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)

政府決策第一智庫
企業戰略第一顧問
信息化咨詢第一品牌

思維創造世界

Annual Report 年報 2009

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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the "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) (Chairman)
李峻 (Li Jun) (Chief Executive Officer)
呂國英 (Lv Guoying) (Resigned on 28 January 2010)

Non-executive Directors
盧山 (Lu Shan)
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)(Resigned on 20 November 2009)
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)

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) (Chairman)

Company Secretary
Wong Ki Yan Davhen ACCA, HKICPA

Authorised Representatives
羅文 (Luo Wen) (Chairman)
Wong Ki Yan Davhen ACCA, HKICPA

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)

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 2009.

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 lead through the international and China'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, and 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 Group's competitive advantage in industry resources, information technology, and data channels, the Group 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 Group aims 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 2009, the Group recorded turnover of RMB106,251,580, gross profit of RMB46,456,085, and profit per share of RMB1.7 cents per ordinary share. The turnover and gross profit of the Group were decreased by approximately 10% and 6% respectively, as compared to the turnover and gross profit of last year. The decrease was mainly affected by the financial crisis which led to decline in market demand, and was severely affected the demand in public relation business.

In 2009, the Group focused on the transformational principle of "Upward Advancing, Downward Consolidating", the Group reinforced transformational upgrading in professional and brand image as well as team competitiveness. Being actively exploring new business models and laying stress on the establishment and improvement of quality management system, the Group gained high reputation and popularity in the field, and maintained sound growth momentum of sales income and presented an active and favourable developing trend.

Future Developments

In 2009, the Group will continue to strengthen the transformational principle of "Upward Advancing, Downward Consolidating" in improving its profitability through business remodeling and improvement, developing larger customer base, increasing the Company's professional and branding competitiveness and attracting professional talents.

Follow a basic idea

Pay close attention to business transformation to enhance business strategy consulting, information technology implementation and the promotion of investment and financing efforts; the strengthening of capacity-building in core data, speed up the construction of the database such as industrial databases, marketing databases, import and export databases, investment databases etc.

The Company will create two public platforms

Knowledge-Sharing Platform - CCID Consulting Online (internal knowledge-sharing, external business operation-sharing);

Business Collaboration Platform - Company information systems (project management, performance appraisal, research collaboration, client management).

The Company will focus on three changes

Speed up the upgrading of business model to enhance technical consulting services value, transform from a consulting firm to technology solution oriented.

Speed up the innovation model changes in order to enhance knowledge management, knowledge innovation capability, innovation and achievement from the individual to the organization of innovation and transformation;

Speed up the transformation of business model in order to foster economic scale of both production and capital operation, to make production operation and capital operation as two-wheeled drive.

Take five concrete measures

Rigid-Flex mixed, the Company will use information technology planning as a starting point, to the overall planning, performance evaluation, system implementation, outsourcing services, extension, build the whole process of information technology consulting services;

Advisory driven, the Company will use information engineering supervision as the break through point, to expand the development of information engineering cost assessment, counseling and planning services, and gradually form a consulting business plan business driven layout in the supervision related businesses;

Rooted in IT, the Company will rely on market research, timely to explore industrial investment, financing and merger and acquisition opportunities, to be the national PE of China's electronic information technology field;

The Company will use an extension of services to industrial planning based on six focus areas and provide Investment value-added services;

The Company will integrate resources in order to CCID Consulting's online platform to enhance value-added data, and technical services and build for the field of industry and information technology data and technology service providers.

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

Acknowledgment

Hereby, 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 suppliers, customers, bankers and shareholders for their continued support.

Luo Wen
Chairman
Beijing, The People's Republic of China
28 March 2010

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Upgrading in the area of market research and management consulting

According to Datamonitor report released in October 2008, the global management and marketing consulting services in 2007 (including corporate strategy services, operation management services, information technology solutions, human resource management services, etc.) and revenues of 258.9 billion U.S. dollars, representing an annual growth rate of 5.7%. In revenue structure, the operation and management services accounted for 35.6%, information technology consulting services accounted for 21.9%, corporate strategy services accounted for 14.6%, human resources management services accounted for 14.4%, outsourcing services accounted for 13.5%. With the rapid economic development, market competition has become increasingly fierce, business in an increasingly complex economic environment and rapid technological progress face more new challenges, the demand for market research and management consulting services become more diversify, to fulfil the higher needs of consulting services.

Information Consulting + Technical Implementation become an important direction of consulting service development

The complex competition in globalization and information technology brought new challenges of growth patterns to promote the consulting industry to shift the focus from a "Strategic Consulting" to "Technical Advice." In recent years, technical advice is much higher than the average annual growth rate of strategic consulting and information consultation growth rate, technical advice has become the core areas of the global consulting industry. Advisory structure in the "Information Consulting, IT Consulting and Strategic Advice" category is migrating to the "Information Consulting, Strategic Consulting and Technical Advice" development.

Project consulting for industrial economic growth, the decision-making support

The further expansion room of China's economic growth, industrialization, urbanization, marketization and internationalization have clearly accelerated, electronic information, equipment manufacturing industry, new energy, new materials, bio-pharmaceutical etc, high-growth industry groups, as well as the rapid growth of heavy industry, is becoming the industry upgrade and the main engine of economic growth. Major changes in the economic structure for the engineering consulting provides a huge space for development. It is foreseeable that rapid economic growth trend in accumulation of capital and high investment will continue. As investment construction decisions become important part of engineering consulting, for various types of investors to ensure the scientific nature of decision-making to promote investment efficiency is of great significance.

To extend both ends in Project Management services

It is difficult for information engineering supervision constructor alone to determine master plans, technical proposals and equipment selection models owing to their insufficient technical know-how, and they require external consultative bodies to participate in the preliminary information engineering supervision works. Moreover, after working out the best master plans and technical proposals, consultative bodies are common to serve as supervision units during on-site construction, so the information project consulting services extend to both ends to cover the overall information engineering supervision process from the project initiation are extended to the whole operation in details.

Investment and finance consulting as a powerful weapon to promote advancement in industrial structure

Along with the progress of China's economic restructuring, the complexity of investment risks and the means of financing make the government, corporate need external agencies for professional consulting services in industrial surveys, project feasibility studies, financing plan design, and financing innovation. Meanwhile, with the continuous deepening of industrial restructuring, the market demand on industry consolidation for continuous improvement in competition is increasing, companies need more and more professional services on restructuring, listing, merger and reorganization, venture capital and other investment and financing services.

Data and information and technology development of integrated comprehensive application of a financial customer's key requirements

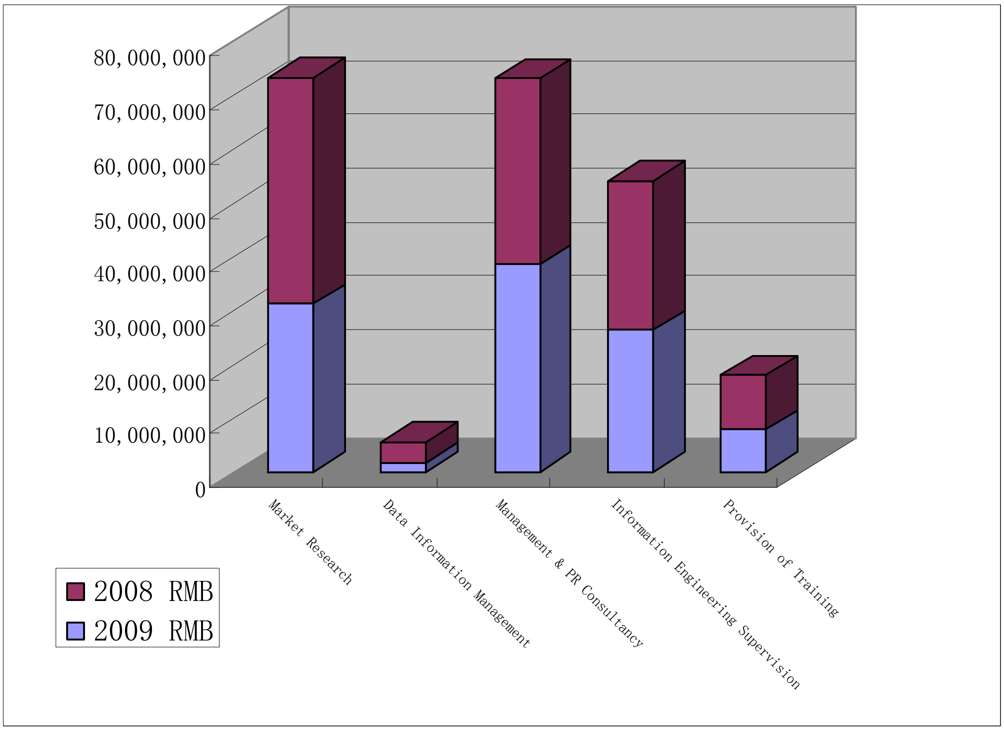
"Information Industry Eleventh-Five Year Plan" will focus on the information industry and information service platform construction as a major national information industry. It is stated that "The Building Of Unified Planning And Integration Of A Number of Large-scale Data Center, Literature Resource Center, Science and Technology Information Databases", provided the Government decision-making basis for the industry and community to provide basic data, product data, scientific and technical literature and other information query services. The rapid growth of institutional investors in China's securities market to invest on securities investment funds, the National Social Security Fund, QFII, the number of insurance companies requires high quality of financial information, which not only fast and but accurate to provide professional and objective financial data, it requires a platform for financial data, software, terminal reseach and development capability.

Capital Advisory Services can operate as an important lever of vertical integration

Information service companies are actively upgrading business services, speed up the industrial chain of upstream and downstream vertical integration, and strive to build products and services over the core business system to meet customized users with value-added and technological needs. Domestic and foreign information service enterprises have adopted acquisition, merger, listing the capital mode of operation to achieve economies of scale, enhance the consulting industry value chain. First, is derived manufacturing companies from information consulting services, such as IBM acquires PWC, HP through mergers and acquisitions to provide customers from hardware to software, from sales to full range of consulting services; Second, manufacturing enterprises acquire information consulting company, consulting firm such as AT Kearney merger with EDS; Third, is traditional consulting company to expand information services markets, such as Bearing Point transformation for solution providers, system integrators and world-class enterprise management software developers.

Turnover Analysis

For the year ended 31 December 2009 the turnover by operations can be classified as follows:



	2009 RMB	%	2008 RMB	%
Market Research Services	**31,336,874**	**29%**	41,854,712	36%
Data Information Management Services	**1,934,353**	**2%**	3,780,994	3%
Management and PR Consultancy Services	**38,640,077**	**37%**	34,422,512	29%
Information Engineering Supervision Services	**26,421,097**	**25%**	27,638,960	23%
Provision of Training Services	**7,919,179**	**7%**	10,176,563	9%
Total	**106,251,580**	**100%**	117,873,741	100%

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In 2009, the financial crisis causes a stern economic situation, the Group focused on the transformational principle of “Soft and Hard Mix, Reforming Promotion”, the Company further carries out “Upward Advancing, Downward Consolidating ” strategy to reinforced transformational upgrading in professional and brand image as well as team competitiveness. Being actively exploring new business models and laying stress on the establishment and improvement of quality management system, the Group gained high reputation and popularity in the field, and maintained sound growth momentum of sales income and presented an active and favourable developing trend. After Beijing Science and Technology Commission recognized the Company has success undergone the internal and external test to become a certified Beijing’s high and new technology enterprise in the areas of promoting business reform, professional competitive power, brand competitive power, team competitive power are in major progress.

