the Company. Mr. Han graduated from Management Department of Beijing Technology University with a master degree, and the Economic Department of Silesian Technical University, with a doctor degree. Mr. Han held a number of positions including the deputy head of the economics department of Beijing Technology University and analyst of the China Securities Market Research Centre. Mr. Han was appointed as an Independent Non-executive Director with effect from 17 March 2005.

Mr. Pan Xingwu (潘興午), aged 43, is currently the Global Repairing Service Director, Asia Pacific of Motorola (China) Electronics Ltd. as well as Independent Non-executive Director of the Company. Mr. Pan's graduated from Beijing University of Aeronautics and Astronautics with a Bachelor degree and the University of Wescom with an EMBA degree. Mr. Pan's had over 16 years experience working in customer service. He was appointed as an Independent Non-executive Director with effect from 15 March 2007.

Supervisors

Mr. Gong Chenghe (宫承和), aged 54, is currently the Secretary of Discipline Committee of CCID and the Chairman of Supervisor committee of the Company. Mr. Gong graduated from economic management specialty of Central Party School Institute with a bachelor degree. He held a number of positions such as deputy director of planning technology division, office director of Research Centre and CCID. He Mr. Gong has over 21 years of experience in the field of enterprise and science research management. He was appointed as a Supervisor with effect from 15 March 2002.

Mr. Huang Yongjin (黃永金), aged 37, is currently the deputy chief accountant of CCID and CCID Information Industry (Group) Co., Ltd. is a Supervisor of the Company. Mr. Huang graduated from Economics and Management department of Beijing Agriculture University with a bachelor degree in economics. He held a number of positions such as Deputy Audit Manager of Haikou CPA and Business Manager of Hainan Congxin CPA. Mr. Huang has over 15 years of experience in the field of audit and financial management. He was appointed as a Supervisor with effect from 25 November 2005.

Ms. Zhao Xiuzhen (趙秀珍)， aged 36, is currently the Officer of the Administration Office Department, the Supervisor elected by the staff union. Ms. Zhao graduated from School of economy management at Beijing Municipal Committee Party, and continue her post-graduate studies at Peoples' University of China with major in public administration Ms. Zhao joined the Company since 1999, she had over 10 years of experience in the office administration. Ms. Zhao was being elected as Supervisor by the staff union since 25 November 2008.

Mr. Wang Jieyi (王傑義), aged 44, is currently the Vice General Manager of the Company. He graduated from the People's University and the Graduate School of the Chinese Academy of Social Sciences with a Master Degree and a PhD degree in economics respectively. Mr. Wang used to work for the Agricultural Commission of the city of Xiangfan, the State Economic & Trade Commission, the government of Ningde Prefecture in Fujian Province, and the Product Division of the Ministry of Information Industry. He has over 20 years of management research and consulting experience. He joined the Group in 1999.

Mr. Zhao Gang (趙剛), aged 36, is currently the Vice General Manager of the Company. He was graduated from the Beijing University of Aeronautics and Astronautics with a PhD degree. Mr. Zhao joined this company in April 2002, he held a number of managerial positions in IT Consulting related business strategy and research with over 10 years of experience.

Ms. Maggie Wang (王靖), aged 32, is currently the Vice General Manager of the Company. She was graduated from the University of International Business and Economics, major in foreign business English. She held a number of positions including director of the Administration, HR department, Foreign Business Department and Marketing Department of the Company. Ms. Wang has 10 years of experience in marketing field. She joined the Group in December 2002.

Mr. Zhang Tao (張濤), aged 33, is currently the Vice General Manager of the Company. He was graduated from Beijing Technology & Business University with Master of Business Administration. Mr. Zhang held a number of positions including general manager of computer & software consulting division, general manager of communication & network consulting division, research director, president assistant of CCID Consulting and has 7 years of experience in industry & market consulting field. He joined the Group in April 2002.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Bai Jiesong (白傑松), aged 33, is currently the Chief Finance Officer of the Company. Mr.Bai graduated from Beijing University of Technology with a master degree. Mr.Bai once worked in China Center for Information Industry Development and joined the Company in October, 2006. Mr.Bai held several positions such as the General Manager of Finance Division and the Chief Finance Officer. He has over 9 years of experience in finance.

Mr. Fu Changwen (傅長文), aged 28, is currently the Secretary of the Board. Mr.Fu graduated from Renmin Universtiy of China with a master degree in Economics and joined the Company in July 2004. Mr.Fu worked in the Investment Consulting Division, Corporate Strategic Consulting Center and Investment Management Division. He has over 4 years of experience in strategic consulting and investment management.

Mr. Wong Ki Yan Davhen (黃基恩), aged 39, is currently the company secretary and the qualified accountant of the Company. Mr. Wong is an associate member of Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants as well as studying Master of Business Administration at Tsinghua University - MIT Sloan. He has over 15 years of auditing, accounting and financial experience. He joined the Group on 29 May 2006.

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2008.

Principal activities
The Company is principally engaged in the provision of market research and management consultancy services. The principal activities of the subsidiaries comprise the provision of data information management services, public relationship consultancy services, information supervision services and training service. Except for newly launched information supervision services and training, there was no other significant change in the nature of the Group's principal activities during the year.

Results and dividends
The Group's profit for the year ended 31 December 2008 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 34 to 88.

The Board recommends a payment of RMB7,490,000 at RMB1.07 cents per share as final dividend for the year.

Summary financial information
A summary of the published results and assets and liabilities of the Group for the past five financial years, as extracted from the audited financial statements, is set out on page 89. This summary does not form part of the audited financial statements.

Property, plant and equipment
Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 14 to the financial statements.

Share capital
There were no movements in either the Company's authorised or issued share capital during the year.

Pre-emptive rights
There are no provisions for pre-emptive rights under the Company's articles of association or the Company Law of the PRC which oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, redemption or sale of listed securities of the Company
Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

Reserves
Details of movements in the reserves of the Company and the Group during the year are set out in note 30 to the financial statements and in the consolidated statement of changes in equity of the Group, respectively.

Distributable reserves
At 31 December 2008, in accordance with the Hong Kong Company Law, an amount of approximately RMB0 standing to the credit of the Company capital reserve account, as determined under the Hong Kong accounting standards and regulations, was available for distribution by way of a future capitalisation issue. In addition, the Company had, as detailed in note 30 to the financial statements, retained profits of approximately RMB4,061,090 available for distribution as dividends.

Major customers and suppliers
In the year under review, sales to the Group's five largest customers accounted for 8% of the total sales for the year and sales to the largest customer included therein amounted to 3%. Purchases from the Group's five largest suppliers accounted for less than 8% of the total purchases for the year.

The Group has provided certain consulting services to companies under the control of the ultimate holding company of the Company, details of which are set forth in the note 33 "Material Related Party Transaction". Save as aforesaid, none of the directors of the Company or any of their associates or any shareholders which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers.

Directors
For the year ended 31 December 2008, the directors of the Company during the year were:

Executive directors:

Luo Wen	(General Manager)	
Li Jun	(Chief Executive Officer)	
Lv Guoying	(Deputy General Manager)	(Appointed on 25 November 2008)

Non-executive directors:

Liu Liehong	(Chairman)	
Wang Peng		(Appointed on 25 November 2008)

Independent non-executive directors:
Guo Xinping
Han Fuling
Pan Xingwu

In accordance with the Company's articles of association, all directors are elected for a term of three years and may serve consecutive terms upon re-election.

Directors' and senior management's biographies
Biographical details of the directors of the Company and the senior management of the Company are set out on pages 15 to 19 of the annual report.

Directors' service contracts
The Group held an Extra-ordinary General Meeting on 24 November 2008, has carried on the election at expiration of office terms, has appointed eight directors and three supervisors, the Group has signed the service contract with the directors and the supervisors, for three years, will be ended in 24 November 2011. Besides the above said contract, directors or supervisors do not signed any other contract with the Group and subsidiaries of the Company.

Each of the directors and supervisors is required to enter into a service contract with the Company for an initial term of three years which is subject to termination by either party giving not less than three months' written notice. At the extra-ordinary general meeting held on 24 November 2008, no legal compensation of service contract would be compensated for termination within one year.

Directors' interests in contracts
None of the directors had a material interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company, its holding Company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

Contracts of significance
The Group has entered into certain contracts with related companies of the Group. The contract terms have been reviewed by the independent non-executive directors, who confirm that the transactions were entered into:
(i) the Group in the ordinary and usual course of its business;
(ii) the terms that are fair and reasonable so far as the shareholders of the Company are concerned;
(iii) the normal commercial terms or, where there is no available comparison, on terms no less favourable than those available from or to (as appropriate) independent third parties. Further details of the transactions undertaken in connection with these contracts during the year are indicated in note 33 to the financial statements.

Directors' and supervisors' interests and short positions in shares and underlying shares

As at 31 December 2008, the interests and short positions of the Directors, Supervisors, and Chief Executive in the share capital, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions in ordinary shares of the Company:

Name of director	Company/ associated corporations	Nature of interests	Number and class of shares	Approximate percentage of issued share capital
Luo Wen	The Company	Personal	1,020,000 domestic shares	0.15

Save as disclosed above, none of the Directors, Supervisors or their associates had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules.

Directors' and supervisors' rights to acquire shares

Save as disclosed under the heading "Directors' and supervisors' interests and short positions in shares and underlying shares" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director and supervisor or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors and supervisors to acquire such rights in any other body corporate.

Share option scheme

The Company adopted a share option scheme on 20 November 2002. A summary of principle terms and conditions of the share option scheme are set out in the section headed "Summary of principle terms of the share option scheme" in Appendix IV of the prospectus of the Company dated 29 November 2002. Up to 31 December 2008, no option has been granted pursuant to such share option scheme.

Substantial shareholders' and other persons' interests in shares and underlying shares

As at 31 December 2008, the following persons (other than the directors and supervisors of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in shares:

Name	Capacity	Nature of interest	Number and class of shares	Approximate percentage in the same class of shares	Approximate percentage of issued share capital
China Centre of Information Industry Development ("CCID") (note 1)	Interest of controlled corporation	Corporate	485,900,000 domestic shares	98.96%	69.41%
Research Centre of Computer and Microelectronics Development, MII ("Research Centre") (note 1)	Beneficial owner	Corporate	392,610,000 domestic shares	79.96%	56.09%
Beijing CCID Riyue Investment Co., Ltd. (note 1)	Beneficial owner	Corporate	93,290,000 domestic shares	19.00%	13.32%
Employees' Shareholding Society of Legend Holdings Ltd. (note 2)	Interest of controlled corporation	Corporate	20,000,000 H shares	9.57%	2.86%
Legend Holdings Limited (note 2)	Interest of controlled corporation	Corporate	20,000,000 H shares	9.57%	2.86%
Legend Group Limited (note 2)	Interest of controlled corporation	Corporate	20,000,000 H shares	9.57%	2.86%
Legend Holdings (BVI) Limited (note 2)	Interest of controlled corporation	Corporate	20,000,000 H shares	9.57%	2.86%
Legend Express Agency & Services Limited (note 2)	Interest of controlled corporation	Corporate	20,000,000 H shares	9.57%	2.86%
Grade Win International Limited (note 2)	Beneficial owner	Corporate	20,000,000 H shares	9.57%	2.86%
Lam William Ka Chung (note 3)	Interest of controlled corporation	Personal	15,000,000 H shares	7.18%	2.14%
J.P. Morgan Chase & Co. (note 4)	Investment manager and other	Corporate	15,000,000 H shares	7.18%	2.14%
J.P. Morgan Fleming Asset Management Holdings Inc. (note 4)	Investment manager	Corporate	15,000,000 H shares	7.18%	2.14%
J.P. Morgan Fleming Asset Management (Asia) Inc. (note 4)	Investment manager	Corporate	15,000,000 H shares	7.18%	2.14%
JF Asset Management Limited (note 4)	Investment manager	Corporate	10,700,000 H shares	5.12%	1.53%

Notes:

1. CCID, through Research Centre (which is controlled by, and under the supervision of, CCID) and Beijing CCID Riyue Investment Co., Ltd. (which is, directly and indirectly, wholly-owned by CCID) have effective interests in the Company comprising the 392,610,000 domestic shares held directly by Research Centre and the 93,290,000 domestic shares held directly by Beijing CCID Riyue Investment Co., Ltd.

2. Grade Win International Limited holds 20,000,000 H shares of the Company. Grade Win International Limited is a wholly-owned subsidiary of Legend Express Agency & Services Limited; Legend Express Agency & Services Limited is a wholly-owned subsidiary of Legend Holdings (BVI) Limited; Legend Holdings (BVI) Limited is a wholly-owned subsidiary of Legend Group Limited; Legend Holdings Limited holds 57.76% equity interests in Legend Group Limited; Employees' Shareholding Society of Legend Holdings Ltd. holds 35.00% equity interests in Legend Holdings Limited, the above corporations are deemed to be interested in 20,000,000 H shares of the Company.

3. Kingsway Financial Services Limited holds 13,510,000 H shares of the Company. Kingsway Financial Services Limited is a wholly-owned subsidiary of Kingsway Securities Holdings Limited. Kingsway Securities Holdings Limited is a wholly-owned subsidiary of Kingsway International Holdings Limited. Kingsway Lion Spur Technology Limited holds 1,090,000 H shares of the Company. Kingsway Lion Spur Technology Limited is a wholly-owned subsidiary of Festival Developments Limited. Festival Developments Limited is a wholly-owned subsidiary of SW Kingsway Capital Holdings Limited. World Developments Limited holds 74% equity interest in SW Kingsway Capital Holdings Limited. World Developments Limited is a wholly-owned subsidiary of Innovation Assets Limited. Innovation Assets Limited is a wholly-owned subsidiary of Kingsway International Holdings Limited. Mr. Lam William Ka Chung beneficially own or control approximately 40% equity interests in Kingsway International Holdings Limited. Mr. Lam William Ka Chung are deemed to be interested in 14,600,000 H Shares of the Company.