Accelerated service reforming

In 2009, the Company accelerate service reform to promote 20 major product lines includes the 4 trillion priority of investment focus, IT application value, the electrical appliances went to the countryside study, the photovoltaic, the electro-optic, LCD, LED and so on emerging domain analytical study, the advancement in the electronic information industry and the explanation of its promotion plan, the Internet of things industry plan and so on. Held the government plans in the area of the special economic zone and E-government plan, major state enterprises special planning and large-scale central information technology planning needs of the development opportunities. Soft and hard mix to break through the large-scale government projects to boost the overall business transformation, the Company's software and data information center work together to Electronic Information Industry Development Fund, a total 1 million at the same time won the bidding Institute of infrastructure projects in more than two million, union with CCID Times to declare the success of the "Information Technology Services Project Management Software System Development Funds." In the supervision business, classified supervision projects made significant progress in the 2009 to become a market leader with a total of 3.707 million signed contracts. Actively participating into the telecommunications industry, engineering supervision, and steadily promote communication Construction Supervision Qualification declare the same time, actively carry out engineering design qualification, electrical engineering and communications engineering supervision qualification bidding agency qualification applications.

Initiative services structure makes progress

In dealing with the pressure of economic downturns in the area of marketing promotion, on April 2009 the Company requests all sale teams and the research teams to study the Company's publication, on the newest research results, the industrial research viewpoints and the media articles and so on, by a "Point-to-Point" way carries out the initiative communication to the high-level enterprise customer. At the same time, the Company further completes "Internal Training + External Training" the initiative services structure breakthrough the key tradition ICT, the local government customers, big customers quantity increases from 2008 6 customers to 2009 12 customers, and the big customer's spending grows from 1 million to 3 million level. In the supervision business, we maintains 17 old customers, has developed 32 new customers. In 2009, more than 90 projects carried out but no customer significant complaint reported.

The business model innovation advances continually

In 2009, the Company put significant efforts to explore financial customers, promote online financial data services to expand the customer size, had already shown positive results, now the customer base largely covered by domestic and medium-sized banks, brokerage firms and financial companies. CCID Consulting's online services through online and cooperation research with Investment Banking and Brokerage Research Institute has established extensive contacts, and led to 12 successful enterprises listed on GEM with the Company's IPO project feasibility study. The 12 successful enterprises represent more than 20% market share, made the Company rank No. 1 at the domestic market for financial service to high-end customers. To actively explore business models and scientific research supervision project, and gradually establish and improve the national big science project service system. In 2009 bear the "Digital Ocean", "Continental-state network", "Terrestrial Observing Network", Chinese Academy of Science and Technology Institute’s "Meridian Project" and "Environmental Star" and other types of engineering research and supervision, and actively track" scores of civilian system", "large aircraft" and other state-level large-scale scientific researches and projects.

Advance talented professional team building

For making team better competitive power, according to the corporate growth strategic direction and the post demand, the Company has established research, sale, administration, as well as leader and new staff 5 type staff's standardized training system. In 2009, the Company level training reached 42 times (of which specialized competitive power training reached 36 times, brand competitive power reached 4 times, team competitive power reached 2 times, sales oriented training (major product line service and business type case training) reached 10 times, departmental levels training reached 104 times, and the training subject be reorganized browsing friendly format , which realized a convenient condition for the staff to self-study, and realized training knowledge in a trans-departmental and staff sharing.

Management systems becoming matured

Combinating the rising demands of business transformation, improving internal management level, strengthening internal controls, active continued to do a good job in lowering office expenses. The asset procurement, service procurement costs (homogeneous outsourcing service products) totally saved nearly 1 million Yuan. Project management strictly implemented "Three Books, 1 Form" management system, "3 Library, 1 Theory" knowledge database, further promote and establish personal, ministry, research centers class, business class and corporate-level group for the 5 level assessment systems on financial income, costs, profits and fund collection.

In 2009, the Company decided to hire Beijing CCID Call Center Co., Ltd. to enhance the level of information management that is start from planning to use "Planning + Implementation" model, and then implemented in different phases. The focus is at the implementation of the project throughout the full life-cycle management of information technology. Information needs are not limited to this stage, will expand on this basis, human resources performance appraisal system for professional and technical professional leverls, other big clients’ CRM system needs. At present, the first phase of the on-line information system is on trial-run.

Enterprise culture in-depth progress

The Company give full support to CPC staff union in carrying out a variety of cultural activities to enhance staff friendship between departments, and upper and lower levels to create a harmonious working atmosphere, those activities guide and encourage staff to establish health awareness, with good spirits and physical fittness to enjoy both work and life. The Company successfully organized the "2nd Staff Fun Games CCID" includes basketball, football, badminton, mountain-climbing. Other interest groups achieved remarkable results in unify staff morale. This year, the basketball team won the first CCID Basketball Touranment. Through these activities enrich the workers' leisure life, promote unity at inter-sectoral integration, effectively expressed the Company's concern for the staff to improve the staff harmony. The Company obtained CCID 2009 Best Harmonious Culture Gold Award.



Gradually increase the sense of social responsibility,

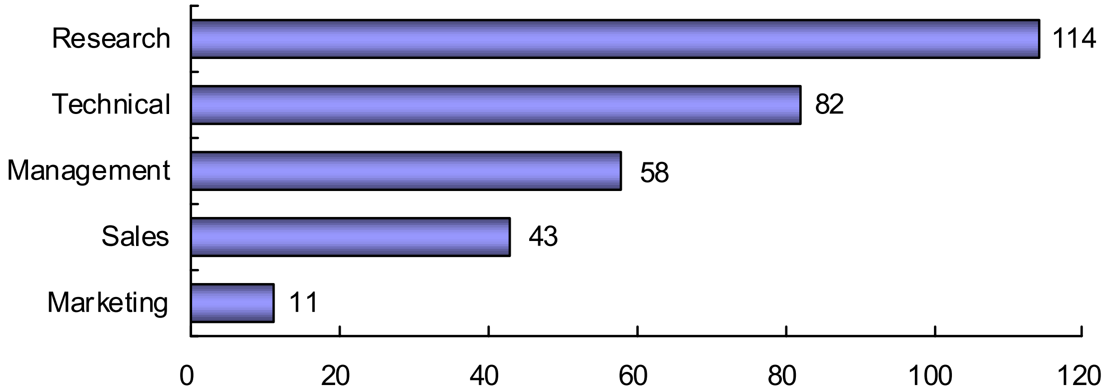
Since the Wenchuan earthquake, the Company has actively and enthusiastically donated money and materials to the suffers, in addition some of the employees went to the disaster area to offer help at the front line. In 2009, the first anniversary of the earthquake, the Company management establish a sense of giving back to society and take the initiative to fulfill corporate social responsibility. The Company decided to combine characteristical and talented advantages to continue to do a good job to support the quake reconstruction works with nurture love and social responsibility. To complete such a mission, the Company coworked with the Chengdu Red Cross, finally gave Chengdu No. 44 Secondary School (Dongzikou Vocational School) with books, and computers and renovation materials, which worths about RMB20,000. More than 600 books, in a timely manner be sent to help the reconstruction of the school library. During the year, the Company appointed a vice president to discuss with the school teachers, students and school leaders to further explore better support opportunities. In 2010 the Company will continue to give effort to carry out this activity.

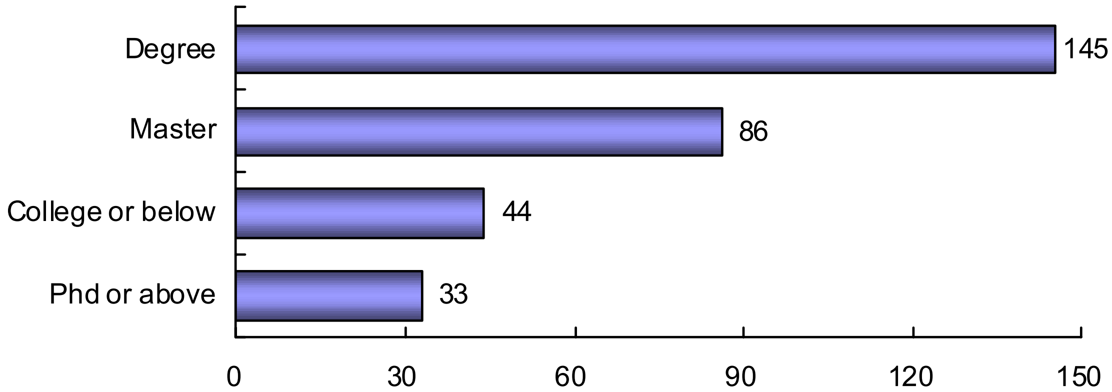
Marketing and promotional

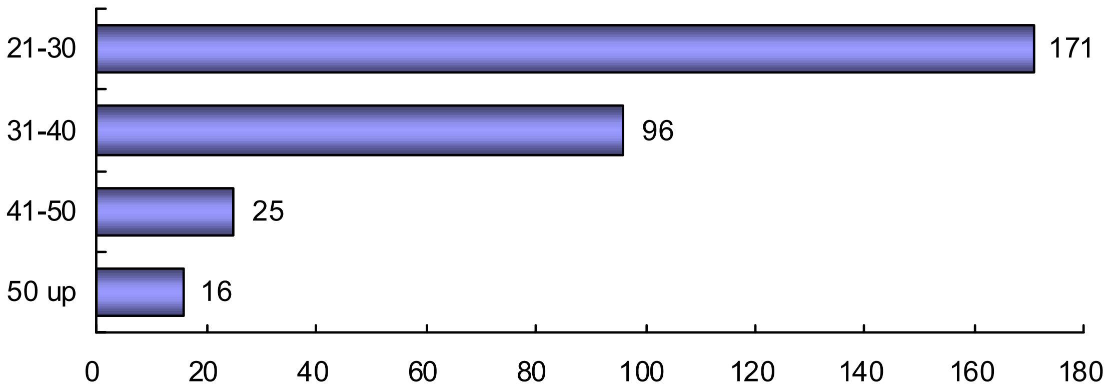
In 2009, the Company set out a comprehensive, systematic, goal-oriented brand competitiveness evaluation system. Since implementation, the competitiveness of the Company's brand get an effective upgrade. In 2009, a total of 286 CCID named article were published, , a total of more than 1,500 articles, like call for articles, interviews, paper columns and conference articles were published. Deepening cooperation in all public media fields with a narrow approach and emphasizing high-end co-operation has established good cooperation with 8 public media. In cooperation with Reuters to integate data online, annual reports sales business etc, and the co-operation of "Beijing TV" make the Company's senior leader at Beijing TV's "Top 500 in Beijing" be interviewed 3 times.

Human Resources

The Group employed 308 (2008: 332) full-time staff members as at 31 December 2009, categorized by the following:







Liquidity and Financial Resources

The Group held cash and bank deposits of RMB33,279,600, HK$36,505 and USD72 as at 31 December 2009. 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 the present needs.

Capital Structure

The capital structure as at 31 December 2009 is summarised as below:

	RMB	Percentage
Capital and Reserves	83,480,451	90%
Minority Interests	9,234,907	10%
Total	**92,715,358**	**100%**

Capital Expenditure Commitment and Contingent Liability

As at 31 December 2009, the Group had no significant capital expenditure commitment and contingent liability.

Pledge of Assets

As at 31 December 2009, the Group's pledged assets have been listed in note 14 to the financial statements.

Gearing Ratio

As at 31 December 2009, the Group's gearing ratio was about 38%, calculated by dividing total liability by total net asset for the year.

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 45, 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 Professional 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 34, 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 Information System. He has over 7 years of Senior Management experience and Mr. Li was appointed as an Executive Director on 29 December 2006.

Mr. Lv Guoying (呂國英), aged 45, was an Executive Director, and the senior vice general manager of the Company (Mr. Lv was resigned on 28 January 2010, according to the Article 51 his resignation only be effective after shareholders' approval in the upcoming general meeting). 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 2009.

Non-executive Directors

Mr. Lu Shan (盧山), aged 37, Non-Executive Directors of the Company is currently Research Institute of China Electronic Information Industry Development vice president of Beijing CCID Media Investment Co., Ltd. Mr. Lo graduated from Northern Jiaotong University, Management Science and Engineering, received a doctorate degree. Served as the president assistant of CCID Consulting Co., Ltd., Beijing, CEO of CCID Information Technology Evaluation Co., Ltd., deputy editor of China Computer Newspaper, executive vice president and chief editor of Beijing CCID Media Investment Co., Ltd. General Manager. Mr. Lu Shan was appointed as non-executive directors on 25 November 2009.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Wang Peng (王鹏), aged 34, 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 46, 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 46 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 Economic Department of Beijing Technology University and the Chief 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 44, is currently the Asia Pacific Global Repairing Service Director 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.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Supervisors

Mr. Gong Chenghe (宮承和), aged 55, 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 Institute with a bachelor degree. He held a number of positions such as Deputy Director of Planning Technology Division, Office Manager of the Research Centre and CCID. 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 38, was the deputy chief accountant of CCID and CCID Information Industry (Group) Co., Ltd. is a Supervisor of the Company (Mr. Huang was resigned on 20 November 2009, according to the Article 51 his resignation only be effective after shareholders' approval in the upcoming general meeting). 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 16 years of experience in the field of audit and financial management. He was appointed as a Supervisor with effect from 25 November 2005.

Mr. Zhao Zeming (趙澤明), aged 51, is proposed to be the supervisor of the Company on 20 November 2009 (According to the Article 51 his appointment only is effective after shareholders' approval in the upcoming general meeting). Mr. Zhao graduated from the Renmin University of China Industrial Finance and Accounting profession. Served as the General Office of the Treasury Ministry of Electronics Industry, Infrastructure Department, accountant, assistant accountant, accountant; China Electronics Engineering Construction Development Company accountant, senior accountant, Deputy Director; Jiangmen electronics industry, engineering companies, construction supervision, Shenzhen Hua-peng, director of corporate offices, accountant; Electronic Information Center, Director, Financial Services; China Electronic Information Industry Development Institute Audit, Finance and Business Administration Department, Personnel Director.

Ms. Zhao Xiuzhen (趙秀珍)，aged 37, 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 continued 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 office administration. Ms. Zhao was being elected as Supervisor by the staff union since 25 November 2008.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Senior management

Mr. Wang Jieyi (王杰義), aged 45, 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 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 37, 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 33, 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 34, 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, and president assistant of CCID Consulting and has 8 years of experience in industry & market consulting field. He joined the Group in April 2002.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Wen-fang (文芳), aged 30, is currently the senior vice president of the Company. Ms. Wen graduated from the Beijing Jiaotong University with a master degree in economics. Ms. Man joined the Company in July 2004, served as general manager of the computer industry research center, computer and software industry, business director, in the computer industry, IT application, IT business development strategy, industrial development planning and other fields more than 5 years experience.

Mr. Feng Gang (馮剛), aged 32, is currently vice president of the Company. Mr. Feng graduated from North China Electric Power University (Beijing), received a bachelor's degree Engineering, Beijing University of Aeronautics and Astronautics is currently studying business strategy and industrial information technology master's degree. Mr. Feng has served in Inner Mongolia Electric Power Bureau electricity Wulanchabu Department, Beijing Dragon Quartet, following the Company's software security group Accor, Beijing CCID Data Co., Ltd. Technology Center. Mr. Feng joined the Company in March 2004, the counseling center served as information technology consultant, account manager and Sales Director.

Mr. Bai Jiesong (白杰松), aged 34, 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 10 years of experience in finance.

Mr. Fu Changwen (傅長文), aged 29, is currently the Secretary of the Board. Mr. Fu graduated from Renmin University 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 5 years of experience in strategic consulting and investment management.

Mr. Wong Ki Yan Davhen (黃基恩), aged 40, is currently the company secretary and the group 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 graduated as a Master of Business Administration at Tsinghua University - MIT Sloan. He has over 16 years of auditing, accounting and financial experience. He joined the Group on 29 May 2006.

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

For the year ended 31 December 2009, 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 2009.

Board of directors

The third Board of Directors (the "Board") of the Group currently comprises seven directors, of who are Executive Directors, two are Non-executive Director and three are Independent Non-Executive Directors. All the Directors are elected on 25 November 2009, is required to enter into a 3-years service contract for a term from 25 November 2009 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 16 to 17 of the annual report.

As at 31 December 2009, 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.

CORPORATE GOVERNANCE REPORT

The members of the Board as at 31 December 2009 were:

Executive directors

Mr. Luo Wen	(Chairman)
Mr. Li Jun	(Chief Executive Officer)
Mr. Lv Guoying	(Deputy General Manager) (Resigned on 28 January 2010)

Non-executive directors

Mr. Lu Shan

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.

CORPORATE GOVERNANCE REPORT

In 2009, the Board held eight meetings details of the attendance of the Board are as follows:-

Directors attended:		Number of Board meeting held during the term of directorship in 2009	Attendance
Mr. Luo Wen	(Appointed as Chairman on 7 August 2009)	5	5
Mr. Liu Liehong	(Resigned on 7 August 2009)	2	2
Mr. Li Jun	(Appointed as Chief Executive Officer on 25 August 2009)	8	8
Mr. Lv Guo Ying	(Resigned on 28 January 2010)	8	8
Mr. Lu Shan	(Appointed on 25 November 2009)	0	0
Mr. Wang Peng		8	8
Mr. Guo Xinping		8	8
Mr. Han Fuling		8	8
Mr. Pan Xingwu		8	8

Chairman and Chief Executive Officer

The Chairman of the Group is Mr. Luo Wen, an Executive Director of the Group, who is responsible for Board's operation. The Chief Executive Officer of the Group is Mr. Li Jun, an Executive Director of the Group, who is responsible for the Group's day-to-day operation. The Articles of Association explained the responsibilities for Chairman and General Manager separately in details.

Non-executive directors

The Group enters into a service contract from 25 November 2009 to 24 November 2011 with Mr. Lu Shan as Non-executive Director.

The Group enters into a 3 year service contract from 25 November 2008 to 24 November 2011 with Mr. Wang Peng as Non-executive Director.

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 Company fulfill the requirement of GEM Listing rules 5.29 that written 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 2009, 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. Pan Xingwu (Chairman)	1/1
Mr. Guo Xinping	1/1
Mr. Li Jun	1/1

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 Company has currently not yet set up the Nomination Committee, all current directors are generated under the requirement and procedure of the Article of the Company, which detailly stated the duration and role of director.

The Company considers forming Nomination committee as early as possible in order to comply with the "Code on Corporate Governance Practices"

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 RMB446,408 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.

In 2009, 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 Audit Committee has reviewed the Group's financial statements for the year ended 31 December 2009 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.

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.

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2009.

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 engineering supervision services and training service. Except for newly launched information engineering 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 2009 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 43 to 98.

The Board recommends a payment of RMB3,990,000 at RMB0.0057 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 98. 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 2009, in accordance with the Hong Kong Company Law, No credit at 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 29 to the financial statements, retained profits of RMB10,997,257 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 2%. Purchases from the Group's five largest suppliers accounted for less than 13% 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 32 "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.

REPORT OF THE DIRECTORS

Directors

As at 31 December 2009, the directors of the Company were:

Executive directors:

Luo Wen	(Chairman)	
Li Jun	(Chief Executive Officer)	
Lv Guoying	(Deputy General Manager)	(Resigned on 28 January 2010)

Non-executive directors:

Lu Shan

Wang Peng

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 16 to 20 of the annual report.

Directors' service contracts

Executive directors

The Group enters into a 3 year service contract from 25 November 2008 to 24 November 2011 with Mr. Lou Wen and Mr. Li Jun as executive Director.

Non-executive directors

The Group enters into a service contract from 25 November 2009 to 24 November 2011 with Mr. Lu Shan as Non-executive Director.

The Group enters into a 3 year service contract from 25 November 2008 to 24 November 2011 with Mr. Wang Peng as Non-executive Director.

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.

Directors and supervisors' remuneration

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. The details of the directors' salary are listed in note 8.

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:

(1) the Group in the ordinary and usual course of business;
(2) the terms that are fair and reasonable so far as the shareholders of the Company are concerned;
(3) 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 32 to the financial statements.

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

As at 31 December 2009, 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%
Lu Shan	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.

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

As at 31 December 2009, 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.

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	14,600,000 H shares	6.99%	2.09%
J.P. Morgan Chase & Co. (note 4)	Investment manager and others	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 2009, 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.

This company separately on 17 June 2009, 20 November 2009, 30 December 2009 and 18 March 2010 announced that the following continuing connected transactions:

Revenue:

(1) Consultancy Management Agreement 1

Pursuant to the Consultancy Management Agreement I, CCID agrees to appoint the Company to provide advisory services on "The Promotion of Productive service to Speed up the Development of Policy Research and the Promotion of Independent Innovation of China's Industrial Sector Fiscal Policy Research" (促進生產性服務業加快發展的政策研究與促進我國工業行業自主創新的財稅政策研究) from 2 July 2009 to 15 August 2009 . The consultancy management fees received by the Company are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is RMB 472,500.

(2) Consultancy Management Agreement 2

Pursuant to the Consultancy Management Agreement 2, CCID agrees to appoint the Company to provide advisory services on "The Shanghai Development of Electronic Information Product Manufacturing Industry Ideas, Goals, Priorities Measures" (上海電子信息產品製造業發展的思路、目標、重點及對策研究) from 20 November 2009 to 31 December 2009 .The consultancy management fees received by the Company are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is RMB 75,600.

(3) Consultancy Management Agreement 3

Pursuant to the Consultancy Management Agreement 3, CCID agrees to appoint the Company to provide advisory services on "Chang Ping District Research and Planning Advisory for the Development of High-Tech Industry During the Eleventh Five-Year and Twelfth Five-Year Development Strategies" (昌平區十一五期間高新技術產業發展情況與十二五期間發展對策研究和規劃) from 20 November 2009 to 31 December 2009 .

The consultancy management fees received by the Company are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is RMB 264,600.

(4) Consultancy Management Agreement 4

Pursuant to the Consultancy Management Agreement 4, CCID agrees to appoint the Company to provide advisory services on "National Digital Library Project Full Professional Advice (4)" (國家數字圖書館工程全程專業諮詢（四期）) from 20 November 2009 to 31 December 2009 .The consultancy management fees received by the Company are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is RMB 272,160 .

(5) Consultancy Management Agreement 5

Pursuant to the Consultancy Management Agreement 5, CCID agrees to appoint the Company to provide advisory services on "Channels of Electronic Information Products Construction Project" (電子信息產品渠道建設項目) from 30 August 2008 to 31 December 2009 .The consultancy management fees received by the Company are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is RMB 1,300,000.

(6) Consultancy Management Agreement 6

Pursuant to the Consultancy Management Agreement 6, CCID agrees to appoint the Company to provide advisory services on "The Promotion of Productive service to Speed up the Development of Policy Research and the Promotion of Independent Innovation of China's Industrial Sector Fiscal Policy Research" (肇慶市端州區生產性服務業發展規劃務業加快發展) from 1 December 2009 to 31 December 2009. The consultancy management fees received by the Company are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is RMB 189,000.

(7) Consultancy Management Agreement 7

Pursuant to the Consultancy Management Agreement 7, CCID agrees to appoint the Company to provide advisory services on "Dongguan City Network New Media Industry Development Strategic Planning" (東莞市網絡新媒體産業發展戰略規劃) from 1 August 2009 to 31 December 2009 .The consultancy management fees received by the Company are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is RMB 75,600.

(8) Consultancy Management Agreement 8

Pursuant to the Consultancy Management Agreement 8, CCID agrees to appoint the Company to provide advisory services on "Dongguan City Electronic Information Industry Development Strategic Planning" (東莞市電子信息産業發展戰略規劃) from 1 July 2009 to 31 December 2009 .The consultancy management fees received by the Company are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is RMB 472,500.