4. JF Asset Management Limited holds 10,700,000 H shares of the Company. JF International Management Inc. holds 4,300,000 H shares of the Company. J.P. Morgan Fleming Asset Management (Asia) Inc. holds 99.99% and 100% equity interests in JF Asset Management Limited and JF International Management Inc. respectively. J.P. Morgan Fleming Asset Management (Asia) Inc. is a wholly-owned subsidiary of J.P. Morgan Fleming Asset Management Holdings Inc.. J.P. Morgan Fleming Asset Management Holdings Inc. is a wholly-owned subsidiary of J.P. Morgan Chase & Co.. J.P. Morgan Fleming Asset Management (Asia) Inc., J.P. Morgan Fleming Asset Management Holdings Inc. and J.P. Morgan Chase & Co. are deemed to be interested in 15,000,000 H shares of the Company.

Save as disclosed above, as at 31 December 2008, no person, other than the directors of the Company, whose interests are set out in the section "Directors' and supervisors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Competing interest
None of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company and their respective associates had an interest in a business which competes with the Group or may compete with the business of the Group.

Connected transactions
Details of the material related party transactions for the year are set out in note 33 to the financial statements. Save as disclosed therein, there were no other material transactions to be disclosed as connected and related party transactions in accordance with the requirements of the GEM Listing Rules and accounting principles generally accepted in Hong Kong.

Employees and emolument policy
As at 31 December 2008, the Group had around 332 (2007: 186) employees. The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded or punished on a timely performance-related basis within the general framework of the Group's salary and bonus system. Other employee complimentary fringe benefits include retirement benefit scheme, insurance and medical cover. The remuneration of director is from time to time determined by the Board of directors of the Company by reference to their duties and responsibilities in order to promote strive for excellence corporate culture.

Auditors
The financial statements for the year ended 31 December 2008 have been audited by Ho & Chung CPA Limited who retire and, offer themselves for re-appointment at the 2009 annual general meeting.

Corporate Governance
A report on the principle corporate governance practices adopted by the Company is set out on pages 29 to 33 of the annual report.

Future Plans for Material Investments
The Group is considering a possible issue of new H shares and related possible acquisitions and has engaged a financial adviser to evaluate their feasibilities. Should the Group proceed with the aforesaid transactions, the Group will strictly comply with the relevant disclosure, reporting (if applicable) and/or shareholders' approval requirements under the GEM Listing Rules.

Proposed specific mandate to issue new H shares relating to a possible placing of New shares
On 9 September 2008, the Board resolved to convene an extraordinary general meeting (the "EGM"), a class meeting of the holders of H shares (the "H shares") and a class meeting of the holders of domestic shares of the Company (together, the "Class Meetings") for the shareholders, the holders of H shares and the holders of domestic shares of the Company (collectively, the "Shareholders") to consider and approve (if thought fit) respectively the grant of a specific mandate (the "Proposed Specific Mandate") to issue new H shares to the Board. The EGM and the Class Meetings were held on 24 November 2008 and by passed to approve the Board on the proposed specific mandate.

The major terms of the Proposed Specific Mandate are as follows:

(1) to issue not more than 200,000,000 new H Shares representing not more than approximately 28.57% of the total issued share capital of the Company as at 24 November 2008;

(2) the new H Shares will be issued at a price not more than HK$0.60 per H Share, but in any event, the issue price should not be lower than the higher of either (i) HK$0.25; or (ii) the latest audited net asset value per share of the Company;

(3) the Proposed Specific Mandate is for the period from the passing of the relevant resolutions at the EGM and the Class Meetings up to the earliest of: (i) the expiration of the 12-month period following the passing of the relevant resolution(s) at the EGM and/or the Class Meetings; or (ii) the revocation or variation of the authority given under the relevant resolution(s) at the EGM and/or the Class Meetings by special resolution(s) of the Shareholders in a general or a class meeting.

Issue of new H Shares pursuant to the Proposed Specific Mandate is subject to, among other things, the obtaining of the necessary approvals from the relevant PRC regulatory authorities, including the China Securities Regulatory Commission for the issue of the new H Shares and the National Social Security Fund Council of the PRC and the State-owned Assets Supervision and Administration Commission of the State Council for the disposal of the state-owned shares. Depending on market conditions, the directors may or may not exercise the Proposed Specific Mandate (if granted) to issue new H Shares. If the directors proceed to issue and allot new H Shares pursuant to the Proposed Specific Mandate (if granted), a separate announcement will be made as required by the GEM Listing Rules.

The possible placing of new H Shares will enlarge the shareholder and capital bases of the Company and strengthen the financial position of the Group.

Should the Board, proceed to exercise the Proposed Specific Mandate to issue new H Shares, the Company will apply to the GEM Listing Committee for the listing and permission to deal in all of the new H Shares to be issued and placed pursuant to the possible placing and the H Shares converted from domestic shares involved in the disposal of the state-owned shares.

ON BEHALF OF THE BOARD

Liu Liehong
Chairman

Beijing, the People's Republic of China
29 March 2009

REPORT OF THE SUPERVISORY COMMITTEE

To: All Shareholders

The Supervisory Committee of CCID Consulting Company Limited (the "Supervisory Committee"), in accordance with the Company Law of the PRC, requirements of the relevant laws and regulations of Hong Kong and the Articles of Association of the Company during the year ended 31 December 2008, exercised conscientiously its authority, safeguarded the interests of the shareholders and the Company, followed the principle of honesty and trustworthiness and worked cautiously and diligently.

During the year, Supervisory Committee had reviewed cautiously the operations and development plans of the Company and provided reasonable suggestions and opinions to the Board of Directors. It also strictly and effectively monitored and supervised the Company's management in making significant policies and decisions to ensure that they are in compliance with the laws and regulations of the PRC and the Articles of Association of the Company, and in the interests of its shareholders.

We have reviewed and agreed to the report of the Directors and audited financial statements for the presentation at the forthcoming annual general meeting. We are of the opinion that the Directors, the general manager and other senior management of the Company were able to strictly observe their fiduciary duty, to act diligently and to exercise their authority faithfully in the best interests of the Company. Up till now, none of the Directors, general manager and senior management staff had been found abusing their authority, damaging the interests of the Company and infringing upon the interests of its shareholders and employees. And none of them were found to be in breach of any laws and regulations or the Articles of Association of the Company.

The Supervisory Committee is satisfied with the performance of the Company in year 2008 and has confidence in the future of the Company.

By Order of the Supervisory Committee

Gong Chenghe
Chairman
Beijing, the People's Republic of China
29 March 2009

Corporate Governance Practices
For the year ended 31 December 2008, the Company has complied with all the code provisions as set out in the GEM Listing Rules Appendix 15 ("Corporate Governance Practices") and the disclosure of this Corporate Governance report is based on the GEM Listing Rules Appendix 16 ("Corporate Governance Report").

Securities transactions by directors
The Company has adopted the rules of "Required Standard of Dealing" as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code for dealing in securities of the Company by the directors. Having made specific enquiry of all directors, the Company was not aware of any non-compliance with the required standards as set out in the code of conduct regarding securities transactions by the directors throughout the year ended 31 December 2008.

Board of directors
The third Board of Directors (the "Board") of the Group, currently comprises eight directors, of whom three are Executive Directors, two are Non-executive Director and three are Independent Non-Executive Directors. all the Directors are elected on 25 November 2008, is required to enter into a 3 years service contract from 25 November 2008 to 24 November 2011. The Board including three influential Independence Non-Executive Directors, they all held senior positions in esteemed businesses with professional experience in both operation and finance, they have made significant contributions for the Group. Biographical details of the Directors and their relationship are set out on pages 15 to 17 of the annual report.

As at 31 December 2008, the Board conforms to GEM Listing Rules. In any time, there were at least three independence non-executive directors. Moreover the number of Independent Non-executive Director should reach one-third of the total number of Board member. Simultaneously, at least an Independence Non-executive Director has the suitable professional qualification either in accountancy or finance.

The Board considers that all of the independent non-executive directors are independent and has received from each of them the annual confirmation letter of independence required by the GEM Listing Rules 5.09.

The members of the Board for the year ended 31 December 2008 were:

Executive directors
Mr. Luo Wen (General Manager)
Mr. Li Jun (Chief Executive Officer)
Mr. Lv Guoying (Deputy General Manager)

Non-executive directors:
Mr. Liu Liehong (Chairman)
Mr. Wang Peng

Independent non-executive directors:
Mr. Guo Xinping
Mr. Han Fuling
Mr. Pan Xingwu

The Board is responsible for approval and monitoring of the Group's overall strategies and policies; approval of business plans; approval of the annual and interim results; evaluating the performance of the Group and oversight of the management.

In 2008, the Board held eleven meetings details of the attendance of the Board are as follows:-

Directors attended:			Number of Board meeting held during the term of directorship in 2008	Attendance
Mr. Zhuang Xingfang	(Chairman)	(Retired on 24 November 2008)	11	10
Mr. Luo Wen	(General Manager)	(Re-appointed on 25 November 2008)	11	11
Mr. Li Jun	(Chief Executive Officer)	(Re-appointed on 25 November 2008)	11	11
Mr. Lv Guo Ying	(Deputy General Manager)	(Appointed on 25 November 2008)	11	1
Ms. Li Ying		(Retired on 24 November 2008)	11	10
Mr. Liu Liehong		(Re-appointed on 25 November 2008)	11	11
Mr. Wang Peng		(Appointed on 25 November 2008)	11	1
Mr. Guo Xinping		(Re-appointed on 25 November 2008)	11	11
Mr. Han Fuling		(Re-appointed on 25 November 2008)	11	11
Mr. Pan Xingwu		(Appointed on 25 November 2008)	11	11

Segregated the responsibility of Chairman and General Manager

The Chairman of the Group is Mr. Liu Liehong, Non-Executive director of the Group, who is responsible for Board's operation. The General Manager of the Group is Mr. Luo Wen, an Executive Director of the Group, who is responsible for the Group's day-to-day operation. The Article of Association explained the responsibilities for Chairman and General Manager separately in details.

Non-executive directors

The Group enters into a 3 year service contract from 25 November 2008 to 24 November 2011 with the two Non-executive Directors namely Mr. Liu Liehong (Chairman) and Mr. Wang Peng.

Independent non-executive directors

The Group enters into a 3 year service contract from 25 November 2008 to 24 November 2011 with the three Independent Non-executive Directors namely Mr. Guo Xinping, Mr. Han Fuling and Mr. Pan Xingwu.

Remuneration committee

The remuneration committee was established according to the requirement of GEM Listing rules. The Chairman of the remuneration committee is Mr. Pan Xingwu, an Independent Non-executive Director, other members include Mr. Li Jun, the Chief Executive Officer and Executive Director and Mr. Guo Xinping, an Independent Non-executive Director, which fulfill the requirement of GEM Listing rules that majority of the remuneration committee should be Independent Non-executive Director.

The role and function of remuneration committee included the determination of the specific remuneration packages of all Executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of Non-executive Directors and Independent Non-executive Director. The remuneration committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

In 2008, the remuneration committee was held one meeting, details of the attendance of the remuneration committee meeting are as follows:

Members attended:

		No. of meeting/Attendance
Mr. Guo Xinping	(Retired the Chairman position on 25 November 2008)	1/1
Mr. Luo Wen (General Manager)	(Retired on 25 November 2008)	1/1
Mr. Pan Xingwu	(Appointed as Chairman on 25 November 2008)	1/1
Mr. Li Jun (Chief Executive Officer)	(Appointed on 25 November 2008)	0/0

The remuneration committee has reviewed the service contract of Executive Directors and Independent Non-executive Directors. The remuneration committee considers the existing terms of employment contracts of both the Executive Directors and Independent Non-executive Directors are fair and reasonable.

Nomination committee

According to "Code on Corporate Governance Practices" A.4.4 best recommendations, the issuer should establish Nominations Committee, the Nominating Committee shall be mainly composed of Independent Non-executive Directors. The Group has currently not yet set up the Nomination Committee, however, the Group considers to comply with the "Code on Corporate Governance Practices" A.4.4 of the best recommendations as early as possible.

Auditors' remuneration

The audit committee of the Company is responsible for considering the appointment of the external auditors and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Group. During the year, the Group is required to pay an aggregate of approximately RMB264,600 to the external auditors for their auditing services and there was no significant non-audit service assignment undertaken by the external auditors during the year.

Audit committee

The Company has an audit committee, it comprises three members namely Mr. Guo Xinping, Mr. Han Fuling and Mr. Pan Xingwu. All of them are Independent Non-executive Directors, of which the Chairman, Mr. Guo Xinping has professional qualification and experience in the field of accountancy and finance. The Group is in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules, the role and function of the audit committee have written for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The Audit Committee has reviewed the Group's financial statements for the year ended 31 December 2008 and was of the view that the preparation of the results has compiled with all applicable accounting standards and relevant regulations and laws, and made sufficient disclosure.

In 2008, the Audit Committee held four meetings during the year, details of the attendance of the remuneration committee meeting are as follows:

Members attended:		**No. of meeting held / Attendance**
Mr. Guo Xinping	(Chairman of the Committee)	4/4
Mr. Han Fuling		4/4
Mr. Pan Xingwu		4/4

The Group's annual audited results during the year ended 31 December 2008 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

Internal control

The Board reviews the internal monitoring system regularly to guarantee that related systems are effective and appropriate. The Board of directors holds meetings regularly to discuss matters concerning finance, operation and risk management and monitoring.

The Group reviews the internal monitoring system once a year and the Board monitors the effectiveness of the internal monitoring system through internal audit program. The reports and findings obtained by the internal audit group shall be submitted to relevant committee of the Board for approval. If necessary, the internal audit group may also submit the investigation findings and improvement plans to the auditing committee for approval.

INDEPENDENT AUDITORS' REPORT

To the shareholders
CCID Consulting Company Limited
賽迪顧問股份有限公司
(Incorporated in the People's Republic of China with limited liability)

We have audited the financial statements of the Company and of the Group set out on pages 35 to 89, which comprise the consolidated balance sheet of the Group and the separate balance sheet of the Company as at 31 December 2008, and the consolidated income statement, cash flow statement and statement of changes in equity of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements
The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with HKFRS and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's and the Group's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion the financial statements give a true and fair view of the state of the affairs of the Company and of the Group as at 31 December 2008 and of the Group's profit and cash flows for the year then ended in accordance with HKFRS, and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Ho & Chung CPA Limited
Certified Public Accountants
Hong Kong
29 March 2009

Chung Ho Shing
Practicing Certificate number P03728

CONSOLIDATED INCOME STATEMENT OF THE GROUP
For the year ended 31 December 2008

	Note	2008 RMB	2007 RMB (Restated)
Turnover	4	**117,873,741**	82,791,201
Cost of sales		**(68,429,742)**	(47,609,678)
Gross profit		**49,443,999**	35,181,523
Other revenue			
Other revenue	5	**646,944**	1,639,436
Gain on disposal of interests in an associate		**61,413**	-
Gain on investments		**-**	5,258,222
Fair value adjustment on financial assets		**-**	1,414,855
		708,357	8,312,513
		50,152,356	43,494,036
Operating expenses			
Selling and distribution costs		**(8,561,078)**	(5,215,451)
Administrative expenses		**(18,621,830)**	(14,590,787)
Other operating expenses		**(1,698,765)**	(385,171)
		(28,881,673)	(20,191,409)
Fair value adjustment on financial assets		**(1,563,829)**	-
Loss on investments		**(1,760,662)**	-
Impairment loss on investments in an associate	6	**-**	(6,700,000)
		(32,206,164)	(26,891,409)
Operating profit		**17,946,192**	16,602,627
Share of profit/(loss) of an associate for the year		**12,053**	(73,810)
Profit before taxation	6	**17,958,245**	16,528,817
Taxation	7	**(3,319,536)**	(5,406,996)
Profit for the year		**14,638,709**	11,121,821
Attributable to:			
Equity holders of the Company		**12,138,339**	10,795,810
Minority interests		**2,500,370**	326,011
Profit for the year		**14,638,709**	11,121,821
Dividends	11	**7,490,000**	9,800,000
Earnings per share			
Basic (cents)	12	**1.7**	1.5
Diluted (cents)	12	**1.7**	1.5

The notes on pages 42 to 89 form part of these financial statements.

CONSOLIDATED BALANCE SHEET OF THE GROUP
At 31 December 2008

	Note	**2008 RMB**	2007 RMB (Restated)
Non-current assets			
Property, plant and equipment	14	**11,376,714**	11,891,436
Land lease prepayments	15	**15,892,888**	16,531,069
Intangible assets	17	**15,000,000**	14,681,500
Investment in an associate	18	**-**	1,926,190
Long term investments	23	**1,990,000**	-
Deferred tax assets	28	**-**	97,229
		44,259,602	45,127,424
Current assets			
Accounts receivable and accrued assets	19	**33,850,521**	17,601,084
Due from related parties	20	**22,394**	332,394
Due from the ultimate holding company	20	**980,000**	3,070,000
Prepayments, deposits and other receivables	21	**6,062,539**	4,288,628
Land lease prepayments	15	**638,181**	638,181
Cash and cash equivalents		**31,248,911**	80,382,103
Short term investments	23	**213,570**	8,834,938
		73,016,116	115,147,328
Current liabilities			
Accounts payable and accrued liabilities	24	**8,832,187**	4,806,720
Accrued salary and welfare		**1,457,107**	1,162,063
Accruals and other payables	25	**15,913,104**	15,601,064
Due to immediate holding company	26	**2,145,819**	2,102,428
Current tax liabilities		**1,184,627**	3,016,812
		29,532,844	26,689,087
Net current assets		**43,483,272**	88,458,241
NET ASSETS		**87,742,874**	133,585,665
EQUITY			
Share capital	29	**70,000,000**	70,000,000
Reserves	30	**1,416,186**	47,687,276
Proposed final dividend		**7,490,000**	9,800,000
Total equity attributable to equity shareholders of the Company	36	**78,906,186**	127,487,276
Minority interests	30	**8,836,688**	6,098,389
TOTAL EQUITY		**87,742,874**	133,585,665

Approved and authorised for issue by the board of directors on 29 March 2008

Liu Liehong	Luo Wen
Director	Director

The notes on pages 42 to 89 form part of these financial statements.

SEPARATE BALANCE SHEET OF THE COMPANY
At 31 December 2008

	Note	**2008 RMB**	2007 RMB
Non-current assets			
Property, plant and equipment	14	**10,714,941**	11,327,500
Land lease prepayments	15	**15,892,888**	16,531,069
Interests in subsidiaries	16	**96,935,723**	44,592,021
Deferred tax assets	28	**-**	97,229
		123,543,552	72,547,819
Current assets			
Accounts receivable and accrued assets	19	**15,142,915**	9,453,094
Due from ultimate holding company	20	**980,000**	-
Prepayments, deposits and other receivables	21	**2,337,146**	2,725,586
Land lease prepayments	15	**638,181**	638,181
Cash and cash equivalents	22	**10,225,019**	61,286,968
Short term investments	23	**213,570**	4,981,343
		29,536,831	79,084,972
Current liabilities			
Accounts payable	24	**6,027,236**	3,287,096
Accrued salary and welfare		**1,410,445**	1,060,440
Accruals and other payables	25	**7,391,962**	8,365,712
Due to immediate holding company	26	**2,051,911**	2,049,357
Due to subsidiaries	27	**500,000**	16,810,727
Current tax liabilities		**-**	2,240,301
		17,381,554	33,813,633
Net current assets		**12,155,277**	45,271,339
Total assets less current liabilities		**135,698,829**	117,819,518
Non-current liabilities			
Due to subsidiaries	27	**22,810,728**	-
		22,810,728	-
NET ASSETS		**112,888,101**	117,819,158
EQUITY			
Share capital	29	**70,000,000**	70,000,000
Reserves	30	**35,398,101**	38,019,158
Proposed final dividend		**7,490,000**	9,800,000
TOTAL EQUITY		**112,888,101**	117,819,158

Approved and authorised for issue by the board of directors on 29 March 2008

Liu Liehong   Luo Wen
Director   Director

The notes on pages 42 to 89 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE GROUP
Year ended 31 December 2008

	Note	2008 RMB	2007 RMB (Restated)
Share capital			
Balance at beginning and end of year	29	**70,000,000**	70,000,000
Capital reserve account			
Balance at beginning of year		**18,609,965**	18,609,965
Transferred from merger reserve	3(b)	**(18,609,965)**	-
Balance at end of year		**-**	18,609,965
Statutory reserve funds			
Balance at beginning of year		**9,475,219**	7,636,371
Deficit for staff welfare appropriations*		**-**	(3,209)
Appropriated from retained profits		**1,042,521**	1,842,057
Transferred from merger reserve	3(b)	**(9,475,219)**	-
Balance at end of year		**1,042,521**	9,475,219
Discretionary reserve funds			
Balance at beginning		**58,517**	58,517
Transferred from merger reserve	3(b)	**(58,517)**	-
Balance at end of year		**-**	58,517
Merger reserve			
Balance at beginning of year		**7,000,000**	-
Reserve arising from merger with a subsidiary under common control		**(51,000,000)**	7,000,000
Transferred to other reserves and retained profits	3(b)	**44,000,000**	-
Balance at end of year		**-**	7,000,000
Revaluation reserve			
Balance at beginning of year		**-**	-
Surplus on revaluation of intangible assets*	17	**302,575**	-
Balance at end of year		**302,575**	-
Retained profits			
Balance at beginning of year		**12,543,575**	20,578,507
Profit for the year		**12,138,339**	10,875,404
Transferred from merger reserve	3(b)	**(15,856,299)**	-
Appropriated to statutory reserve funds		**(1,264,525)**	(2,110,336)
Payment of dividend by a pre-merged subsidiary		**-**	(7,000,000)
Final dividend		**(7,490,000)**	(9,800,000)
Balance at end of year		**71,090**	12,543,575

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE GROUP
Year ended 31 December 2008

	Note	**2008** **RMB**	2007 RMB (Restated)
Proposed final dividend			
Balance at beginning of year		**9,800,000**	-
Proposed final dividend for the year	11	**7,490,000**	9,800,000
Payment of dividend		**(9,800,000)**	-
Balance at end of year		**7,490,000**	9,800,000
Attributable to equity holders of the Company		**78,906,186**	127,487,276
Minority interests			
Balance at beginning of year		**6,098,389**	8,583,693
Profit for the year and transfer of reserves		**2,722,374**	514,696
Surplus on revaluation of intangible assets*	17	**15,925**	-
Payment of dividend by a pre-merged subsidiary		**-**	(3,000,000)
Balance at end of year		**8,836,688**	6,098,389
Total		**87,742,874**	133,585,665
Total income and expenses for the year			
Recognised in income statement		**14,638,709**	11,121,821
Recognised directly in equity*	17	**318,500**	(3,209)
		14,957,209	11,118,612
Attributable to minority interests		**2,516,295**	326,011
Attributable to equity holders of the Company		**12,440,914**	10,792,601

The notes on pages 42 to 89 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT OF THE GROUP
For the year ended 31 December 2008

	2008 RMB	2007 RMB (Restated)
Operating activities		
Operating profit	**17,946,192**	16,602,627
Depreciation	**1,221,844**	1,241,364
Amortisation of land lease prepayments recognised in income statement	**638,181**	638,181
Impairment loss for bad and doubtful debts	**175,755**	34,300
Amortisation of intangible assets	**-**	3,635,479
Expenses incurred on merger with a subsidiary	**1,343,702**	-
Interest income	**(590,724)**	(877,310)
Loss on disposal of property, plant and equipment	**68**	180,315
Gain on disposal of interests in an associate	**(61,413)**	-
Bad debts recovered	**(43,000)**	(746,050)
Impairment loss on investment in an associate	**-**	6,700,000
Loss/(gain) on disposal of investments	**1,760,662**	(5,258,222)
Fair value adjustment on financial assets	**1,563,829**	(1,414,855)
Operating profit before working capital changes	**23,955,096**	20,735,829
Increase in accounts receivable and accrued assets	**(16,382,192)**	(8,664,894)
Increase in prepayments, deposits and other receivables	**(1,773,911)**	(2,891,784)
Increase in accounts payables and accrued liabilities	**4,025,467**	3,381,307
Increase /(decrease) in accrued salary and welfare	**295,044**	(769,937)
Increase in accruals and other payables	**312,040**	3,879,840
Cash generated from operations	**10,431,544**	15,670,361
PRC enterprise income tax paid	**(5,054,492)**	(2,923,324)
Net cash generated from operating activities	**5,377,052**	12,747,037
Cash flows from investing activities		
Payments to acquire property, plant and equipment	**(709,570)**	(631,124)
Receipts from sale of property, plant and equipment	**2,380**	13,235
Payments to acquire investments in an associate	**-**	(8,700,000)
Payments to acquire short-term investments	**(33,652,956)**	(18,234,508)
Receipts from sale of short-term investments	**38,949,833**	16,072,647
Receipts from disposal of investment in an associate	**9,656**	-
Payments to merge a subsidiary	**(52,343,702)**	-
Decrease in amounts due from related companies	**310,000**	3,399,519
Decrease in amounts due from ultimate holding company	**2,090,000**	92,000
Decrease in time deposits with maturity of more than three months	**-**	30,000,000
Interest received	**590,724**	877,310
Net cash generated from/(used in) investing activities	**(44,753,635)**	22,889,079

CONSOLIDATED CASH FLOW STATEMENT OF THE GROUP
For the year ended 31 December 2008

	Note	2008 RMB	2007 RMB (Restated)
Cash flows from financing activities			
Increase in amount due to related parties		**-**	1,050,000
Increase in amount due to immediate holding company		**43,391**	6,792,287
Dividend paid by a pre-merged subsidiary		**-**	(10,000,000)
Dividend paid		**(9,800,000)**	-
Net cash used in financing activities		**(9,756,609)**	(2,157,713)
Net increase/(decrease) in cash and cash equivalents		**(49,133,192)**	33,478,403
Cash and cash equivalents at beginning of year		**80,382,103**	46,903,700
Cash and cash equivalents at end of year	22	**31,248,911**	80,382,103

The notes on pages 42 to 89 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

(a) Definition

In these financial statements, the following terms shall have the following meanings:

The Company	CCID Consulting Company Limited 賽迪顧問股份有限公司
The Directors	all of the directors of the Company
The Group	comprises the Company and all of its subsidiaries
HKICPA	Hong Kong Institute of Certified Public Accountants
Exchange	The Stock Exchange of Hong Kong Limited
HKFRS	Hong Kong Financial Reporting Standard issued by HKICPA
HKAS	Hong Kong Accounting Standard issued by HKICPA
HK(IFRIC)-Int	Hong Kong Interpretation issued by HKICPA based on equivalent Interpretation issued by International Financial Reporting Interpretation Committee
AG5	Accounting guideline 5 ("Merger Accounting for Common Control Combinations") issued by HKICPA
PRC	The People's Republic of China
MIICMD	Research Centre of Computer and Microelectronics Development, the immediate holding company of the Company
CCID	China Centre of Information Industry Development, the ultimate holding company of the Company
CCID Database	Beijing Shiji Information Engineering Consulting Co., Ltd., a subsidiary of the Company
CCID PR	Beijing CCID Classic Public Relationship Co., Ltd., a subsidiary of the Company
CCID Advertising	Beijing CCID Shiji Advertising Co., Ltd., a subsidiary of the Company
CCID Supervision	Beijing CCID Information Engineering Supervision Co., Ltd., a subsidiary of the Company merged during the year
CCID Exhibition	Beijing CCID Exhibition Co., Ltd., a former associate and now the available-for-sale financial assets

1. GENERAL (Continued)

(a) Definition (Continued)

Cash equivalents	short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value
Fair value	Amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
Related company	a company in which one or more related parties have beneficial interests thereon or are in a position to exercise significant influence
GEM	Growth Enterprise Market

(b) Corporate information
The Company is a company registered in PRC as a joint stock company with limited liability and its H shares have been listed on the GEM of Exchange since 12 December 2002. The registered office of the Company in PRC is located at Room 210, No. 12 Huo Ju Jia Road, Chang Ping District, Beijing, PRC. Its registered office in Hong Kong is located at 28th Floor, Block 3, Pacific Place, 1 Queen's Road East, Wanchai, Hong Kong.