(9) Consultancy Management Agreement 9

Pursuant to the Consultancy Management Agreement 9, CCID agrees to appoint the Company to provide advisory services on "The Beijing Information Industry Development Goals, the ideas and measures to "Twelfth Five-Year" period" ("十二五"期間北京市信息産業發展目標、思路與措施) from 25 December 2009 to 30 April 2010 . The consultancy management fees received by the Company are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is RMB 189,000 .

(10) Consultancy Management Agreement 10

Pursuant to the Consultancy Management Agreement 10, CCID agrees to appoint the Company to provide advisory services on "Research Institute of China Electronic Information Industry Development Case library information database consolidation project" (中國電子信息産業發展研究院數據庫案例庫信息整理項目) from 17 December 2009 to 30 June 2010 . The consultancy management fees received by the Company are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is RMB 1,875,000.

(11) Consultancy Management Agreement 11

Pursuant to the Consultancy Management Agreement 11, CCID II Group agrees to appoint CCID Supervision to provide advisory services on "China's software and information system flaws library construction projects, construction projects and a series of information technology to carry out supervision, consulting services, technical services such as transfer items" (中國軟件和信息系統缺陷庫建設項目等一系列信息化建設項目開展監理、諮詢服務等轉項技術服務) from 1 August 2009 to 31 December 2009 . The agreed consultancy management fees are based on the market prices for similar services, and the out of pocket expenditures at the implementation of the project. The contract amount is capped at RMB 1,500,000.

Expenses

(1) Property Management Contract I

Pursuant to the Property Management Agreement I, the Company agrees to appoint CCID to manage the office premises of the Company on the 9th and 10th floors of CCID Plaza at 66 Zizhuyuan Road, Hai Dian District, Beijing, PRC for the period from 1 April 2009 to 31 March 2012. For the four years ending 31 December 2012 shall not exceed RMB825,000, RMB1.1 million, RMB1.1 million and RMB275,000 respectively. The basis of the above annual caps is determined with reference to historical fees actually paid by the Company to CCID, and the expected corresponding increase in the cost of management fee due to the rise in labour and maintenance cost.

(2) Property Management Contract II

Pursuant to the Property Management Agreement II, CCID PR agrees to appoint CCID to manage the office premises of the Company on the 9th floor of CCID Plaza at 66 Zizhuyuan Road, Hai Dian District, Beijing, PRC for the period from 1 April 2009 to 31 March 2012. For the four years ending 31 December 2012 shall not exceed RMB60,000, RMB80,000, RMB80,000 and RMB20,000 respectively. The basis of the above annual caps is determined with reference to historical fees actually paid by the Company to CCID, and the expected corresponding increase in the cost of management fee due to the rise in labour and maintenance cost.

(3) Property Management Contract III

Pursuant to the Property Management Agreement III, CCID Shiji Inform agrees to appoint CCID to manage the office premises of the Company on the 9th floor of CCID Plaza at 66 Zizhuyuan Road, Hai Dian District, Beijing, PRC for the period from 1 April 2009 to 31 March 2012. For the four years ending 31 December 2012 shall not exceed RMB75,000, RMB100,000, RMB100,000 and RMB25,000 respectively. The basis of the above annual caps is determined with reference to historical fees actually paid by the Company to CCID, and the expected corresponding increase in the cost of management fee due to the rise in labour and maintenance cost.

(4) Lease agreement

Pursuant to the Lease Agreement, CCID Supervision (as lessee) and CCID (as lessor) agree on the leasing of the 1st floor of CCID Plaza for the period from 1 April 2009 to 31 March 2012. The basis of the rental fees and the property management fees were determined with reference to the market price of the office premises in similar scale in the relevant region at the time of entering into the agreement. The maximum annual cap of the rental fees and the property fees for the four years ending 31 December 2012 shall, in total, not exceed RMB390,000, RMB580,000, RMB600,000 and RMB150,000 respectively. The basis of the above annual caps is determined with reference to the historical fees actually paid by CCID Supervision to CCID and the expected corresponding increase in the cost of management fee due to the rise in operation cost.

.

(5) Translation service agreement

Pursuant to the Translation Service Agreement, the Company agrees to appoint CCID Translation Technology as the designated translation service provider for the period from 1 April 2009 to 31 March 2012. According to the Translation Service Agreement, CCID Translation Technology shall provide with the Company translation services and relevant services. The maximum annual cap of the translation fees for the four years ending 31 December 2012 shall not exceed RMB337,500, RMB450,000, RMB450,000 and RMB112,500 respectively. The basis of the above annual caps is determined with reference to the historical fees actually paid by the Company to CCID Translation Technology and the expected corresponding increase in the cost of translation fees due to rise in the operation costs of CCID Translation Technology.

(6) Agency agreement

Pursuant to the Agency Agreement, the Company agrees to appoint the CCID Net to promote the sales including the relevant advertising and marketing activities of the various reports published or to be published by the Company during 2009 to 2012 on the internet for the period from 1 April 2009 to 31 March 2012. The agency fees are determined with reference to the market price of the same service sector and calculated at a rate, which is equal to the rate charged by other service providers (which are independent third parties) of comparable scales at the time of entering into the agreement. The maximum annual cap of the agency fees for the four years ending 31 December 2012 shall not exceed RMB300,000, RMB400,000, RMB400,000 and RMB100,000 respectively. The basis of the above annual caps is determined with reference to the historical fees actually paid by the Company to CCID Net.

(7) Call center service agreement

Pursuant to the Call Center Service Agreement, the Company agrees to appoint the CCID Call Center to provide call center services for the period from 1 April 2009 to 31 March 2012. The service fees will be determined with reference to the market price of the same service sector and calculated at a rate, which is equal to the rate charged by other service providers of comparable scales at the time of entering into the agreement. The maximum annual cap of the service fees for the four years ending 31 December 2012 shall not exceed RMB300,000, RMB400,000, RMB400,000 and RMB100,000 respectively. The basis of the above annual caps is determined with reference to the historical fees actually paid by the Company to CCID Call Center and the expected corresponding increase in the staff costs of CCID Call Center.

Employees and emolument policy

As at 31 December 2009, the Group had around 308 (2008: 332) 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 2009 have been audited by Ho & Chung CPA Limited who retire and, offer themselves for re-appointment at the 2010 annual general meeting.

Corporate Governance

A report on the principle corporate governance practices adopted by the Company is set out on pages 21 to 25 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 H shares

On 9 September 2009, 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 2009 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 2009;

(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

Lo Wen
Chairman

Beijing, the People's Republic of China
28 March 2010

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 2009, 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 2009 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
28 March 2010

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 43 to 98 which comprise the consolidated statement of financial position of the Group and the separate statement of financial position of the Company as at 31 December 2009, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated 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 and to report our opinion solely to you, as a body, in accordance with section 141 of the Companies Ordinance and for no other purpose. 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 2009 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
28 March 2010
Chung Ho Shing, Practicing Certificate number P03728

香港灣仔告士打道 109-111 號東惠商業大廈 22 樓 2203 室
Room 2203, 22/F., Tung Wai Commercial Building, 109-111 Gloucester Road, Wanchai, Hong Kong
電話 Tel: (852) 2527 2236 圖文傳真 Fax: (852) 2529 1087
電郵 E-mail: general@hccpa.com.hk

CONSOLIDATED INCOME STATEMENT OF THE GROUP
For the year ended 31 December 2009

	Notes	**2009 RMB**	2008 RMB (Restated)
Turnover	4a	**106,251,580**	117,873,741
Cost of sales		**(59,795,495)**	(68,429,742)
Gross profit		**46,456,085**	49,443,999
Other revenue			
Other revenue	4b	**1,019,534**	603,944
Gain on disposal of interests in an associate		**-**	61,413
Gain on investments		**5,748**	-
Fair value adjustment on financial assets		**76,650**	-
		1,101,932	665,357
		47,558,017	50,109,356
Operating expenses			
Selling and distribution costs		**(10,277,908)**	(8,561,078)
Administrative expenses		**(19,705,216)**	(18,621,830)
Financial expenses		**(81)**	-
Other operating expenses		**(81,223)**	(1,523,010)
		(30,064,428)	(28,705,918)
Impairment of assets	5	**(90,885)**	(132,755)
Fair value adjustment on financial assets		**-**	(1,563,829)
Loss on investments		**-**	(1,760,662)
		(30,155,313)	(32,163,164)
Operating profit		**17,402,704**	17,946,192
Share of profit of an associate for the year		**-**	12,053
Profit before taxation	6	**17,402,704**	17,958,245
Taxation	7	**(3,121,720)**	(3,319,536)
Profit for the year		**14,280,984**	14,638,709
Attributable to :			
Equity holders of the Company	10	**11,876,557**	12,138,339
Non-controlling interest		**2,404,427**	2,500,370
Profit for the year		**14,280,984**	14,638,709
Dividends			
Final: RMB0.57 (2008: RMB1.07) cents per share	11	**3,990,000**	7,490,000
Earnings per share			
Basic (cents)	12	**1.7**	1.7
Diluted (cents)	12	**1.7**	1.7

The notes on pages 51 to 98 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP
Year ended 31 December 2009

	Notes	**2009** **RMB**	2008 RMB
Profit for the year		**14,280,984**	14,638,709
Other comprehensive income		-	-
Total comprehensive income		**14,280,984**	14,638,709
Attributable to:			
Equity holders of the Company	10	**11,876,557**	12,138,339
Non-controlling interest		**2,404,427**	2,500,370
		14,280,984	14,638,709

The notes on pages 51 to 98 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP
At 31 December 2009

	Notes	**2009 RMB**	2008 RMB (Restated)	Opening RMB (Restated)
Non-current assets				
Property, plant and equipment	14	**26,428,282**	27,907,783	29,060,686
Intangible assets	16	**14,681,500**	14,681,500	14,681,500
Investment in an associate	17	**-**	-	1,926,190
Accrued assets	18	**18,458,013**	10,983,333	3,508,508
Long term investments	22	**1,990,000**	1,990,000	-
Deferred tax assets	27	**153,557**	-	97,229
		61,711,352	55,562,616	49,274,113
Current assets				
Accounts receivable and accrued assets	18	**24,925,577**	22,867,188	14,092,576
Due from related parties	19	**22,394**	22,394	332,394
Due from the ultimate holding company	19	**1,154,754**	980,000	3,070,000
Prepayments, deposits and other receivables	20	**6,638,540**	6,062,539	4,288,628
Cash at bank and in hand	21	**33,312,278**	31,248,911	80,382,103
Short term investments	22	**290,220**	213,570	8,834,938
		66,343,763	61,394,602	111,000,639
Current liabilities				
Accounts payable and accrued liabilities	23	**977,819**	6,041,313	903,096
Accrued salary and welfare		**2,661,075**	1,457,107	1,162,063
Accruals and other payables	24	**16,796,132**	15,913,104	15,601,064
Due to immediate holding company	25	**1,749,215**	2,145,819	2,102,428
Current tax liabilities		**2,232,536**	1,184,627	3,016,812
		24,416,777	26,741,970	22,785,463
Net current assets		**41,926,986**	34,652,632	88,215,176
Total assets less current liabilities		**103,638,338**	90,215,248	137,489,289
Non-current liabilities				
Accrued liabilities	23	**10,922,980**	2,790,874	3,903,624
NET ASSETS		**92,715,358**	87,424,374	133,585,665

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP
At 31 December 2009

	Notes	**2009** **RMB**	2008 RMB (Restated)	Opening RMB (Restated)
EQUITY				
Share capital	28	**70,000,000**	70,000,000	70,000,000
Reserves	29	**13,480,451**	8,603,611	57,487,276
Total equity attributable to equity shareholders of the Company		**83,480,451**	78,603,611	127,487,276
Non-controlling interests		**9,234,907**	8,820,763	6,098,389
TOTAL EQUITY		**92,715,358**	87,424,374	133,585,665

Approved and authorised for issue by the board of Directors on 28 March 2010.