The Group principally engages in the provision of market research, data information management, management consultancy, public relationship consultancy engineering, supervision services and provision of training services.

(c) Holding companies
In the opinion of the Directors, the Company's immediate holding company is MIICMD, which is established in the PRC. The Company's ultimate holding company is CCID which is established in the PRC. The ultimate controlling party is the Government of PRC. All of these parties do not prepare financial statements available for public use.

(d) Presentation currency and level of rounding
Unless stated otherwise, all currency figures in these financial statements are presented in Renminbi (RMB) rounded to the nearest one dollar.

(e) Other
The English names of those companies referred in the financial statements represent the unofficial translation of their respective registered Chinese names. Their English names have not been legally adopted by these entities.

2. BASIS OF PREPARATION

(a) Statement of compliance
These financial statements have been prepared in accordance with all applicable HKFRSs, which collectively includes all applicable individual HKFRS, HKASs and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of Exchange.

(b) Basis of presentation of the financial statements
The consolidated financial statements for the year ended 31 December 2008 comprise the Company and its subsidiaries.

These financial statements are prepared under the historical cost convention as modified by the fair value of financial assets and valuation of intangible assets.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2(c).

(c) Critical accounting judgments and key sources of estimation uncertainty
In the process of applying the Group's accounting policies (as stated in note 3), management has made the following judgments that have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Impairment of property, plant and equipment, land lease prepayments, intangible assets, associates and long-term investments
In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgment in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test. The Group determines whether an asset is impaired at least on an annual basis or where an indication of impairment exists. This requires an estimation of the value in use of the asset. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

2. BASIS OF PREPARATION (Continued)

(c) Critical accounting judgments and key sources of estimation uncertainty (Continued)

Impairment loss for bad and doubtful debts

The policy for impairment loss for bad and doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment losses may be required.

(d) Impact of issued but not yet effective HKFRS

HKICPA has issued the following new or revised HKFRS, HKASs and HK(IFRIC)-Ints ("New Standards") that would become effective from the accounting period beginning on or after the date set out below, viz:-

		Effective from
HKAS 1 (Revised)	Presentation of financial statements	1 January 2009
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKFRS 2 (Revised)	Share-based payment	1 January 2009
HKFRS 3 (Revised)	Business combination	1 July 2009
HKFRS 8	Operating segments	1 January 2009
HKAS 23	Borrowing costs (revised)	1 January 2009
HK(IFRIC)-Int 13	Customer loyalty programmes	1 July 2008
HK(IFRIC)-Int 15	Agreements for construction of real estate	1 January 2009
HK(IFRIC)-Int 16	Hedges of a net investment in a foreign operation	1 October 2008
HK(IFRIC)-Int 17	Distributions of non-cash assets to owners	1 July 2009
HK(IFRIC)-Int 18	Transfer of assets from customers	1 July 2009
HKFRS 1 (Revised)	First time adoption of Hong Kong financial reporting standards	1 July 2009
Amendments to HKFRS 7	Improving disclosures about financial instruments	1 January 2009

The Company and the Group have not early adopted these New Standards in this set of financial statements. The Company and the Group have already commenced an assessment of the impact of these New Standards but is not yet in a position to state whether these New Standards would have a significant impact on its results of operation and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Business combinations other than those under common control
The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 ("Business Combinations") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 ("Non-current assets held for sale and discontinued operations"), which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

If the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised in accordance with HKFRS 3 exceeds the cost of the business combination, the Group shall (1) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and (2) recognise immediately in profit or loss any excess remaining after that reassessment. If, after reassessment, the Group interest in the net fair value of the acquiree identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(b) Business combination under common control
In the Company's financial statements, the investments in combined subsidiaries are stated at cost less impairment losses. Cost comprises consideration for the acquisition of the combined subsidiaries and the associated transaction costs.

In the Group's consolidated financial statements, the merge of subsidiaries under common control is accounted for using merger accounting. The net asset value of the combining subsidiaries are consolidated using the existing book values of the combined subsidiaries at the date of combination. At balance sheet date, the assets and liabilities of the combined subsidiaries are consolidated to the Group's consolidated balance sheet using the book value of the combined subsidiaries at that date. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets or liabilities over cost of common control combination. The comparative amounts in the consolidated financial statements are restated as if the combined subsidiaries had been merged during the comparative periods. Consolidated income statement includes the result of the combined subsidiaries for the year and comparative periods. Transaction costs associated with the combination are charged to the consolidated income statement in the period in which they are incurred.

The difference between the net assets acquired and the cost of business combination shall be dealt with in the shareholders' equity but not the disposal of assets in income statement. The difference between total value acquired and total value deprived in the course of business combination are credited or charged to merger reserve. Debit balance, if any, in merger reserve shall firstly be transferred to capital reserve account, then to statutory reserve funds, and then to discretionary reserve funds to the extent of their credit balances. All outstanding debit balance in merger reserve shall be transferred to retained profits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interest that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the fact of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 3(g)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment

The following items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 3(g)).

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 3(f)); and

- other items of plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

Depreciation is calculated to write off the depreciable amount of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Buildings	30 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(e) Intangible assets

Intangible assets having finite useful lives are stated at cost less accumulated amortisation and impairment losses (see note 3(g)). Cost incurred for internally generated goodwill and brand name is recognised as an expense in the period in which it is incurred. Amortisation of intangible assets is charged to profit or loss on a straight line basis over the assets' estimated useful lives unless the useful live is infinite. The information database is amortised from the date it is available for use and its estimated useful life is 10 years. Both the period and method of amortisation are reviewed annually.

Intangible assets with indefinite useful lives are stated at cost or valuation less impairment losses, if any. They are not subject to amortisation but reviewed for impairment annually.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leased assets
An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i) Classification of assets leased to the Group
Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

ii) Operating lease charges
Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

iii) Lease of land
The cost of acquiring land held under an operating lease is amortised on a straight line basis over the period of the lease term.

(g) Impairment of assets
i) Impairment of receivables
Receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised. For financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

ii) Intangible assets with indefinite useful lives
Intangible assets are evaluated based on the relevant profit after tax, quoted appropriate discounting factor and expected growth rate, and computed using dividend model with several major assumptions. Impairment loss is determined by comparing the recoverable amount with carrying value of the intangible assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of assets

iii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (excluding buildings stated at valuation);
- land lease prepayments;
- intangible assets having finite useful live;
- investments in subsidiaries (excluding non-current assets held for sale and disposal group);
- investments in associates (excluding non-current assets held for sale and disposal group); and
- Available-for-sale financial assets at cost.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

  An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

- Reversals of impairment losses

  An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(h) Accounts and other receivables

Accounts and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 3(g)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 3(g)).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Accounts and other payables
Accounts and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured, accounts and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(j) Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(k) Financial assets at fair value through profit or loss
Financial assets that are classified as held for trading or are designated at fair value through profit or loss at initial recognition are classified as financial assets at fair value through profit or loss. Derivatives are also categorized as held for trading unless they are designated as hedges. Financial assets at fair value through profit or loss are initially recognised at fair value of transaction date. After initial recognition, financial assets at fair value through profit or loss are measured at fair value prior to the deduction of transaction cost. Gains or losses arising from change of fair value or otherwise are recognised in income statement.

(l) Available-for-sale financial assets
Unlisted equity instruments whose fair value cannot be reliably measured are classified as available-for-sale financial assets. Available-for-sale financial assets are initially recognized and subsequently measured at cost. Impairment loss, exchange gain or loss and gain or loss after derecognition are recognised in income statement. All other gains or losses are dealt with directly in equity.

(m) Employee benefits
Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Group participates in a defined contribution retirement plan organised by the local municipal government for its staff. The Group is required to make contributions to the retirement plan at a certain rate of the salaries, bonuses and certain allowance of its staff. The contributions payable are charged to profit and loss on an accrual basis according to the contribution determined by the plan. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the plan is to pay the ongoing required contributions under the plan mentioned above.

(n) Income tax
Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority; or

- the same taxable entity; or

- different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

When the outcome of a contract can be estimated reliably, revenue from the rendering of services is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract. Contract costs are recognised as an expense by reference to the stage of completion of the contract at the balance sheet date.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date, plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

(q) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

i) Revenue from the rendering of data information management, market research, management consultancy, public relationship consultancy services and information engineering supervision service is recognised as set out in note under the heading "Contracts for services" above;

ii) Revenue from the rendering of provision of training courses is recognised when the course is commenced and delivered.

iii) Revenue from the rendering of other market research services is recognised when the research reports are delivered to customers; and

iv) Interest income is recognised as it accrues using the effective interest method.

Revenue excludes sales taxes, where applicable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

(s) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

i) the party has the ability, directly, or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

ii) the Group and the party are subject to common control;

iii) the party is a member of key management personnel of the Group or the Company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

iv) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

v) the party is a post-employment benefit plan which is for the benefit of employees of the Company or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Segment reporting
A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include accounts receivable and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

(u) Associates
Associates are all entities over which the Group has significant influence but not control. In general, if the Group holds, directly or indirectly, 20% or more of the voting power of the investee company, it is presumed that the Group has significant influence in the investee company unless it can be clearly demonstrated that it is not the case. In the Group's consolidated financial statements, the Group's share of the post-acquisition results of associates is included in the consolidated income statement under equity method of accounting. The Group's investments in associates are initially recognised at cost and adjusted with the share of post-acquisition results of the associates recognised in consolidated income statement.

In the Company's separate financial statements, investments in associates are stated at cost less impairment loss, if any. The results of associates are accounted for by the Company on the basis of dividend received and receivable.

4. TURNOVER

Turnover represents the sales value of services provided to customers, which excludes sales surtaxes. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2008 RMB	2007 RMB (Restated)
Market research services	**41,854,712**	33,712,250
Data information management services	**3,780,994**	2,383,392
Management consultancy services	**24,673,484**	20,425,938
Public relationship consultancy services	**9,749,028**	3,910,108
Information supervision engineering services	**27,638,960**	10,733,157
Provision of training services	**10,176,563**	11,626,356
	117,873,741	82,791,201

5. OTHER REVENUE

	2008 RMB	2007 RMB (Restated)
Interest income from bank deposits	**590,724**	877,310
Bad debt recovery	**43,000**	746,050
Sundry income	**13,220**	16,076
	646,944	1,639,436

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

a) Staff costs (including directors' and supervisors' remuneration)

	2008 RMB	2007 RMB (Restated)
Salaries, wages and other benefits	**31,844,689**	21,154,225
Retirement benefit scheme contributions	**6,414,249**	4,409,389
Total staff costs	**38,258,938**	25,563,614

Total staff costs include research and development costs amounted to RMB884,016 (2007: RMB2,300,165).

At 31 December 2008, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2007: Nil).

b) Other items

	2008 RMB	2007 RMB (Restated)
Cost of services provided #	**68,429,742**	47,609,678
Auditors' remuneration	**264,600**	233,500
Amortisation of intangible assets #	**-**	3,635,479
Depreciation #	**1,221,844**	1,241,364
Amortisation of land lease prepayments #	**638,181**	638,181
Loss on disposal of property, plant and equipment	**68**	180,315
Operating lease charges		
- Land and buildings	**976,096**	463,617
- Motor vehicles	**-**	183,150
Impairment loss for bad and doubtful debts	**175,755**	34,300
Research and development cost #	**884,016**	4,550,954
Net exchange loss	**173,382**	124,710

The cost of services provided included:-

Amortisation of intangible assets	**-**	3,635,479
Depreciation and amortization of land lease payments	**1,098,364**	911,135
Staff cost	**22,410,633**	14,177,470
Research and development cost	**884,016**	3,722,093

c) Impairment loss on investments in an associate

In 2007, CCID Supervision (the pre-merged subsidiary) acquired 20% equity interests in CCID Exhibition with the total consideration of RMB8,700,000. In 2007, CCID Supervision shared the post-acquisition loss of RMB73,810 from CCID Exhibition. At end of 2007, a review of internal and external information for the purpose of identifying impairment loss, if required, to be provided for this associate referred to a valuation report in respect of CCID Exhibition issued by LCH (Asia-Pacific) Surveyors Limited on 14 May 2008. That valuation report indicated that the total market value of CCID Exhibition was RMB9,656,000. Whereas the Group's share of the market value of CCID Exhibition was RMB1,931,200. The excess of the carrying value of and the Group's share of market value (the recoverable amount) of CCID Exhibition is RMB6,694,990. CCID Supervision recognised an impairment loss of RMB6,700,000 on 31 December 2007 in accordance with the accounting policy.

7. TAXATION

a) Taxation in the consolidated income statement represents:

	2008 RMB	2007 RMB (Restated)
PRC enterprise income tax		
- Provision for the year	**3,237,436**	4,799,240
- Current tax benefit arising from previously unrecognised tax loss	**(15,129)**	-
- Understated for prior year	**-**	607,756
	3,222,307	5,406,996
Deferred tax - temporary differences	**97,229**	-
	3,319,536	5,406,996

No provision for Hong Kong profits tax has been made as the Group has no profits assessable to Hong Kong profits tax for the year ended 31 December 2008 (2007: Nil). Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdiction in which the Group concerned operates, based on prevailing legislation, interpretations and practices during the year.