Li Jun	Lo Wen
Director	Director

The notes on pages 51 to 98 form part of these financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION OF THE COMPANY
At 31 December 2009

	Notes	**2009 RMB**	2008 RMB (Restated)	Opening RMB (Restated)
Non-current assets				
Property, plant and equipment	14	**25,934,628**	27,246,010	28,496,750
Interests in subsidiaries	15	**94,292,988**	96,935,723	44,592,021
Deferred tax assets	27	**141,244**	-	97,229
		120,368,860	124,181,733	73,186,000
Current assets				
Accounts receivable and accrued assets	18	**23,622,809**	15,142,915	9,453,094
Due from ultimate holding company	19	**1,154,754**	980,000	-
Prepayments, deposits and other receivables	20	**3,001,354**	2,337,146	2,725,386
Cash at bank and in hand	21	**14,219,492**	10,225,019	61,286,968
Short term investments	22	**290,220**	213,570	4,981,343
		42,288,629	28,898,650	78,446,791
Current liabilities				
Accounts payable and accrued liabilities	23	**10,427,064**	6,027,236	3,287,096
Accrued salary and welfare		**2,340,121**	1,410,445	1,060,440
Accruals and other payables	24	**7,596,699**	7,391,962	8,365,712
Due to immediate holding company	25	**1,689,586**	2,051,911	2,049,357
Due to subsidiaries		**500,000**	500,000	16,810,727
Current tax liabilities		**1,285,502**	36,264	2,240,301
		23,838,972	17,417,818	33,813,633
Net current assets		**18,449,657**	11,480,832	44,633,158
Total assets less current liabilities		**138,818,517**	135,662,565	117,819,158
Non-current liabilities				
Due to subsidiaries	26	**26,410,727**	22,810,728	-
NET ASSETS		**112,407,790**	112,851,837	117,819,158
EQUITY				
Share capital	28	**70,000,000**	70,000,000	70,000,000
Reserves	29	**42,407,790**	42,851,837	47,819,158
TOTAL EQUITY		**112,407,790**	112,851,837	117,819,158

Approved and authorised for issue by the board of Directors on 28 March 2010.

Li Jun	Lo Wen
Director	Director

The notes on pages 51 to 98 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE GROUP
Year ended 31 December 2009

	Note	2009 RMB	2008 RMB (Restated)
Share capital			
Balance at beginning and end of year	28	**70,000,000**	70,000,000
Capital reserve account			
Balance at beginning of year		**-**	18,609,965
Transferred from merger reserve		**-**	(18,609,965)
Balance at end of year		**-**	-
Statutory reserve funds			
Balance at beginning of year		**1,042,521**	9,475,219
Appropriated from retained profits and non-controlling interests		**1,440,673**	1,042,521
Transferred from merger reserve		**-**	(9,475,219)
Balance at end of year		**2,483,194**	1,042,521
Discretionary reserve funds			
Balance at beginning		**-**	58,517
Transferred from merger reserve		**-**	(58,517)
Balance at end of year		**-**	-
Merger reserve			
Balance at beginning of year		**-**	7,000,000
Reserve arising from merger with a subsidiary under common control		**-**	(51,000,000)
Transferred to other reserves and retained profits		**-**	44,000,000
Balance at end of year		**-**	-
Retained profits			
Balance at beginning of year		**7,561,090**	22,343,575
Profit for the year*		**11,876,557**	12,138,339
Transferred from merger reserve		**-**	(15,856,299)
Appropriated to statutory reserve funds		**(950,390)**	(1,264,525)
2007 final dividend: RMB1.4 cents per share		**-**	(9,800,000)
2008 final dividend: RMB1.07 cents per share		**(7,490,000)**	-
Balance at end of year		**10,997,257**	7,561,090
Attributable to equity holders of the Company		**83,480,451**	78,603,611

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE GROUP
Year ended 31 December 2009

	2009 RMB	2008 RMB (Restated)
Non-controlling interests		
Balance at beginning of year	**8,820,763**	6,098,389
Profit for the year*	**2,404,427**	2,500,370
Appropriated to statutory reserve funds	**(490,283)**	222,004
Final dividend	**(1,500,000)**	-
Balance at end of year	**9,234,907**	8,820,763
Total	**92,715,358**	87,424,374
Total comprehensive income for the year*		
Attributable to equity holders of the Company	**11,876,557**	12,138,339
Attributable to non-controlling interests	**2,404,427**	2,500,370
	14,280,984	14,638,709

The notes on pages 51 to 98 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW OF THE GROUP
For the year ended 31 December 2009

	Note	2009 RMB	2008 RMB
Operating activities			
Operating profit		**17,402,704**	17,946,192
Depreciation		**1,736,855**	1,860,025
Expenses incurred on merger with a subsidiary		**-**	1,343,702
Interest income		**(190,431)**	(590,724)
Loss on disposal of property, plant and equipment		**-**	68
Gain on disposal of interests in an associate		**-**	(61,413)
Loss on investments		**-**	1,760,662
Fair value adjustment on financial assets		**(76,650)**	1,563,829
Operating profit before working capital changes		**18,872,478**	23,822,341
Increase in accounts receivable and accrued assets		**(9,533,069)**	(16,249,437)
Increase in prepayments, deposits and other receivables		**(576,001)**	(1,773,911)
Increase in accounts payables and accrued liabilities		**3,068,612**	4,025,467
Increase in accrued salary and welfare		**1,203,969**	295,044
Increase in accruals and other payables		**883,028**	312,040
Cash generated from operations		**13,919,017**	10,431,544
PRC enterprise income tax paid		**(2,227,369)**	(5,054,492)
Net cash generated from operating activities		**11,691,648**	5,377,052
Cash flows from investing activities			
Payments to acquire property, plant and equipment		**(257,354)**	(709,570)
Receipts from sale of property, plant and equipment		**-**	2,380
Payments to acquire short-term investments		**-**	(33,652,956)
Receipts from sale of short-term investments		**-**	38,949,833
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
(Increase)/decrease in amounts due from ultimate holding company		**(174,754)**	2,090,000
Interest received		**190,431**	590,724
Net cash used in investing activities		**(241,677)**	(44,753,635)
Cash flows from financing activities			
Increase/(decrease) in amount due to immediate holding company		**(396,604)**	43,391
Dividend paid		**(8,990,000)**	(9,800,000)
Net cash used in financing activities		**(9,386,604)**	(9,756,609)
Net increase/(decrease) in cash and cash equivalents		**2,063,367**	(49,133,192)
Cash and cash equivalents at beginning of year		**31,248,911**	80,382,103
Cash and cash equivalents at end of year	21	**33,312,278**	31,248,911

The notes on pages 51 to 98 form part of these financial statements.

NOTES TO 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
PRC	The People's Republic of China
MIICMD	Research Centre of Ministry of Industry and Information Technology Computer and Microelectronics Industry 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
CCID Exhibition	Beijing CCID Exhibition Co., Ltd., a former associate and now the available-for-sale financial assets
CCID Group	Comprises CCID and all of its subsidiaries, connected parties, controlling entities and agents

NOTES TO FINANCIAL STATEMENTS

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, information 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, a company established in the PRC. The Company's ultimate holding company is CCID, a company 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.

NOTES TO FINANCIAL STATEMENTS

2. BASIS OF PREPARATION

(a) Statement of compliance
These financial statements have been prepared in accordance with all applicable HKFRSs, HKASs 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 2009 comprise the Company and all of its subsidiaries.

These financial statements are prepared under the historical cost convention as modified by the fair value of financial 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 end of reporting period, 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, intangible assets 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.

NOTES TO FINANCIAL STATEMENTS

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) Change after adoption of HKFRS
In this year, the Company as well as the Group firstly adopt the following HKFRS, HKAS and HK(IFRIC)-Ints together with their amendments, newly issued or revised as indicated, in these financial statements, viz:-

HKAS 1 (Revised)	Presentation of financial statements
HKFRS 8	Operating segments
HK(IFRIC)-Int 16	Hedges of a net investment in a foreign operation

The Company as well as the Group also adopt in advance the following HKFRS, HKAS and their improvements, newly issued or revised as indicated, in these financial statements, viz:-

HKAS 24 (Revised)	Related party disclosures
HKAS 27 (Revised)	Consolidated and separate financial statements
HKFRS 3 (Revised)	Business combination
Improvement to HKFRSs	Amendments to HKFRSs and related basis for conclusions and guidance made in response to the IASB annual improvements project
Improvement to HKFRSs 2009	Amendments to HKFRSs and related basis for conclusions and guidance made in response to the IASB annual improvements project in 2009

The comparatives have been amended, as required, in accordance with the relevant requirements.

The adoption of HKAS 1 (Revised) materially affects the presentations of the financial statements. Under HKAS 1 (Revised), consolidated balance sheet, separate balance sheet and consolidated cash flow statements are no longer components of financial statements. A complete set of financial statements shall present consolidated income statement, consolidated statement of comprehensive income, consolidated and separate statements of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes to financial statements. The disclosure and presentation of consolidated income statement remain unchanged. Consolidated statement of comprehensive income presents total profit for the year as shown in consolidated income statement together with other comprehensive income. The disclosures and presentation of consolidated and separate statements of financial position and of consolidated statement of cash flows are similar to former consolidated and separate balance sheets and consolidated cash flow statement. The presentation of statement of changes in equity remains unchanged. However, it requires disclosure of total comprehensive income and dividends recognized as distribution to owners during the year.

Moreover, the standard requires that current asset and liabilities, non-current assets and liabilities to be presented in the consolidated and separate statements of financial position separately. Assets that should be realized within 12 months after reporting period are presented as current assets. Other assets are presented as non-current assets. Liabilities that should be settled within 12 months after reporting period are presented as current liabilities. Other liabilities are presented as non-current liabilities.

NOTES TO FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (Continued)

(d) Change after adoption of HKFRS (Continued)

HKFRS 8 requires an entity to report financial and descriptive information about its reportable segments on the same basis as is used internally for evaluating operating segment performance and decision-making purposes. Measures of operating segment profit or loss, of segment assets and liabilities, and of particular income and expense items used by management for operating decision-making are required to be disclosed. HKFRS 8 requires an entity to report information by product and services and by geographic locations together with some descriptive information. The adoption of HKFRS 8 does change the presentation of note to financial statements in respect of segment reporting in comparison period. However, it does not have material financial implications to the comprehensive income and financial position of the Company as well as the Group in prior periods.

HK(IFRIC)-Int 16 addresses three issues regarding the application of hedge accounting on net investments in foreign operation. These include nature of the hedged risk and amount of the hedged item for which a hedging relationship may be designated; where the hedging instrument can be held; and disposal of a hedged foreign operation. The adoption of this Interpretation has resulted that hedge accounting may be applied only to the foreign exchange differences arising between functional currencies of the foreign operation and of the Company as well as the Group; a derivative or a non-derivative instrument held by the Company or the Group may be designated as a hedging instrument; and the amount to be reclassified from equity to profit or loss as reclassification adjustment on disposal of foreign operation is equal to the cumulative gain or loss on the hedging instrument that was determined to be an effective hedge under HKAS 39.

Improvements to HKFRSs set out amendments to HKFRS 5, HKAS 1, HKAS 16, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41 that result in accounting changes for presentation, recognition or measurement purposes. It also contains amendments to HKFRS 7, HKAS 8, HKAS 10, HKAS 18, HKAS 20, HKAS 29, HKAS 34, HKAS 40 and HKAS 41 that are terminology or editorial changes only. The adoption of Improvements to HKFRSs shall have the following implication to the financial statements:-

- Borrowing costs may include interest expense calculated using effective interest rate method as described in HKAS 39; finance charges in respect of finance leases recognized in accordance with HKAS 17; and exchange differences arising from foreign currency borrowings to the extend that they are regarded as an adjustment to the interest costs.

- Additional disclosures are required on the estimates used to measure recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives if the fair value less costs to sell is determined using discounted cash flow projections.

- Property that is being constructed or developed for future use as investment property shall no longer be classified as property, plant and equipment. All such kind of property shall be reclassified from property, plant and equipment to investment property.

- The amount of dividends proposed or declared after the reporting period but before the financial statements are authorized for issue are disclosed together with related amount per share in note to financial statements.

- HKAS 38 require that if no active market for an intangible asset to determine its fair value, those intangible asset shall be carried at cost less any accumulated amortization and impairment losses, if any.

NOTES TO FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (Continued)

(d) Change after adoption of HKFRS (Continued)

HKAS 24 (Revised) provides exemption clauses from disclosure of transactions with government-related entities. Hence, entities controlled or significantly influenced by a government are exempted to disclose related party transactions, balances and commitments. However, it require the disclosure of the name of the government. The early adoption of this HKAS reduces the burden on excessive disclosures.

HKAS 27 (Revised) primarily relates to the accounting for non-controlling interests and loss of control of a subsidiary. Non-controlling interests replace former minority interests and will be measured in accordance with HKFRS 3 (Revised). Total comprehensive income must be attributed to the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Moreover, HKAS 27 (Revised) requires the Group derecognizing assets and liabilities associated with the subsidiaries of which the Company has lost controls; any gain or loss on derecognition of uncontrollable subsidiaries shall be recognized in profit or loss. Any previously recognized other comprehensive income originated from the uncontrollable subsidiaries shall be reclassified to profit or loss. As HKAS 27 (Revised) contains exemption clauses, the adoption of this HKAS 27 (Revised) does not result restatement or change of the comprehensive income and financial position of the Company as well as the Group in prior periods.

Improvements to HKFRSs 2009 set out amendments to HKFRS 2, HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 18, HKAS 36, HKAS 38, HKAS 39, HKAS 40, HKAS 41, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16. The adoption of Improvements to HKFRSs 2009 shall have the following implication to the financial statements:-

- The Group shall report, among other things, a measure of total assets and liabilities for each reportable segment.

- The Group shall classify a liability as current liabilities when it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period disregarding any exercisable share option held by the counterparty.

- For the purpose of consolidated statement of cash flows, only expenditure that results in a recognised asset in the consolidated statement of financial position are eligible for classification as investing activities.

- The amendment to HKAS 17 has removed the paragraphs that require "land held under a lease should be classified as an operating lease unless title to the land is expected to pass at the end of the lease term". It provides new guidance which indicates that entities should use judgment to decide whether the lease transfers the significant risks and rewards of ownership of the land in accordance with the criteria set out in HKAS 17. An entity shall reassess the classification of land elements of unexpired leases at the date it adopts the amendments on the basis of information existing at the inception of the lease. It shall recognize a lease newly classified as a finance lease or operating lease retrospectively in accordance with HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" if the criteria of a financial lease or operating lease is met. On the early adoption of this amendment, the Group has made a reassessment of the existing land lease arrangement and concluded that such arrangement has not substantially transferred all risks and rewards incidental to ownership of the leased land to the Group (note 14 to financial statements). Nevertheless, prepaid land lease expense of the Group and the Company has been reclassified to property, plant and equipment and amortization of prepaid land lease expense has been reclassified to depreciation retrospectively. Such reclassification had no effect on the result and the financial position of the Company and of the Group.

NOTES TO FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (Continued)

(d) Change after adoption of HKFRS (Continued)

The requirements of HKFRS 3 (Revised) are similar to the former HKFRS 3 with the exception that non-controlling interests and goodwill in a business combination fully recognize the fair value of the acquiree's identifiable net assets. As the Company as well as the Group adopt HKFRS 3 (Revised) prospectively to business combination effective on or after 1 January 2009, the adoption of this HKFRS 3 (Revised) does not have material financial implication to the comprehensive income and financial position of the Company as well as the Group in prior periods.

The adoption of new or revised HKFRS has resulted the following prior period adjustments:-

1. Reclassification of land lease prepayment
2. Intangible assets that was measured using fair value model are re-measured using cost model
3. Accrued assets and accrued liabilities that should be realized and settled within twelve months after reporting period are reclassified as non-current assets and liabilities respectively

As the Company and the Group adopted the above amendments which has resulted in retrospective application of three accounting policies and reclassification of certain items in the financial statements, in accordance with HKAS 1 (Revised) "Presentation of Financial Statements", the Company and the Group have presented an additional statement of financial position and related notes as at 1 January 2008 that reflect the financial position of the Company and of the Group at the beginning of the earliest comparative period (Opening statement of financial position) being presented.

(i) Effect on opening statement on financial position

	The Group			The Company		
	As previously stated RMB	Effect of new policy RMB	As restated RMB	As previously stated RMB	Effect of new policy RMB	As restated RMB
Non-current assets						
Property, plant and equipment	11,891,436	17,169,250	29,060,686	11,327,500	17,169,250	28,496,750
Land lease prepayment	16,531,069	(16,531,069)	-	16,531,069	(16,531,069)	-
Accrued assets	-	3,508,508	3,508,508	-	-	-
Other non-current assets	16,704,919	-	16,704,919	44,689,250	-	44,689,250
	45,127,424	4,146,689	49,274,113	72,547,819	638,181	73,186,000
Current assets						
Accounts receivable and accrued assets	17,601,084	(3,508,508)	14,092,576	9,453,094	-	9,453,094
Land lease prepayment	638,181	(638,181)	-	638,181	(638,181)	-
Other current assets	96,908,063	-	96,908,063	68,993,697	-	68,993,697
	115,147,328	(4,146,689)	111,000,639	79,084,972	(638,181)	78,446,791
Current liabilities						
Accounts payable and accrued liabilities	4,806,720	(3,903,624)	903,096	3,287,096	-	3,287,096
Other current liabilities	21,882,367	-	21,882,367	30,526,537	-	30,526,537
	26,689,087	(3,903,624)	22,785,463	33,813,633	-	33,813,633
Net current assets	88,458,241	(243,065)	88,215,176	45,271,339	(638,181)	44,633,158
Non-current liabilities						
Accrued liabilities	-	3,903,624	3,903,624	-	-	-
	-	3,903,624	3,903,624	-	-	-
Total equity	133,585,665	-	133,585,665	117,819,158	-	117,819,158

NOTES TO FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (Continued)

(d) Change after adoption of HKFRS (Continued)

(ii) Effect on statement on financial position as at 31 December 2008

	The Group			The Company		
	As previously stated RMB	Effect of new policy RMB	As restated RMB	As previously stated RMB	Effect of new policy RMB	As restated RMB
Non-current assets						
Property, plant and equipment	11,376,714	16,531,069	27,907,783	10,714,941	16,531,069	27,246,010
Land lease prepayment	15,892,888	(15,892,888)	-	15,892,888	(15,892,888)	-
Intangible assets	15,000,000	(318,500)	14,681,500	-	-	-
Accrued assets	-	10,983,333	10,983,333	-	-	-
Other non-current assets	1,990,000	-	1,990,000	96,935,723	-	96,935,723
	44,259,602	11,303,014	55,562,616	123,543,552	638,181	124,181,733
Current assets						
Accounts receivable and accrued assets	33,850,521	(10,983,333)	22,867,188	15,142,915	-	15,142,915
Land lease prepayment	638,181	(638,181)	-	638,181	(638,181)	-
Other current assets	38,527,414	-	38,527,414	13,755,735	-	13,755,735
	73,016,116	(11,621,514)	61,394,602	29,536,831	(638,181)	28,898,650
Current liabilities						
Accounts payable and accrued liabilities	8,832,187	(2,790,874)	6,041,313	6,027,236	-	6,027,236
Other current liabilities	20,700,657	-	20,700,657	11,390,582	-	11,390,582
	29,532,844	(2,790,874)	26,741,970	17,417,818	-	17,417,818
Net current assets	43,483,272	(8,830,640)	34,652,632	12,119,013	(638,181)	11,480,832
Current liabilities						
Due to immediate holding company	-	-	-	22,810,728	-	22,810,728
Accrued liabilities	-	2,790,874	2,790,874	-	-	-
	-	2,790,874	2,790,874	22,810,728	-	22,810,728
Total equity	87,742,874	(318,500)	87,424,374	112,851,837	-	112,851,837

NOTES TO FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (Continued)

(e) Impact of issued but not yet effective HKFRS

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

		Effective from
Improvement to HKFRSs	Amendments to HKFRSs and related basis for conclusions and guidance made in response to the IASB annual improvements project	1 July 2009
Improvement to HKFRSs 2009	Amendments to HKFRSs and related basis for conclusions and guidance made in response to the IASB annual improvements project 2009	1 July 2009
HKAS 24 (Revised)	Related party disclosures	1 January 2011
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKFRS 1 (Revised)	First time adoption of HKFRS	1 July 2009
HKFRS 3 (Revised)	Business combination	1 July 2009
HKFRS 9	Financial instruments	1 January 2013
HK(IFRIC)-Int 17	Distribution of non-cash assets to owners	1 July 2009
HK(IFRIC)-Int 18	Transfer of assets from customers	1 July 2009
HK(IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments	1 July 2010
Amendment to HKAS 32	Financial instruments: Presentation	1 February 2010
Amendment to HKAS 39	Financial instruments: Recognition and measurement – Eligible hedged items	1 July 2009
Amendment to HKFRS 1	First time adoption of HKFRS – additional exemptions for first-time adopters	1 January 2010
Amendment to HKFRS 2	Share-based payment – Group cash-settled share-based payment transactions	1 January 2010
Amendment to HK(IFRIC)-Int 14	HKAS 19 - The limit on defined benefit asset, minimum funding requirements and their interactions	1 January 2011

The Company as well as the Group have early adopted HKAS 24 (Revised) and HKAS 27 (Revised) , HKFRS 3 (Revised) in this set of financial statements. Improvement to HKFRSs and Improvement to HKFRSs 2009.

The Company as well as the Group have not early adopted the other New Standards and Amendments in this set of financial statements. The Company and the Group have already commenced an assessment of the impact of the other New Standards and Amendments but not yet in a position to state whether the other New Standards and Amendments would have a significant impact on their operating results and financial positions.

NOTES TO FINANCIAL STATEMENTS

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) Subsidiaries and non-controlling interests
Subsidiaries are entities, including unincorporated body such as partnership, which are controlled by the Company. 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 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.

Non-controlling 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. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling 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 non-controlling interests and the equity shareholders of the Company.

Where losses attributable to the non-controlling interests exceed their interest in the equity of a subsidiary, the excess are still charged against the non-controlling interests. The Group shall not bear the liabilities attributable to non-controlling interests.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group).

(b) Intangible assets
Intangible assets having definite useful lives are stated at cost less accumulated amortisation and impairment losses. 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 less accumulated amortization and impairment losses, if any brought forward from previous years. They are not subject to amortisation but reviewed for impairment annually.

NOTES TO FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises purchase price and conversion cost. Expenditure such as repairs and maintenance, overhaul costs and cost of restoring are normally charged to profit or loss when they are incurred. Where expenditure has resulted in an increase in the future economic benefit from the use of the property, plant and equipment, the expenditure is capitalised. On disposal or retirement, the cost together with associated accumulated depreciation and impairment losses, if any, of the property, plant and equipment are removed from the accounts and any gain or loss resulting from the disposal is included in profit or loss.