The Company is a high technology enterprise registered in the Beijing New Technology Enterprise Development Zone. Pursuant to the Income Tax Law of PRC, it is subject to a corporate income tax at a rate of 25%.

CCID Database is a high technology enterprise registered in the Beijing New Technology Enterprise Development Zone. Pursuant to the Income Tax Law in PRC, it is subject to a corporate income tax at a rate of 25%.

CCID PR and CCID Advertising are companies operated in PRC. Pursuant to the Income Tax Law in the PRC, CCID PR and CCID Advertising are subjected to a corporate income tax at a rate of 25%.

CCID Supervision is a high technology enterprise registered in the Beijing New Technology Enterprise Development Zone. Pursuant to the Income Tax Law of PRC, it is subject to a corporate income tax at a rate of 25%. As this company is still entitling concessionary benefit from the PRC tax authorities, so its effective tax rate is 7.5%.

The Group has no unprovided deferred tax for the year ended 31 December 2008 (2007: Nil).

b) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	2008 RMB	2007 RMB (Restated)
Profit before taxation	**17,958,245**	16,528,817
Applicable tax rate	**25%**	33%
Product of accounting profit multiplied by applicable tax rate	**4,489,561**	5,454,510
Tax effect of non-deductible expenses	**535,660**	6,135,306
Preferential tax rate granted to high technology industry	**(1,404,168)**	(5,397,249)
Tax effect of unused tax losses not recognised	**456,189**	498,227
Tax effect of different tax rate	**-**	(1,891,554)
Adjustment on current tax of prior year	**-**	607,756
Tax effect of deductible but not recognised expenses	**(908,870)**	-
Tax effect of recognised but untaxed income	**69,064**	-
Current tax benefit arising from previously unrecognised tax loss	**(15,129)**	-
Adjustment on deferred tax income	**97,229**	-
Tax expense	**3,319,536**	5,406,996

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration disclosed pursuant to the GEM Listing Rules and section 161 of the Hong Kong Companies Ordinance is as follows:

	2008	2007
	RMB	RMB
Fees	**156,200**	149,100
Salaries and other benefits	**913,667**	1,041,256
Bonus	**490,000**	124,023
Retirement benefit scheme contributions	**155,357**	103,880
	1,715,224	1,418,259

Details of directors' and supervisors' remuneration by individuals are as follows:

2008

	Fees	Salaries and other benefits	Bonus	Retirement benefit scheme contributions	**Total**
	RMB	RMB	RMB	RMB	**RMB**
Executive directors					
Zhuang Xingfang	12,950	1,000	40,000	-	**53,950**
Luo Wen	14,200	376,715	180,000	48,946	**619,861**
Li Jun	14,200	286,835	170,000	48,946	**519,981**
Lu Guoying	1,250	21,187	-	4,455	**26,892**
Non-executive directors					
Li Ying	12,950	-	-	-	**12,950**
Liu Liehong	14,200	-	-	-	**14,200**
Wang Peng	1,250	2,000	-	-	**3,250**
Independent non-executive directors					
Guo Xinping	14,200	-	-	-	**14,200**
Pan Xingwu	14,200	-	-	-	**14,200**
Han Fuling	14,200	-	-	-	**14,200**
Supervisors					
Gong Chenghe	14,200	-	-	-	**14,200**
Huang Yongjin	14,200	-	-	-	**14,200**
Zhao Gang	14,200	214,038	100,000	48,496	**377,184**
Zhao Ziuzhen	-	11,892	-	4,064	**15,956**
Total for 2008	**156,200**	**913,667**	**490,000**	**155,357**	**1,715,224**

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

2007

	Fees RMB	Salaries and other benefits RMB	Bonus RMB	Retirement benefit scheme contributions RMB	**Total RMB**
Executive directors					
Zhuang Xingfang	14,200	61,758	35,147	-	**111,105**
Luo Wen	14,200	476,001	35,147	34,686	**560,034**
Li Jun	10,650	280,874	40,000	34,508	**366,032**
Non-executive directors					
Li Ying	14,200	-	-	-	**14,200**
Liu Liehong	14,200	-	-	-	**14,200**
Independent non-executive directors					
Guo Xinping	14,200	-	-	-	**14,200**
Pan Xingwu	10,650	-	-	-	**10,650**
Han Fuling	14,200	-	-	-	**14,200**
Supervisors					
Gong Chenghe	14,200	-	-	-	**14,200**
Huang Yongjin	14,200	-	-	-	**14,200**
Zhao Gang	14,200	222,623	13,729	34,686	**285,238**
Total for 2007	**149,100**	**1,041,256**	**124,023**	**103,880**	**1,418,259**

No emoluments were paid by the Group to the directors and supervisors as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended 31 December 2008 (2007: Nil).

No directors and supervisors forfeited any emolument during the year ended 31 December 2008 (2007: Nil).

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2007: two) are directors and supervisor whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other two (2007: three) individuals are as follows:

	2008 RMB	2007 RMB
Salaries and other benefits	**635,124**	843,254
Bonuses	**100,000**	73,863
Retirement benefit scheme contributions	**48,946**	69,372
	784,070	986,489

The emoluments of each highest paid individual during the year ended 31 December 2008 falls within the range from Nil to RMB1,000,000 (2007: Same).

No emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 December 2008 (2007: Nil).

10. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated profit attributable to equity holders of the Company includes RMB4,832,679 (2007: RMB12,160,743) which has been dealt with in the financial statements of the Company.

11. DIVIDENDS

	2008 RMB	2007 RMB
Proposed final: RMB0.0107 (2007: RMB 0.014) per share		
- Domestic and legal person share	**5,253,700**	6,874,000
- H share	**2,236,300**	2,926,000
	7,490,000	9,800,000

Pursuant to the PRC Company Law and the Articles of Association of the Company and all of its subsidiaries, dividend shall only be distributed having deducted all of the following items from the profit after tax:

- Making up prior year's commutative losses, if any.

- Allocations to the statutory common reserve funds of at least 10% of profit after tax, until the fund aggregates 50% of its registered capital. For the purpose of calculating the transfer to reserves, the profit after tax shall be the amount determined under PRC accounting principles and financial regulations. The transfer to this reserve must be made before any distribution of dividends to shareholders.

- The statutory common reserve funds can be used to offset prior years' losses, if any, and part of the statutory common reserve funds can be capitalised as share capital/registered capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital/registered capital.

- Allocations of profit after tax, to the statutory public welfare funds. As the PRC Company Law abolished statutory welfare funds since 1 January 2006 and the Articles of Association of the Companies within the Group have not defined minimum amount to be transferred from the post tax profit to the statutory welfare funds the Group and the Company do not transfer fund to this account in this year (2007: Nil).

- Allocations to the discretionary reserve funds if approved by the shareholders. A discretionary reserve funds can be used to offset prior years' losses, if any, and capitalised as the share capital/registered capital.

- The net profit after tax of the Company for the purpose of profit distributions/dividends will be deemed to be the lesser of (i) the net profit determined in accordance with PRC accounting principles and financial regulations; and (ii) the net profit determined in accordance with Hong Kong accounting standards.

12. EARNINGS PER SHARE

a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of RMB12,138,339 (2007: RMB10,795,810) and the weighted average of 700 million (2007: 700 million) shares in issue during the year.

b) Diluted earnings per share

As there were no diluted potential shares outstanding during the year ended 31 December 2008 (2007: same situation), the diluted earnings per share for the year ended 31 December 2008 is identical to the basic earnings per share (2007: same).

13. SEGMENT REPORTING

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that provides services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

a) the market research services segment provides two kinds of services: standard research on specific sectors and tailor-made research;

b) the data information management services segment mainly includes the supply and provision of data information products and services, government data information management solutions and total enterprise information management solutions;

c) the management consultancy services segment provides services involving the application and implementation of enterprise management information digitalisation. This incorporates the functions of business process re-engineering, enterprise resource planning, customer relationship management, supply chain management, call centre and other electronic business pattern designs; and

d) the public relationship consultancy services segment provides consultancy services involving marketing, brand name promotion, public relationship and advertising.

e) the information supervision engineering services segment provides supervision services to undertaken projects.

f) the provision of training services segment provides the relevant know-how and skills in monitoring and controlling of information engineering to employees of commercial clients.

13. SEGMENT REPORTING (Continued)

Business segments

The following table presents revenue, profit/loss and certain assets, liabilities and expenditure information for the Group's business segments:

The Group

2008

	Market Research Services RMB	Data Information Management Services RMB	Management Consultancy Services RMB	Supervision Engineering Services RMB	Public Relationship Consultancy Services RMB	Provision of Training Course Services RMB	Inter-segment elimination RMB	Total RMB
REVENUE								
Sales to external customers	41,854,712	3,780,994	24,673,484	27,638,960	9,749,028	10,176,563	-	117,873,741
Inter-segment income	-	3,600,000	694,252	-	-	-	(4,294,252)	-
Total operating income	41,854,712	7,380,994	25,367,736	27,638,963	9,749,028	10,176,563	(4,294,252)	117,873,741
Total operating expenses	(19,658,862)	(8,315,060)	(12,796,230)	(16,855,355)	(6,797,093)	(4,007,142)	-	(68,429,742)
Inter-segment expenses	(2,264,859)	-	(1,335,141)	(694,252)	-	-	4,294,252	-
RESULTS	19,930,991	(934,066)	11,236,365	10,089,353	2,951,935	6,169,421	-	49,443,999
Unallocated expenses								(28,881,673)
Interest income								590,724
Other income								13,220
Bad debt recovery								43,000
Loss on investments								(1,760,662)
Share of profit of an associate for the year								12,053
Gain on disposal of interest in an associate								61,413
Fair value adjustment on financial assets								(1,563,829)
Profit before taxation								17,958,245
Taxation								(3,319,536)
Profit for the year								14,638,709
ASSETS								
Segment assets	14,524,356	33,086,826	12,722,699	15,611,369	2,212,533	122,786	-	78,280,569
Less: Inter-segment assets	-	(28,510,727)	(318,503)	-	(500,000)	-	-	(29,329,230)
	14,524,356	4,576,099	12,404,196	15,611,369	1,712,533	122,786	-	48,951,339
Unallocated corporate assets								68,324,379
Total assets								117,275,718
LIABILITIES								
Segment liabilities	4,171,720	4,230,283	2,643,712	12,007,445	305,686	-	-	23,358,846
Less: Inter-segment liabilities	(3,586,026)	-	(2,432,477)	-	-	-	-	(6,018,503)
	585,694	4,230,283	211,235	12,007,445	305,686	-	-	17,340,343
Unallocated corporate liabilities								12,192,501
Total liabilities								29,532,844
OTHER INFORMATION								
Capital expenditure	-	2,050	-	-	9,500	-	-	11,550
Unallocated capital expenditure								698,020
Depreciation and amortization of land lease prepayments	663,310	11,156	391,024	-	32,874	-	-	1,098,364
Unallocated depreciation and amortisation of land lease prepayments								761,661
Impairment loss for bad and doubtful debts	145,755	30,000	-	-	-	-	-	175,755

13. SEGMENT REPORTING (Continued)

The Group
2007

	Public Market Research Services RMB (Restated)	Data Provision of Information Management Services RMB (Restated)	Management Consultancy Services RMB (Restated)	Supervision Engineering Services RMB (Restated)	Relationship Consultancy Services RMB (Restated)	Training Course Services RMB (Restated)	Inter-segment elimination RMB (Restated)	Total RMB (Restated)
REVENUE								
Sales to external customers	33,712,250	2,383,392	20,425,938	10,733,157	3,910,108	11,626,356	-	82,791,201
Inter-segment income	-	3,165,000	-	-	-	-	(3,165,000)	-
Total operating income	33,712,250	5,548,392	20,425,938	10,733,157	3,910,108	11,626,356	(3,165,000)	82,791,201
Total operating expenses	(15,105,600)	(8,804,337)	(9,152,342)	(8,901,157)	(3,887,157)	(4,758,356)	-	(50,608,949)
Inter-segment expenses	(1,970,869)	-	(1,194,131)	-	-	-	3,165,000	-
RESULT (after impairment loss on intangible assets)	16,635,781	(3,255,945)	10,079,465	1,832,000	22,951	6,868,000	-	32,182,252
Unallocated expenses								(17,192,138)
Interest income								877,310
Other income								16,076
Bad debt recovery								746,050
Gain on investments								5,258,222
Fair value adjustment on financial assets								1,414,855
Impairment loss on long term investment								(6,700,000)
Loss on share result of interest in associate								(73,810)
Profit before taxation								16,528,817
Taxation								(5,406,996)
Profit for the year								11,121,821
ASSETS								
Segment assets	14,256,934	51,602,312	6,240,853	8,476,487	2,268,445	145,500	-	82,990,531
Less: Inter-segment assets	-	(19,610,727)	-	-	(1,000,000)	-	-	(20,610,727)
	14,256,934	31,991,585	6,240,853	8,476,487	1,268,445	145,500	-	62,379,804
Unallocated corporate assets								97,894,948
Total assets								160,274,752
LIABILITIES								
Segment liabilities	988,132	4,160,696	1,257,089	6,206,280	882,465	74,000	-	13,568,662
Less: Inter-segment liabilities	-	-	-	-	-	-	-	-
	988,132	4,160,696	1,257,089	6,206,280	882,465	74,000	-	13,568,662
Unallocated corporate liabilities								13,120,425
Total liabilities								26,689,087
OTHER INFORMATION								
Capital expenditure	-	10,118	-	13,399	2,080	-	-	25,597
Unallocated capital expenditure								605,526
Depreciation and amortization of land lease prepayments	536,582	16,936	325,110	63,671	32,507	-	-	974,806
Unallocated depreciation and amortisation of land lease prepayments								904,739
Amortisation of intangible assets	-	3,635,479	-	-	-	-	-	3,635,479
Impairment loss for bad and doubtful debts	20,000	14,300	-	-	-	-	-	34,300