The residual value and useful lives of property, plant and equipment are reviewed annually. Depreciation is calculated to write off the depreciable amount of items of property, plant and equipment, using the straight line method over their estimated useful lives as follows:

	2009	2008	2007
Land and buildings held under operating lease	30 years	30 years	30 years
Furniture, fixtures and equipment	5 years	5 years	5 years
Motor vehicles	5 years	5 years	5 years

(d) Leased assets

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents (included land held under operating lease) applicable to such operating leases are charged to the profit or loss on a straight-line basis over the lease term. The lease prepayment for the useful right of the land and building are charged to the profit or loss on a straight-line basis over the lease term. Incentives such as rent-free period or subsidy on decoration, if any, are recognized as a reduction of rental expenses over the lease term on straight-line basis.

(e) Impairment of assets

i) Impairment of receivables

Receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period 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.

An impairment loss is reversed if the impairment loss reduced by subsequent favourable changes 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.

ii) Intangible assets with indefinite useful lives

Intangible assets are evaluated based on the relevant profit after tax, 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)

(e) Impairment of assets (Continued)

iii) Impairment of other assets
Internal and external sources of information are reviewed at the end of each reporting period 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;
- intangible assets with finite useful life;
- investments in subsidiaries (excluding non-current assets held for sale and disposal group);
- Available-for-sale financial assets stated 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.

NOTES TO FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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, 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.

(g) Accounts and other payables
Accounts and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(h) 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 statement of cash flows.

(i) 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.

(j) 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 profit or loss. All other gains or losses are dealt with directly in equity.

(k) Employee benefits
Salaries, 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. Annual bonus determined by the management by reference to the operating result of previously years, unless there are objective evidences showing that the bonuses are associated to the services rendered by employees in previous years are recognised as expenses at the time of payment.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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.

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 end of reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each closing date of reporting period 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.

NOTES TO FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Income tax (Continued)

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.

(m) 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.

(n) 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 end of the reporting period.

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.

NOTES TO FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (Continued)

(o) Information engineering supervision
Information engineering supervision contract revenue on the rendering of services comprises the sum agreed by contractual parties. Cost of rendering services comprise labour and other cost directly engaged in providing the services and attributable overheads.

Revenue from the rendering of service is recognised in profit or loss on straight line basis over the contract period. In case of variation of contract period, the unrecognized revenue will be equally allocated to the remaining contract period.

(p) 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 and public relationship consultancy services is recognised in note 3 (n) above;

ii) Revenue from rendering of information engineering supervision service is recognised according to note 3 (o) above;

iii) Revenue from the provision of training courses is recognised in accordance with the progress of the training programme; and

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

Revenue excludes sales taxes, where applicable.

(q) 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 end of reporting period. Exchange gains and losses are recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) 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.

(s) 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.

Investment in newly acquired associate is initially recognised at cost. Investment in an associate which was a subsidiary of the Company who loses control over the former subsidiary but retains significant influence is initially recognized at deemed cost, being the carrying value of former subsidiary at the date of reclassification.

Its carrying amount is increased or decreased to recognise the Group's share of profit/loss and other comprehensive income of the associates from the date the investees become associates. The Group's share of the profit or loss of the associates is recognised in the Group's profit or loss. The Group's share of other comprehensive income of the associates is included in consolidated statement of comprehensive income. Distributions received by way of dividend or otherwise from an associate will reduce the carrying amount of the investment. In case the carrying value of the investment in associates is reduced to zero, additional losses are not provided for unless the Company has incurred legal or constructive obligations or made payments on behalf of the associates.

NOTES TO FINANCIAL STATEMENTS

4. REVENUE

(a) 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:

	2009 RMB	2008 RMB
Market research services	**31,336,874**	41,854,712
Data information management services	**1,934,353**	3,780,994
Management and public relationship consultancy services	**38,640,077**	34,422,512
Information engineering supervision services	**26,421,097**	27,638,960
Provision of training services	**7,919,179**	10,176,563
	106,251,580	117,873,741

(b) Other revenue

	2009 RMB	2008 RMB
Interest income from bank deposits	**190,431**	590,724
Sundry income	**829,103**	13,220
	1,019,534	603,944

5. IMPAIRMENT OF ASSETS

	2009 RMB	2008 RMB
Trade receivables		
Bad and doubtful debts recognised in profit or loss	**279,540**	175,755
Bad and doubtful debts recovered	**(188,655)**	(43,000)
	90,885	132,755

The Directors have carried out individual assessment on trade and other receivables at the end of reporting period based on the result of collection actions taken by Credit Control Department and/or Accounting Department, collaterals on hand, guarantee obtained and the experience of the Directors. The Directors have also carried out collective assessment based on ageing analysis and the irrecoverable rate of bad debt. Impairment loss recognised/(reversed) during the year include:-

	2009 RMB	2008 RMB
Individually assessed		
New and addition	**279,540**	175,755
Less: Recovered	**(188,655)**	(43,000)
	90,885	132,755

NOTES TO FINANCIAL STATEMENTS

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

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

	2009	2008
	RMB	RMB
Salaries, wages and other benefits	**37,889,791**	31,844,689
Retirement benefit scheme contributions	**8,348,993**	6,414,249
Total staff costs	**46,238,784**	38,258,938

Total staff costs include research and development costs amounted to RMB2,586,032 (2008: RMB884,016).

At 31 December 2009, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2008: Nil).

b) Other items

	2009	2008
	RMB	RMB
Cost of services provided #	**59,795,495**	68,429,742
Auditors' remuneration	**446,408**	264,600
Depreciation #	**1,736,855**	1,860,025
Loss on disposal of property, plant and equipment	**-**	68
Operating lease charges - Land and buildings	**664,607**	976,096
Research and development cost #	**2,586,032**	884,016
Net exchange loss	**81,125**	173,382
# The cost of services provided included:-		
Depreciation	**959,821**	1,098,364
Staff cost	**25,111,383**	22,410,633
Research and development cost	**2,586,032**	884,016

NOTES TO FINANCIAL STATEMENTS

7. TAXATION

a) Taxation in the consolidated income statement represents:

	2009 RMB	2008 RMB
PRC enterprise income tax		
- Provision for the year	**3,275,277**	3,237,436
- Current tax benefit arising from previously unrecognised tax loss	**-**	(15,129)
	3,275,277	3,222,307
Deferred tax - temporary differences	**(153,557)**	97,229
	3,121,720	3,319,536

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 2009 (2008: 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.

Pursuant to the Income Tax Law of PRC, the Company and other members in the Group (except CCID Supervision) are subject to a corporate income tax at a rate of 25% (2008: 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 15% (2008: 7.5%).

Major unrecognised deferred tax of the Group for the year ended 31 December 2009 is disclosed in note 27(b).

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

	2009 RMB	2008 RMB
Profit before taxation	**17,402,704**	17,958,245
Applicable tax rate	**25%**	25%
Product of accounting profit multiplied by applicable tax rate	**4,350,676**	4,489,561
Tax effect of non-deductible expenses	**15,167**	535,660
Preferential tax rate granted to high technology industry	**(726,606)**	(1,404,168)
Tax effect of unused tax losses	**807,450**	456,189
Tax effect of deductible but not recognised expenses	**(908,870)**	(908,870)
Tax effect of recognised but untaxed income	**(262,540)**	69,064
Current tax benefit arising from previously unrecognised tax loss	**-**	(15,129)
Adjustment on deferred tax (income)/expenses	**(153,557)**	97,229
Tax expense	**3,121,720**	3,319,536

NOTES TO FINANCIAL STATEMENTS

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:

	2009	2008
	RMB	RMB
Fees	**352,414**	156,200
Salaries and other benefits	**914,632**	913,667
Bonus	**671,096**	490,000
Retirement benefit scheme contributions	**198,431**	155,357
	2,136,573	1,715,224

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

2009

	Fees	**Salaries and other benefits**	**Bonus**	**Retirement benefit scheme contributions**	**Total**
	RMB	**RMB**	**RMB**	**RMB**	**RMB**
Executive directors					
Luo Wen	28,572	158,174	249,532	26,541	**462,819**
Li Jun	29,286	349,124	237,032	56,116	**671,558**
Lv Guoying	28,371	225,310	149,532	56,116	**459,329**
Non-executive directors					
Liu Liehong	21,429	-	-	-	**21,429**
Wang Peng	28,371	-	-	-	**28,371**
Lu Shan	2,300	33,214	-	4,929	**40,443**
Independent non-executive directors					
Guo Xinping	42,857	-	-	-	**42,857**
Pan Xingwu	42,857	-	-	-	**42,857**
Han Fuling	42,857	-	-	-	**42,857**
Supervisors					
Gong Chenghe	28,571	-	-	-	**28,571**
Huang Yongjin	28,571	-	-	-	**28,571**
Zhao Gang	(1,250)	-	-	-	**(1,250)**
Zhao Ziushen	29,622	148,810	35,000	54,729	**268,161**
Total for 2009	**352,414**	**914,632**	**671,096**	**198,431**	**2,136,573**

NOTES TO FINANCIAL STATEMENTS

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

2008

	Fees RMB	Salaries and other benefits RMB	Bonus RMB	Retirement benefit scheme contributions RMB	Total 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
Lv 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	48,946	377,184
Zhao Ziuzhen	-	11,892	-	4,064	15,956
Total for 2008	156,200	913,667	490,000	155,357	1,715,224

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 2009 (2008: Nil).

No directors and supervisors forfeited any emolument during the year ended 31 December 2009 (2008: Nil).

NOTES TO FINANCIAL STATEMENTS

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2008: three) are directors and supervisor whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other two (2008: two) individuals are as follows:

	2009 RMB	2008 RMB
Salaries and other benefits	**664,852**	635,124
Bonuses	**589,365**	100,000
Retirement benefit scheme contributions	**113,228**	48,946
	1,367,445	784,070

The emoluments of each highest paid individual during the year ended 31 December 2009 falls below RMB1,000,000 (2008: 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 2009 (2008: Nil).

10. PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company includes RMB7,045,953 (2008: RMB4,832,679) which has been dealt with in the financial statements of the Company.

11. DIVIDENDS

	2009 RMB	2008 RMB
Proposed final: RMB0.0057 (2008: RMB 0.0107) per share		
- Domestic and legal person share	**2,798,700**	5,253,700
- H share	**1,191,300**	2,236,300
	3,990,000	7,490,000

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

NOTES TO FINANCIAL STATEMENTS

11. DIVIDENDS (Continued)

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 commulative 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 (2008: 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

Basic
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted
As there were no diluted potential shares outstanding during the year, the diluted earnings per share is identical to the basic earnings per share.

The basic and diluted earnings per share are computed as follows:-

	2009	2008
Profit attributable to equity holders of the Company (RMB)	**11,876,557**	12,138,339
Divided by weighted average number of issued shares (shares)	**700,000,000**	700,000,000
Basic and diluted earnings per share (cents)	**1.7**	1.7

NOTES TO FINANCIAL STATEMENTS

13. OPERATING SEGMENTS

Descriptive information about the Group's reportable segments
The Group's operating segments are structured and managed separately, according to the nature of their operations and the products and services they provide. Each operating segments represents a strategic business unit that provides services which are subject to risks and returns that are different from those of other operating segments. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following five reportable segments.

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

- 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;

- the management and public relation 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, marketing, brand name promotion, public relationship and advertising;

- the information engineering supervision services segment provides information engineering supervision services to undertaken projects; and

- 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.

Measurement of segment profit or loss, assets and liabilities
For the purpose of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:-

Segment assets include all tangible assets, intangible assets and current assets directly managed by the segments. Segment liabilities include trade creditors, accruals and loans attributable to the operating and sales activities of the individual segments and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation and amortization of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted earnings before taxation". To arrive at adjusted earnings before taxation, the Group's earnings are adjusted for items not specifically attributed to individual segment, such as head office or corporate administration cost.