Geographical segments
Further analysis of geographical segment information is not presented as substantially all the assets, operations and customers of the Group located in the PRC, which is considered as one geographic location in an economic environment with similar risks and returns.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Cost RMB	Accumulated depreciation RMB	Net carrying value RMB
Building			
Balance at beginning of 2007	12,032,800	(1,871,768)	10,161,032
Depreciation charge	-	(401,093)	(401,093)
Balance at end of 2007 and beginning of 2008	12,032,800	(2,272,861)	9,759,939
Depreciation charge	-	(403,119)	(403,119)
Balance at end of 2008	12,032,800	(2,675,980)	9,356,820
Furniture, fixtures and equipment			
Balance at beginning of 2007	8,196,761	(5,814,259)	2,382,502
Additions	631,123	-	631,123
Depreciation charge	-	(789,927)	(789,927)
Disposals	(3,740,171)	3,546,621	(193,550)
Balance at end of 2007 and beginning of 2008	5,087,713	(3,057,565)	2,030,148
Additions	484,570	-	484,570
Depreciation charge	-	(761,256)	(761,256)
Disposals	(10,200)	7,752	(2,448)
Balance at end of 2008	5,562,083	(3,811,069)	1,751,014
Motor vehicles			
Balance at beginning of 2007	264,967	(113,274)	151,693
Depreciation charge	-	(50,344)	(50,344)
Balance at end of 2007 and beginning of 2008	264,967	(163,618)	101,349
Additions	225,000	-	225,000
Depreciation charge	-	(57,469)	(57,469)
Balance at end of 2008	489,967	(221,087)	268,880
Total			
Balance at beginning of 2007	20,494,528	(7,799,301)	12,695,227
Additions	631,123	-	631,123
Depreciation charge	-	(1,241,364)	(1,241,364)
Disposals	(3,740,171)	3,546,621	(193,550)
Balance at end of 2007 and beginning of 2008	**17,385,480**	**(5,494,044)**	**11,891,436**
Additions	709,570	-	709,570
Depreciation charge	-	(1,221,844)	(1,221,844)
Disposals	(10,200)	7,752	(2,448)
Balance at end of 2008	**18,084,850**	**(6,708,136)**	**11,376,714**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company

	Cost RMB	Accumulated depreciation RMB	Net carrying value RMB
Building			
Balance at beginning of 2007	12,032,800	(1,871,768)	10,161,032
Depreciation charge	-	(401,093)	(401,093)
Balance at end of 2007 and beginning of 2008	12,032,800	(2,272,861)	9,759,939
Depreciation charge	-	(403,119)	(403,119)
Balance at end of 2008	12,032,800	(2,675,980)	9,356,820
Furniture, fixtures and equipment			
Balance at beginning of 2007	4,461,736	(2,979,507)	1,482,229
Additions	605,526	-	605,526
Depreciation charge	-	(557,896)	(557,896)
Disposals	(1,134,819)	1,071,172	(63,647)
Balance at end of 2007 and beginning of 2008	3,932,443	(2,466,231)	1,466,212
Additions	377,240	-	377,240
Depreciation charge	-	(533,888)	(533,888)
Disposals	(10,200)	7,752	(2,448)
Balance at end of 2008	4,299,483	(2,992,367)	1,307,116
Motor vehicles			
Balance at beginning of 2007	264,967	(113,274)	151,693
Depreciation charge	-	(50,344)	(50,344)
Balance at end of 2007 and beginning of 2008	264,967	(163,618)	101,349
Depreciation charge	-	(50,344)	(50,344)
Balance at end of 2008	264,967	(213,962)	51,005
Total			
Balance at beginning of 2007	16,759,503	(4,964,549)	11,794,954
Additions	605,526	-	605,526
Depreciation charge	-	(1,009,333)	(1,009,333)
Disposals	(1,134,819)	1,071,172	(63,647)
Balance at end of 2007 and beginning of 2008	**16,230,210**	**(4,902,710)**	**11,327,500**
Additions	377,240	-	377,240
Depreciation charge	-	(987,351)	(987,351)
Disposals	(10,200)	7,752	(2,448)
Balance at end of 2008	**16,597,250**	**(5,882,309)**	**10,714,941**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

On 25 April 2002, the Company entered into a sale and purchase agreement (the "S&P Agreement") with its holding company, MIICMD, to purchase the ninth and tenth floors of the CCID Plaza in Beijing (the "Properties") at a total consideration of RMB32,818,854, including deed tax of RMB1,262,264. The buildings element and land element amounted to RMB12,032,800 and RMB20,786,054 respectively (see note 15).

MIICMD has obtained a mortgage loan facility from a PRC commercial bank (the "Bank") by pledging the entire CCID Plaza with the Bank. The Bank was advised by MIICMD of the above sale and a written consent was obtained from the Bank. MIICMD has obtained the ownership certificates of the CCID Plaza from relevant government authorities. Pursuant to the S&P Agreement, MIICMD should make all necessary arrangements for the transfer of the ownership of the Properties to the Company once its title over the CCID Plaza and the Bank's approval of the transfer are obtained or upon the settlement of all outstanding principal and interest by MIICMD of the mortgage loan relating to the said floors of the CCID Plaza. However, if MIICMD is in default of the terms as set out in the respective mortgage loan agreement with the Bank, the Bank has the right to sell CCID Plaza and apply the proceeds to settle all outstanding amounts due to the Bank by MIICMD. Should this event occur, pursuant to the S&P Agreement, MIICMD has committed to repay to the Company the consideration received from the Company in respect of the purchase within seven days without interest (the "MIICMD undertaking"). In addition, pursuant to an undertaking letter dated 30 September 2002, supplemented by a confirmation and executed by CCID, CCID has undertaken to utilise its own financial resources and procure members of the CCID Group to utilise their respective financial resources to honour the MIICMD Undertaking should MIICMD fail to honour such an undertaking itself. As at 31 December 2007, the Company had settled a total sum of RMB29,978,760 (2007: RMB29,978,760) to MIICMD in relating to the purchase of the Properties. The Properties are currently being occupied by the Group as offices and for other ancillary purposes.

As of 31 December 2008, the ownership certificate was not yet obtained. However, MIICMD has undertaken to complete the assignment of the legal title of the Properties to the Company. The Directors are of their opinion that the legal title of the Properties can be assigned to the Company in the foreseeable future.

15. LAND LEASE PREPAYMENTS

The Group and the Company

	2008	2007
	RMB	RMB
Balance at beginning of year	**17,169,250**	17,807,431
Amortisation	**(638,181)**	(638,181)
Balance at end of year	**16,531,069**	17,169,250
Current portion	**(638,181)**	(638,181)
Non-current portion	**15,892,888**	16,531,069

The leasehold land is held under medium term lease and situated in the PRC. The costs of the leasehold land are RMB20,786,054 (2007: RMB20,786,054).

16. INTERESTS IN SUBSIDIARIES

The Company

	2008 RMB	2007 RMB
Unlisted, at cost	**96,935,723**	44,592,021

Details of the subsidiaries at 31 December 2008 are as follows:

Name	Place of incorporation and operations	Registered and paid up capital RMB	Percentage of equity directly attributable to the Company	Principal activities
Beijing CCID Shiji Information Engineering Consulting Co., Ltd	Beijing, PRC	50,000,000	95%	Provision of data services and establishment of information database services
Beijing CCID Shiji Advertising Co., Ltd.	Beijing, PRC	500,000	80%	Provision for conference and exhibition services, it is inactive during the year
Beijing CCID Classic Public Relationship Co., Ltd.	Beijing, PRC	300,000	80%	Provision for intermediate planning and and public relationship services
Beijing CCID Information Engineering Supervision Co., Ltd	Beijing, PRC	10,000,000	70%	Provision of information engineering supervision and training services

During the year, the Company acquired 70% equity interests in CCID Supervision at the consideration of RMB51,000,000 settled by way of cash. The acquisition was done on 8 September 2008. Before the merger, CCID Supervision had been the wholly-owned subsidiary of CCID. After the merger, CCID still controls CCID Supervision through the Company and another wholly-owned subsidiary. As the merger of CCID Supervision falls within the scope of common control combination, AG 5 is applicable. Details of accounting policy are stated in note 3(b).

At the date of obtaining the control of CCID Supervision (i.e. 8 September 2008), the total carrying net asset value of CCID Supervision and those attributable to the Group are as follow:-

	Net carrying value of CCID Supervision RMB	Net carrying value of CCID Supervision attributable to the Group RMB
Paid-up capital	10,000,000	7,000,000
Statutory reserve fund	1,794,972	1,256,480
Retained profits	10,475,335	7,332,735
	22,270,307	15,589,215

Statutory reserve fund and retained profits attributable to the Group have been consolidated to the statutory reserve fund and retained profits of the Group respectively. Whereas the difference (i.e. RMB44,000,000) between paid-up capital and the cash consideration has been dealt with in merger reserve. Since the merger involved neither pre-acquisition profits nor the acquisition of shareholder's interests beyond CCID’s, no adjustments on pre-acquisition profit and/or minority interests are required.

17. INTANGIBLE ASSETS

	Revaluation	Cost	Accumulated depreciation and impairment loss	Net carrying value
	RMB	RMB	RMB	RMB
Information database with finite useful lives				
Balance at beginning of 2007	-	38,268,201	(19,951,222)	18,316,979
Amortization	-	-	(3,635,479)	(3,635,479)
Balance at end of 2007 and beginning of 2008	-	38,268,201	(23,586,701)	14,681,500
Transferred to information database with indefinite useful lives	-	(38,268,201)	23,586,701	(14,681,500)
Balance at end of 2008	-	-	-	-
Information database with indefinite useful lives				
Balance at beginning and end of 2007 and beginning of 2008	-	-	-	-
Transferred from information database with finite useful lives	15,000,000	-	-	15,000,000
Balance at end of 2008	15,000,000	-	-	15,000,000
Total				
Balance at beginning of 2007	-	38,268,201	(19,951,222)	18,316,979
Amortization	-	-	(3,635,479)	(3,635,479)
Balance at beginning of 2007 and beginning of 2008	**-**	**38,268,201**	**(23,586,701)**	**14,681,500**
Transfer between information database with different conditions	15,000,000	(38,268,201)	23,586,701	318,500
Balance at end of 2008	**15,000,000**	**-**	**-**	**15,000,000**

The information database is stored in the computer system to offer assistance in providing customers with data content of consultation business. The information database is updated on a continuous basis, and now it has stored more than 16,000,000 units. The Company and the Group depend on the information provided by the information database to earn subscription fees, as well as service charges of standard research reports, special research reports, and providing consultation on public relations.

The intangible assets used to be recognized as expenses on straight-line basis based on its estimated useful life of 10 years. The amortized expenses were included in cost of sales in the consolidated income statement.

At the beginning of 2008, the Group reformed its website, and introduced a website with brand new layout in the middle of 2008, which was named www.cciddata.com ("the CCIDDATA"). Focusing on corporate research supplemented by industry research and product research, the new website plans to turn CCIDDATA online into "China's most prestigious portal website specializing in industry research and consultation", based on which to promote transformation of CCIDDATA online business in accordance with specific needs of the Group. The new website covers 37 industries and 8 categories. According to the management, the new website is helpful in facilitating customers to comprehensively make use of the internet-based statistical service as well as allowing small and medium-sized enterprises to have easy access to statistical information. Number of visitors boomed after the new website was introduced to the market. The management assumes that the number of visitors to the new website will maintain at a stable level following the completion of scheduled modifications and updates of all databases.

As a new version of website was introduced to the market, the management held that carrying value of the information database might not reflect its fair value. They engaged LCH (Asia-Pacific) Surveyors Limited (hereinafter referred to as "the Surveyor") to revalue the information database. Because the Group reformed its website at the beginning of 2008, the Surveyor, in order to clearly differentiate values of the original and present websites and the associated costs, revalued the information database on the basis of 1 January 2008, and measured the information database by means of weighted-average cost of capital (WACC). In considering the basis of measurement, one of the major presumptions of the Surveyor was the useful life of the information database. The surveyor presumed that the useful life of the information database could be prolonged indefinitely on the condition that it was under ongoing maintenance and data update. As such, the estimated useful life of the information database is indefinite. According to the Directors, the Group depends on the information provided by the information database to make profits, and the Group has to maintain the information database and to update its data in the foreseeable future. The Directors regard that the foregoing assumption made by the Surveyor corresponds to the present situation and long-term development orientation of the Group.

17. INTANGIBLE ASSETS (Continued)

According to the Surveyor's report, the valuation of the information database at 1 January 2008 is RMB15,000,000. The Board of Directors of the Group has resolved to adopt the Surveyor's report. The carrying value of intangible assets has adjusted to RMB15,000,000. The difference (RMB318,500) between the original carrying value and the valuation has been transferred to the revaluation reserve in accordance with paragraph 85 of HKAS 38 ("Intangible assets"). As the useful life of the information database is indefinite, no amortization is made for it according to paragraph 107 of HKAS 38 ("Intangible assets"), but it needs to be tested for impairment annually according to paragraph 10 of HKAS 36 ("Impairment of assets").

Although different accounting policies for the information database were adopted in 2007 and 2008, its measuring conditions (namely the certainty on the length of useful life) were, after revaluation, different from those of 2007, so this does not constitute a change of accounting policy and no prior period adjustments should be made in accordance with paragraph 16 of HKAS 8.

At the end of the year, the management of the Group evaluated the recoverable amount of the intangible assets. The recoverable amount is based on the relevant post-tax profit in 2008, quoted the discounting factor and expected growth rate from the Surveyor's report, and computed using dividend model with several major assumptions. The evaluation indicates that the recoverable amount of the information database at the end of year is larger than its carrying value, so provision for impairment loss is not necessary.

18. INVESTMENT IN AN ASSOCIATE

The Group	**2008** RMB	2007 RMB
Unlisted share, at cost	-	8,700,000
Accumulated impairment losses	-	(6,700,000)
	-	2,000,000
Share of post-acquisition loss of an associate	-	(73,810)
	-	1,926,190

The summarized financial information of the associates and other information are disclosed as follows:-

The Group	**2008** **RMB**	2007 RMB
Assets	-	10,277,880
Liabilities	-	616,140
Revenue (after acquisition)	-	653,000
Loss for the year (after acquisition)	-	(369,050)
Unrecognized share of losses for the year	-	-
Cumulative unrecognized losses shared with associates	-	-
Share of contingent liabilities jointly with other investors	-	-
Share of severally liable contingent liabilities	-	-

19. ACCOUNTS RECEIVABLE AND ACCRUED ASSETS

An ageing analysis of the accounts receivable and accrued assets is as follows:

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB (Restated)	**RMB**	RMB
Within 60 days	**9,858,688**	4,453,344	**5,716,157**	3,731,026
61 days to 180 days	**10,164,432**	6,643,814	**5,528,888**	4,848,394
181 days to 365 days	**5,537,919**	2,894,317	**3,405,135**	804,371
Over 365 days	**8,289,482**	3,609,609	**492,735**	69,303
	33,850,521	17,601,084	**15,142,915**	9,453,094

The general credit terms of the Group range from 60 to 180 days. The Group may, on a case by case basis and after evaluation of the business relationship and credit worthiness, extend the credit period upon customers' request.

a) Included in the balance of the Group's accounts receivable and accrued assets at 31 December 2008 was an amount due from contract customers of RMB15,405,796 (2007: RMB9,203,202).

b) Included in the accounts receivable are the following due from related parties:

	The Group		The Company	
	2008	2007	2008	2007
	RMB	RMB (Restated)	RMB	RMB
Name of related parties				
Beijing CCID Jingwei Culture Communication Co., Ltd.	**9,660**	146,480	**9,660**	146,480
CCID Net	**-**	95,256	**-**	95,256
EIC	**189,200**	20,000	**189,200**	-
China Computer User Magazine	**-**	103,393	**-**	103,393
	198,860	365,129	**198,860**	345,129

The above related parties are controlled by CCID.

20. DUE FROM RELATED PARTIES AND ULTIMATE HOLDING COMPANY

(a) An analysis of the amount due from related parties is as follows:

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB (Restated)	**RMB**	RMB
Name of related parties				
Beijing CCID Software Licensing Co., Ltd.	**6,270**	16,124	**-**	-
Beijing CCID Information Technology Appraisal Co., Ltd.	**16,124**	316,270	**-**	-
	22,394	332,394	**-**	-

The above related parties are controlled by CCID. The amounts due from related parties and ultimate holding company is unsecured, interest-free and have no fixed terms of repayment.

20. DUE FROM RELATED PARTIES AND ULTIMATE HOLDING COMPANY (Continued)

(b) An analysis of the amount due from ultimate holding company is as follows:

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
CCID	**980,000**	3,070,000	**980,000**	-

The amounts due from ultimate holding company are unsecured, interest-free and have no fixed terms of repayment.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
		(Restated)		
Advances to employees	**2,086,947**	1,516,728	**863,296**	1,156,938
Prepayments	**601,178**	231,084	**-**	231,084
Rental and other deposits	**1,674,784**	2,394,729	**87,253**	1,318,234
Pledge deposits	**292,300**	93,168	**-**	-
Others	**1,407,330**	52,919	**1,386,597**	19,130
	6,062,539	4,288,628	**2,337,146**	2,725,386

Apart from rental and other deposits, all prepayments and other receivables are expected to be recovered within one year.

22. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
		(Restated)		
Cash at banks and on hand	**31,248,911**	80,382,103	**10,225,019**	61,286,968
Time deposits maturing within three months	**-**	-	**-**	-
Cash and cash equivalents in consolidated cash flow statement	**31,248,911**	80,382,103	**10,225,019**	61,286,968
Time deposits maturing over three months	**-**	-	**-**	-
Cash and cash equivalents in the balance sheet	**31,248,911**	80.382.103	**10,225,019**	61,286,968

Included in cash and cash equivalents in the balance sheet are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

The Group and the Company

	Original currency		RMB equivalent	
	2008	2007	**2008**	2007
			RMB	RMB
United States Dollars	**69**	860	**471**	6,620
Hong Kong Dollars	**36,500**	36,059	**35,726**	35,337

23. INVESTMENTS

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
Designated financial assets at fair value through profit or loss at initial recognition, at fair value				
PRC listed securities	**213,570**	650,160	**213,570**	650,160
Investment funds	**-**	8,184,778	**-**	4,331,183
	213,570	8,834,938	**213,570**	4,981,343
Available-for-sale financial assets, at cost				
Unlisted investment	**8,656,500**	-	**-**	-
Less: Impairment loss (note 6c)	**(6,666,500)**		**-**	-
	1,990,000	-	**-**	-
Total	**2,203,570**	8,834,938	**213,570**	4,981,343
Long term investment	**1,990,000**	-	**-**	-
Current investment	**213,570**	8,834,938	**213,570**	4,981,343
Market value of listed securities and investment fund	**213,570**	8,834,938	**213,570**	4,981,343

Available-for-sale financial assets refer to 19.9% equitable interests in CCID Exhibition held by CCID Supervision. When the Company acquired CCID Supervision, CCID Supervision held 20% equitable interests in CCID Exhibition. However, the Group does not have intention to get involve the management and decision-making process of CCID Exhibition. For the purpose of complying with HKAS 28 (“Investment in associates”), the Group, having taken over CCID Supervision, arranged CCID Supervision transferring 0.1% equitable interests in CCID Exhibition to another company held by CCID. Moreover, the key management of Group is not allowed to participate in the operation of CCID Exhibition and the members in the Group should not have significant transactions with CCID Exhibition. With this arrangement, the Directors are of their opinion that, after the transfer of the 0.1% equitable interests in CCID Exhibition, the Group’s interests in CCID Exhibition is purely an investment. Accordingly, the investment in CCID Exhibition should be classified as available-for-sale financial assets.

24. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

An ageing analysis of the accounts payable is as follows:

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
		(Restated)		
Within 60 days	**2,212,779**	827,147	**1,112,871**	3,211,147
61 days to 180 days	**2,129,993**	19,715	**909,698**	19,715
181 days to 365 days	**542,926**	3,905,858	**946,820**	2,234
Over 365 days	**3,946,489**	54,000	**3,057,847**	54,000
	8,832,187	4,806,720	**6,027,236**	3,287,096

a) The accounts payable of the Group includes balances due to related companies of RMB19,957 (2007: RMB21,949).

b) Included in the balance of Group's account payable and accrued liabilities at 31 December 2008 was an amount due to contract vendor of RMB157,520 (2007: Nil).

25. ACCRUALS AND OTHER PAYABLES

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
		(Restated)		
Provision for social insurance fees and the public housing funds	**7,498,870**	7,304,910	**3,800,952**	3,633,592
Other tax payables	**2,257,068**	2,112,414	**1,701,796**	1,807,340
Received in advance	**4,250,181**	4,476,925	**788,197**	1,961,268
Others	**1,906,985**	1,706,815	**1,101,017**	963,512
	15,913,104	15,601,064	**7,391,962**	8,365,712

26. DUE TO IMMEDIATE HOLDING COMPANY

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
		(Restated)		
Acquisition of the ninth and tenth floors of CCID Plaza (note (a))	**1,577,829**	1,577,829	**1,577,829**	1,577,829
Others (note (b))	**567,990**	524,599	**474,081**	471,528
	2,145,819	2,102,428	**2,051,910**	2,049,357

a) The amount due to the immediate holding company at 31 December 2008 included of the amount payable to MIICMD for the acquisition of the ninth and tenth floors of CCID Plaza (see note 14). The amount payable is interest free and repayable within 10 days from the date that the ownership certificate of the ninth and tenth floors of the CCID Plaza is transferred to the Company in accordance with the terms of the relevant property purchase agreement.

b) The amount is unsecured, interest-free and has no fixed terms of repayment.

27. DUE TO SUBSIDIARIES

The amount is unsecured, interest-free and has no fixed terms of repayment. In the opinion of the Directors, the non-current portion of amount due to subsidiaries will not be repayable within 2009.

28. DEFERRED TAXATION

a) Recognised deferred tax

The principal components of recognised deferred tax assets are as follows:

The Group and the Company

	2008	2007
	RMB	RMB
Impairment for bad and doubtful debts	**-**	42,090
Provision for social insurance fees and public housing funds	**-**	55,139
	-	97,229

b) Deferred taxation not recognised

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
		(Restated)		(Restated)
Tax loss	**2,100,000**	950,000	**-**	-
Financial assets	**34,000**	(213,000)	**34,000**	(159,000)
Intangible assets	**(850,000)**	-	**-**	-
Tax loss	**1,284,000**	737,000	**34,000**	(159,000)

The Group and the Company have not recognised deferred tax assets in respect of tax losses as it is uncertain that taxable profit will be available against which tax losses can be utilised. The tax losses will expire in five years from the year in which they were incurred.

29. Share Capital

The Group and the Company

	2008		2007	
	Number of share	**Nominal value RMB**	Number of share	Nominal value RMB
Registered, issued and fully paid:				
Domestic shares of RMB0.1 each	**485,900,000**	**48,590,000**	485,900,000	48,590,000
Legal person shares of RMB0.1 each	**5,100,000**	**510,000**	5,100,000	510,000
H shares of RMB0.1 each	**209,000,000**	**20,900,000**	209,000,000	20,900,000
	700,000,000	**70,000,000**	700,000,000	70,000,000

By the extraordinary general meeting and the separate class meetings of the holders of H shares and domestic shares held on 24 November 2008, the shareholders passed resolutions to grant the right to the Directors to issue and allot not more than 200 million new H shares at a price between Hong Kong Dollars 0.25 and Hong Kong Dollars 0.60 by 25 November 2009. The Company is getting the approval of relevant authorities. Further information will be announced soon.

30. RESERVES

a) The Group

	Attributable to equity holders of the Company								
	Capital reserve account RMB (note a)	Statutory reserve account RMB (note b)	Discretionary reserve account RMB (note b)	Revaluation reserve account RMB (note b)	Merger account reserve RMB (note b)	Retained profits RMB	Total RMB	Minority Interest RMB	**Total RMB**
Balance at beginning of 2007	18,609,965	7,636,371	58,517	-	-	20,578,507	46,883,360	8,583,693	**55,467,053**
Profit for the year	-	-	-	-	-	10,875,404	10,875,404	246,417	**11,121,821**
Transferred to statutory reserve funds	-	1,842,057	-	-	-	(2,110,336)	(268,279)	268,279	-
Deficit for staff welfare Appropriations	-	(3,209)	-	-	-	-	(3,209)	-	**(3,209)**
Reserve arising from the merger with a subsidiary under common control	-	-	-	-	7,000,000	-	7,000,000	-	**7,000,000**
Payment of dividend by a pre-merged subsidiary				-	-	(7,000,000)	(7,000,000)	(3,000,000)	**(10,000,000)**
Dividend for 2007	-	-	-	-	-	(9,800,000)	(9,800,000)	-	**(9,800,000)**
Balance at end of 2007 and beginning of 2008	18,609,965	9,475,219	58,517	-	7,000,000	12,543,575	47,687,276	6,098,389	**53,785,665**
Profit for the year	-	-	-	-	-	12,138,339	12,138,339	2,500,370	**14,638,709**
Gain on revaluation of intangible assets (note 17)	-	-	-	302,575	-	-	302,575	15,925	**318,500**
Transferred to statutory reserve funds	-	1,042,521	-	-	-	(1,264,525)	(222,004)	222,004	**-**
Reserve arising from the Merger with a subsidiary under common control	-	-	-	-	(51,000,000)	-	(51,000,000)	-	**(51,000,000)**
Dividend for 2008	-	-	-	-	-	(3,500,000)	(3,500,000)	-	**(3,500,000)**
Transfer the debit balance in merger reserve to other reserve and retained profits (note 3(b))	(18,609,965)	(9,475,219)	(58,517)	-	44,000,000	(15,856,299)	-	-	**-**
Balance at end of 2008	-	-	-	302,575	-	4,61,090	5,406,186	8,836,688	**14,242,874**

b) The Company

	Capital reserve account RMB (note a)	Statutory reserve funds RMB (note b)	Discretionary reserve account RMB (note b)	Retained profits RMB (note b)	**Total RMB**
Balance at beginning of 2007	18,100,000	5,676,547	58,517	11,823,35	**35,658,415**
Profit for the year	-	-	-	12,216,073	**12,160,743**
Transferred to statutory reserve funds	-	1,216,073	-	(1,216,073)	-
Dividend for 2007	-	-	-	(9,800,000)	**(9,800,000)**
Balance at end of 2007 and beginning of 2008	18,100,000	6,892,620	58,517	12,968,021	**38,019,158**
Profit for the year	-	-	-	4,868,943	**4,868,943**
Dividend for 2008	-	-	-	(3,500,000)	**(3,500,000)**
Balance at end of 2008	18,100,000	6,892,620	58,517	14,336,964	**39,388,101**

Notes:

(a) The capital reserve account can only be used to increase share capital.

30. RESERVES (Continued)

Notes (Continued):

(b) Under the PRC Company Law and the Articles of Association of the companies within the Group, net profit after tax as reported in the PRC financial statements can only be distributed as dividends after allowance has been made for the following:

- Making up prior year's cumulative losses, if any.

- Allocations to the statutory common reserve fund of at least 10% of profit after tax, until the fund aggregates 50% of its registered capital. For the purpose of calculating the transfer to reserves, the profit after tax shall be the amount determined under PRC accounting principles and financial regulations. The transfer to this reserve must be made before any distribution of dividends to shareholders.

- The statutory common reserve funds can be used to offset prior years' losses, if any, and part of the statutory common reserve funds can be capitalised as share capital/registered capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital/registered capital.

- Allocations of profit after tax, to the statutory public welfare funds. Since the PRC Company Law abolished statutory welfare funds since 1 January 2006 and the Articles of Association of the companies within the Group have not defined minimum amount to be transferred from the post tax profit to the statutory welfare funds, the Group and the Company do not transfer fund to this account in this year (2007: Nil).

- Allocations to the discretionary reserve funds if approved by the shareholders. A discretionary reserve funds can be used to offset prior years' losses, if any, and capitalised as the share capital/registered capital.

- Accordingly, the Company, CCID Info and CCID PR are required to transfer 10% of profit after tax, if any, to the statutory reserve funds. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory reserve funds may be used to offset against the accumulated losses of the respective companies, capitalised as the respective companies' share capital/registered capital and used to provide collective welfare benefits to the staff. No discretionary reserve funds were appropriated for 2008 (2007: Nil).

- In accordance with the articles of association of the Companies, the net profit after tax of the Company for the purpose of profit distributions/dividends will be deemed to be the lesser of (i) the net profit determined in accordance with PRC accounting principles and financial regulations; and (ii) the net profit determined in accordance with Hong Kong accounting standards.

- The Company's reserve available for distribution pursuant to Section 79B of Companies Ordinance is as follow:-

	2008	2007
	RMB	RMB
Retained profits (before deduction of final dividend)	**7,561,090**	22,768,021
Less: Unrealised profit	**-**	(1,414,855)
	7,561,090	21,353,166

Unrealised profit refers to the profit on adjustment on fair value of financial assets.

31. SHARE OPTION SCHEME

The Company adopted a share option scheme on 20 November 2002. Pursuant to the share option scheme, the board of directors of the Company may, at its discretion, grant options to any full-time employees of the Group to subscribe for shares in the Company, to a maximum of 30% of the Company's H shares in issue from time to time. The exercise price will be determined by the board of directors, and will not be less than the highest of: (a) the closing price of the H shares as stated in the GEM's daily quotations sheet on the date of offer, which must be a business day; (b) the average closing prices of the H shares as stated in the GEM's daily quotation sheets for the five business days immediately preceding the date of offer; and (c) the nominal value of an H share. However, employees who are Chinese nationals in Mainland China shall not be entitled to exercise the option until the current restrictions on these persons for subscribing or dealing in H shares imposed by the laws and regulations in Mainland China have been amended or removed. Until 31 December 2008, no options were granted to the Group's employees since the listing of the Company in the Exchange.

32. COMMITMENTS

a) At 31 December 2008, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
Within 1 year	**505,114**	268,878	**153,616**	151,876

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one year, with an option to renew the lease when all terms are renegotiated. None of the leases include contingent rentals.

b) At 31 December 2008, the Group and the Company has no capital commitment outstanding which not provided for in the financial statements (2007: Nil).

33. MATERIAL RELATED PARTY TRANSACTIONS

a) The following companies mentioned are within the Group of CCID, the ultimate holding company of the Company, which include its subsidiaries, associates, institutions and agents under its control (the "CCID Group"). In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	2008 RMB	2007 RMB
Gross revenue earned before sales surtaxes		
Provision for consulting services to:		
Beijing CCID Net IT Co., Ltd.	**100,359**	354,663
CCID	**495,000**	938,000
Beijing CCID Jingwei Culture Communication Co., Ltd	**3,750**	-
Electronic Information Centre	**189,200**	-
China Information World Newspaper	**-**	39,660
	788,309	1,332,323
Provision for data management services to:		
Electronic Information Centre	**-**	605,000
Beijing CCID Jingwei Culture Communication Co., Ltd.	**-**	30,000
CCID	**980,000**	-
	980,000	635,000
Promotional expenses (including advertising services, and website and hyperlink services)		
Translation, advertising, promotional and consultancy expenses charged by Beijing China Electronics News Technology Development Co., Ltd.	**401,400**	120,000
Promotional and consultancy expenses charged by CCID Net	**108,398**	31,435
Promotional and consultancy expenses charged by CCID Call Centre	**266,736**	175,667
Consultancy expenses charged by CCID (Holding) Ltd.	**10,000**	980,000
Consultancy expenses charged by CCID Exhibition	**24,000**	-
Promotional expenses, internet expenses and building management fee charged by MIICMD	**3,178,917**	1,941,495
Translation expense charged by CCID Translation Co., Ltd.	**239,836**	13,7814
Consultancy expenses charged by CCID	**-**	195,000
	4,229,287	3,581,411

The Directors are of the opinion that the above transactions with related parties were conducted in the usual course of business and charged at cost incurred plus a reasonable profit margin.

Other:		
Acquired 20% equity interests in CCID Exhibition from CCID (Holding) Ltd	-	8,700,000
Acquired 70% equity interests in CCID Supervision from CCID (Holding) Ltd	**51,000,000**	-
Disposal of 0.01% equity interests in CCID Exhibition to CCID (Holding) Ltd	**9,656**	-

33. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

a) The Directors are of their opinion that the above transactions with related parties were conducted at the price mutually agreed by the contractual parties.

The Directors are of their opinion that the Group had complied with disclosure requirements of GEM listing rule and approval in the Extraordinary General Meeting for the acquisition of CCID Supervision.

The Company and the related companies are within the CCID Group and are under common control of the same ultimate controlling party.

Articles 20.31 and 20.33 of GEM listing rule have exempted the Group to disclose connected person transactions in accordance with article 20.45 and 20.46 of GEM listing rule. The Directors have confirmed that the Group has complied with the disclosure requirements set out in the Chapter 20 of GEM listing rule.

b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees ad disclosed in note 9, is as follows:

	2008	2007
	RMB	RMB
Salaries, wages and other benefits	**1,509,618**	2,152,165
Retirement benefit scheme contributions	**195,784**	312,518
	1,705,402	2,464,683

Total remuneration is included in staff costs (see note 6(a)).

34. EVENT AFTER BALANCE SHEET DATE

The Group is in the processing with MIICMD for the transfer of the legal title of nine and tenth floors of CCID plaza to the Company. As of the date of issue of these financial statements, the transfer process still not yet complete.

35. FINANCIAL RISK MANAGEMENT

Financial assets and liabilities carried on the balance sheet include the following assets and liabilities which are carried at approximately their fair value:-

- Financial assets and liabilities at fair value through profit or loss;
- Available-for-sale financial assets;
- Cash and cash equivalents;
- Trade and other receivables; and
- Trade and other payables.

Exposure to financial risks on its financial assets and liabilities comprises:-

- Currency risk on monetary assets, monetary liabilities and commitments denominated in foreign currencies resulting from change of foreign exchange rate;
- Price risk on financial assets at fair value through profit or loss and available-for-sale financial assets of which the value is subject to fluctuation as a result of changes in market price;
- Fair value interest rate risk on change of value of investment measured by fair value because of the change of market interest rate;
- Credit risk on credit period offered to its trade debtors and advances to other debtors; and
- Liquidity risk on withdrawal or cutting of credit limit and credit period offered by trade creditors.

Financial risk management objectives and policies
Risk management is carried out by a group's Financial Controller under policies approved by the Board of Directors. The financial Controller identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

Currency risk
The Group's monetary assets and transactions are principally denominated in Renminbi ("RMB"). The Group is exposed to foreign exchange risk arising from the exposure of RMB against USD and HKD. Considering that the exchange rate between RMB and USD and between RMB and HKD, the Group believes its exposure to foreign exchange risk is normal. At present, the Group does not intend to seek to hedge its exposure to foreign exchange risk profile, and will consider appropriate hedging measures in future as may be necessary.

As at 31 December 2008, if RMB had strengthened or weakened by 1% against the foreign currencies with all other variables held constant, the profit/loss for the year after tax would have been increased or decreased by RMB6,544 (2007: RMB357).

Price risk
The Group has appointed experienced investment team to monitor the investment profolio in accordance with the Group's policies. The professional investment term will meet and discuss will Directors on regular basis. Because of poor investment environment, the Group has curtailed the size of investment profolio. The maximum exposure to price risk is the carrying amount at balance sheet date.

At 31 December 2008, if the fair value of the investment profolio had been 1% higher or lower with all other variables held constant, the profit/loss for the year after tax would have been increased or decreased by RMB1,602 (2007:RMB75,097).

35. FINANCIAL RISK MANAGEMENT (Continued)

Fair value interest rate risk
Management has observed the market interest rate that may affect the fair values of Group's investment profolio. The Group will adjust its investment strategies having alerted the signal of market interest rate.

If the interest rate had strengthened or weakened by 0.1% with all other variables held constant, the profit/loss for the year after tax would have been increased by RMB34,821 (2007: RMB 915,817) or decreased by RMB61,607 (2007: RMB1,211,242), arising mainly as a result of the change of interest expenses and deposit interest income.

Credit risk
Credit risk arises from the possibility that the counterparty to a transaction is unwilling or unable to fulfill its obligation with the results that the Group thereby suffers financial loss. In order to minimise the credit risk, the Group has designated personnel to take care the overdue debts. Moreover, the management of the Group evaluates regularly the level of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the Directors consider that the Group's credit risks is significantly reduced. The Group has no significant concentrations on credit risk.

Aging analysis of pasted due but not yet impaired financial assets

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
Pass due more than one year	**4,409,039**	3,208,058	**356,992**	64,058

Liquidity risk
The Group will consistently maintain a prudent financial policy and ensure that it maintains sufficient cash to meet its liquidity requirements.

Cash flow interest rate risk
Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group believes its exposure to cash flow interest rate risk is low.

Had interest rates been 1% higher or lower with all other variables held constant, the profit/loss for the year after tax would increase or decrease by RMB234,263 (2007: RMB683,164), arising mainly as a result of the change of interest expense and deposit interest income.

Maturity analysis
The following table details the remaining contractual maturities at the balance sheet date of the Group's and Company's financial liabilities which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date of the Group and the Company to be required to pay:-

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
Trade and other payables				
Payable on demand or within one year	**23,440,536**	24,586,659	**14,829,644**	16,953,549
Payable after one year	**3,946,489**	-	**-**	-
No defined repayment term	**2,145,819**	2,102,428	**25,362,638**	18,860,084
	29,532,844	26,689,087	**40,192,282**	33,813,633

36. MANAGING CAPITAL

	The Group		The Company	
	2008	2007	**2008**	2007
	RMB	RMB	**RMB**	RMB
		(Restated)		
Managing capital comprises:-				
Issued and paid up share capital	**70,000,000**	70,000,000	**70,000,000**	70,000,000
Retained profits	**71,090**	12,543,575	**10,346,964**	12,968,021
Other reserves	**1,345,096**	35,143,701	**25,051,137**	25,651,137
	71,416,186	117,687,276	**105,398,101**	108,019,158

The Group is not subject to any externally imposed capital requirements. Accordingly, the Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose the Group defines net debt as total debt (which includes interest-bearing loans and borrowings and trade and other payables) plus accrued proposed dividend. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

During 2008, the Group's strategy, which was unchanged from 2007, was to maintain the net debt-to-adjusted capital ratio at the lower end of the range 20% to 30%. In order to maintain net debt-to-adjusted capital ratio, the Group is going to issue and allot new shares.

37. COMPARATIVE FIGURES

During the year, the Group acquired a 70% equity interests in CCID Supervision and consolidated the financial information of this subsidiary to the consolidated financial statements of the Group by way of merger accounting (note 3(b)). According to AG 5, comparative figures should be restated as if the merged subsidiary had been consolidated during the comparative period. As a result, the comparative figures have been restated in order to comply with AG 5.

FIVE YEAR FINANCIAL SUMMARY

Summary of financial information

As summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated upon adoption of new and revised HKFRS as appropriate:

RESULT

	Year ended 31 December				
	2004	2005	2006	2007	**2008**
	RMB	RMB	RMB	RMB	**RMB**
Turnover	67,078,661	59,837,181	63,468,998	82,791,201	**117,873,741**
Cost of sales	(37,089,587)	(43,680,192)	(41,799,678)	(47,609,678)	**(68,429,742)**
Gross profit	29,989,074	16,156,989	21,669,320	35,181,523	**49,443,999**
Other revenue	209,893	648,627	1,362,919	8,312,513	**708,357**
Selling and distribution costs	(4,451,221)	(6,616,822)	(6,304,452)	(5,215,451)	**(8,561,078)**
Administrative expenses	(11,925,455)	(11,127,709)	(12,221,760)	(14,590,787)	**(18,621,830)**
Other operating expenses	(696,715)	(3,476,268)	(1,142,340)	(385,171)	**(1,698,765)**
Impairment loss on investment in an associate	-	-	-	(6,700,000)	**-**
Loss on investments	-	-	-	-	**(1,760,662)**
Fair value adjustment on financial assets	-	-	-	-	**(1,563,829)**
Profit /(loss) from operating activities	13,125,576	(4,415,183)	3,363,687	16,602,627	**17,946,192**
Share of profit/(loss) of an associate for the year	-	-	-	(73,810)	**12,053**
Profit/(loss) before taxation	13,125,576	(4,415,183)	3,363,687	16,528,817	**17,958,245**
Taxation	1,250,116	-	(806,185)	(5,406,996)	**(3,319,536)**
Profit/(loss) for the year	11,875,460	(4,415,183)	2,557,502	11,121,821	**14,638,709**
Attributable to：					
Equity holders of the Company	11,660,717	(4,131,716)	2,683,304	10,795,810	**12,138,339**
Minority interest	214,743	(283,467)	(125,802)	326,011	**2,500,370**
Profit/(loss) for the year	11,875,460	(4,415,183)	2,557,502	11,121,821	**14,638,709**

ASSETS AND LIABILITIES

	31 December				
	2004	2005	2006	2007	**2008**
	RMB	RMB	RMB	RMB	**RMB**
TOTAL ASSETS	152,489,981	148,587,744	149,667,583	160,274,752	**117,275,718**
TOTAL LIABILITIES	(18,100,209)	(18,678,194)	(17,200,530)	(26,689,087)	**(29,532,844)**
	134,389,772	129,909,550	132,467,053	133,585,665	**87,742,874**

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