13. OPERATING SEGMENTS (Continued)

Financial information about profit and loss, assets and liabilities of reportable segments

2009

	Market Research Services Segment RMB	Management and Public Relationship Consultancy Services Segment RMB	Information Engineering Supervision Services Segment RMB	Provision of Training Segment RMB	Data Information Management Segment RMB	Total RMB
Revenue from external customers	31,336,874	38,640,077	26,421,097	7,919,179	1,934,353	106,251,580
Inter-segment income	-	48,961	-	-	3,600,000	3,648,961
Segment profit/(loss)	14,147,689	16,322,128	11,604,346	5,463,564	(121,821)	47,415,906
Other material non-cash items:						
- Impairment loss	-	(90,885)	-	-	-	(90,885)
Reportable segment assets	6,750,629	17,729,853	21,653,388	268,500	597,675	47,000,045
Reportable segment liabilities	522,762	1,285,390	14,396,841	-	4,105,781	20,310,774
	52,757,954	73,935,524	74,075,672	13,651,243	10,115,988	224,536,381

2008

	Market Research Services Segment RMB	Management and Public Relationship Consultancy Services Segment RMB	Information Engineering Supervision Services Segment RMB	Provision of Training Segment RMB	Data Information Management Segment RMB	Total RMB
Revenue from external customers	41,854,712	34,422,512	27,638,960	10,176,563	3,780,994	117,873,741
Inter-segment income	-	694,252	-	-	3,600,000	4,294,252
Segment profit/(loss)	20,584,678	14,621,821	10,089,353	6,169,421	(922,910)	50,542,363
Other material non-cash items:						
- Impairment loss	-	(132,755)	-	-	-	(132,755)
Reportable segment assets	7,783,293	8,465,276	16,865,422	-	4,460,634	37,574,625
Reportable segment liabilities	585,694	516,922	12,007,445	-	4,230,282	17,340,343
	70,808,377	58,588,028	66,601,180	16,345,984	15,149,000	227,492,569

Reconciliations of reportable segment revenues, profit, assets and liabilities

2009

	Revenue RMB	Profit RMB	Assets RMB	Liabilities RMB
Total per reportable segments	109,900,541	47,415,906	47,000,045	20,310,774
Elimination	(3,648,961)	-	-	-
Other revenue and net gains	-	1,101,932	-	-
Other operating expenses	-	(31,024,249)	-	-
Unallocated assets	-	-	81,055,070	-
Unallocated liabilities	-	-	-	15,028,983
Other material non-cash items:				
- Impairment loss	-	(90,885)	-	-
Total per consolidated financial statements	106,251,580	17,402,704	128,055,115	35,339,757

NOTES TO FINANCIAL STATEMENTS

13. OPERATING SEGMENTS (Continued)

Reconciliations of reportable segment revenues, profit, assets and liabilities (Continued)

2008

	Revenue RMB	Profit RMB	Assets RMB	Liabilities RMB
Total per reportable segments	122,167,993	50,542,363	37,574,625	17,340,343
Elimination	(4,294,252)	-	-	-
Other revenue and net gains	-	677,410	-	-
Other operating expenses	-	(33,128,773)	-	-
Unallocated assets	-	-	79,382,593	-
Unallocated liabilities	-	-	-	12,192,501
Other material non-cash items:				
- Impairment loss	-	(132,755)	-	-
Total per consolidated financial statements	117,873,741	17,958,245	116,957,218	29,532,844

Reconciliations of other material items

	2009			2008		
	Reportable segment total RMB	Adjustment RMB	The Group's total RMB	Reportable segment total RMB	Adjustment RMB	The Group's total RMB
Interest revenue	-	190,431	190,431	-	590,724	590,724
Interest expenses	-	81	81	-	-	-
Depreciation	-	1,736,855	1,736,855	-	1,860,025	1,860,025
Segment profit/(loss)	47,415,906	(959,821)	46,456,085	50,542,363	(1,098,364)	49,443,999
Expenditure for assets	195,909	61,445	257,354	11,550	698,020	709,570
Other material non-cash items:						
- Impairment loss	(90,885)	-	(90,885)	(132,755)	-	(132,755)
	47,520,930	1,028,991	48,549,921	50,421,158	2,050,405	52,471,563

Geographical segments

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

Information about major customers

No single external customer generated the revenue which represented 10 per cent or more of the Group's revenue.

NOTES TO FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Cost RMB	Accumulated depreciation and impairment losses RMB	Net carrying value RMB
Land and building held under operating lease in PRC under medium term (Restated)			
Balance at beginning of 2007	32,818,854	(4,848,365)	27,970,489
Depreciation charge	-	(1,041,300)	(1,041,300)
Balance at end of 2007 and beginning of 2008	32,818,854	(5,889,665)	26,929,189
Depreciation charge	-	(1,041,300)	(1,041,300)
Balance at end of 2008 and beginning of 2009	32,818,854	(6,930,965)	25,887,889
Depreciation charge	-	(1,041,300)	(1,041,300)
Balance at end of 2009	32,818,854	(7,972,265)	24,846,589
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 and beginning of 2009	5,562,083	(3,811,069)	1,751,014
Additions	257,354	-	257,354
Depreciation charge	-	(615,048)	(615,048)
Disposals	(957,796)	957,796	-
Balance at end of 2009	4,861,641	(3,468,321)	1,393,320
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 and beginning of 2009	489,967	(221,087)	268,880
Depreciation charge	-	(80,507)	(80,507)
Balance at end of 2009	489,967	(301,594)	188,373

NOTES TO FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group

	Cost RMB	Accumulated depreciation and impairment losses RMB	Net carrying value RMB
Total			
Balance at beginning of 2007	41,280,582	(10,775,898)	30,504,684
Additions	631,123	-	631,123
Depreciation charge	-	(1,881,571)	(1,881,571)
Disposals	(3,740,171)	3,546,621	(193,550)
Balance at end of 2007 and beginning of 2008	**38,171,534**	**(9,110,848)**	**29,060,686**
Additions	709,570	-	709,570
Depreciation charge	-	(1,860,025)	(1,860,025)
Disposals	(10,200)	7,752	(2,448)
Balance at end of 2008 and beginning of 2009	**38,870,904**	**(10,963,121)**	**27,907,783**
Additions	257,354	-	257,354
Depreciation charge	-	(1,736,855)	(1,736,855)
Disposals	(957,796)	957,796	-
Balance at end of 2009	**38,170,462**	**(11,742,180)**	**26,428,282**

The Company

	Cost RMB	Accumulated depreciation and impairment losses RMB	Net carrying value RMB
Land and building held under operating lease in PRC under medium term (Restated)			
Balance at beginning of 2007	32,818,854	(4,848,365)	27,970,489
Depreciation charge	-	(1,041,300)	(1,041,300)
Balance at end of 2007 and beginning of 2008	32,818,854	(5,889,665)	26,929,189
Depreciation charge	-	(1,041,300)	(1,041,300)
Balance at end of 2008 and beginning of 2009	32,818,854	(6,930,965)	25,887,889
Depreciation charge	-	(1,041,300)	(1,041,300)
Balance at end of 2009	32,818,854	(7,972,265)	24,846,589

NOTES TO FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company

	Cost RMB	Accumulated depreciation and impairment losses RMB	Net carrying value RMB
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 and beginning of 2009	4,299,483	(2,992,367)	1,307,116
Additions	195,909	-	195,909
Depreciation charge	-	(428,234)	(428,234)
Disposals	(957,796)	957,796	-
Balance at end of 2009	3,537,596	(2,462,805)	1,074,791
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 and beginning of 2009	264,967	(213,962)	51,005
Depreciation charge	-	(37,757)	(37,757)
Balance at end of 2009	264,967	(251,719)	13,248
Total			
Balance at beginning of 2007	37,545,557	(7,941,146)	29,604,411
Additions	605,526	-	605,526
Depreciation charge	-	(1,649,540)	(1,649,540)
Disposals	(1,134,819)	1,071,172	(63,647)
Balance at end of 2007 and beginning of 2008	**37,016,264**	**(8,519,514)**	**28,496,750**
Additions	377,240	-	377,240
Depreciation charge	-	(1,625,532)	(1,625,532)
Disposals	(10,200)	7,752	(2,448)
Balance at end of 2008 and beginning of 2009	**37,383,304**	**(10,137,294)**	**27,246,010**
Additions	195,909	-	195,909
Depreciation charge	-	(1,507,291)	(1,507,291)
Disposals	(957,796)	957,796	-
Balance at end of 2009	**36,621,417**	**(10,686,789)**	**25,934,628**

NOTES TO FINANCIAL STATEMENTS

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.

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 (2008: 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 2009, the Bank has agreed to discharge the charge against the Properties without involving litigation. The Directors are of their opinions that the legal title of the Properties can be assigned to the Company by the end of 2010.

Since the legal title of the Property has yet assigned to the Company, the significant risk and reward of ownership of the Properties have not yet passed to the Company. Accordingly, the Group recognizes the Properties as land and buildings held under operating lease.

NOTES TO FINANCIAL STATEMENTS

15. INTERESTS IN SUBSIDIARIES

The Company

	2009	2008	Opening
	RMB	RMB	RMB
Unlisted, at cost	**94,292,988**	96,935,723	44,592,021

Details of the subsidiaries at 31 December 2009 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

16. INTANGIBLE ASSETS

	Cost RMB	Accumulated amortization and impairment losses RMB	Net carrying value 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 and beginning and end of 2009	-	-	-
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	38,268,201	(23,586,701)	14,681,500
Balance at end of 2008 and beginning and end of 2009	38,268,201	(23,586,701)	14,681,500

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.

Prior to 2008, 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.

16. INTANGIBLE ASSETS (Continued)

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"). 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. 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.

According to the Surveyor's report, the valuation of the information database at 1 January 2008 is RMB15,000,000. As the information database does not have active market to justify its fair value, it is stated at cost less accumulated amortization and impairment losses in accordance with paragraph 74 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 2009, 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.

NOTES TO FINANCIAL STATEMENTS

17. INVESTMENT IN AN ASSOCIATE

The Group	2009 RMB	2008 RMB	Opening 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	2009 RMB	2008 RMB	Opening RMB
Assets	-	-	10,277,880
Liabilities	-	-	616,140
Revenue (after acquisition)	-	-	653,000
Loss for the year (after acquisition)	-	-	(369,050)

18. ACCOUNTS RECEIVABLE AND ACCRUED ASSETS

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

	The Group			The Company		
	2009 RMB	2008 RMB	Opening RMB	2009 RMB	2008 RMB	Opening RMB
Within 60 days	10,235,943	9,858,688	4,453,344	7,724,126	5,716,157	3,731,026
61 days to 180 days	11,146,896	10,164,432	6,643,814	6,538,723	5,528,888	4,848,394
181 days to 365 days	8,648,440	5,537,919	2,894,317	6,059,998	3,405,135	804,371
Over 365 days	13,352,311	8,289,482	3,609,609	3,299,962	492,735	69,303
	43,383,590	33,850,521	17,601,084	23,622,809	15,142,915	9,453,094
Current accounts receivable and accrued assets	24,925,577	22,867,188	14,092,576	23,622,809	15,142,915	9,453,094
Non-current accrued assets	18,458,013	10,983,333	3,508,508	-	-	-

Reconciliation of allowance account for credit losses:

	The Group			The Company		
	2009 RMB	2008 RMB	Opening RMB	2009 RMB	2008 RMB	Opening RMB
Balance at beginning of year	849,255	817,500	4,686,870	324,955	323,200	4,206,870
New and addition	279,540	175,755	34,300	279,540	145,755	20,000
Written off	-	(101,000)	(3,157,620)	-	(101,000)	(3,157,620)
Recovery	(188,655)	(43,000)	(746,050)	(188,655)	(43,000)	(746,050)
Balance at end of year	940,140	849,255	817,500	415,840	324,955	323,200

NOTES TO FINANCIAL STATEMENTS

18. ACCOUNTS RECEIVABLE AND ACCRUED ASSETS (Continued)

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 clients' request.

a) Included in the balance of the Group's accounts receivable and accrued assets at 31 December 2009 was an amount due from contract customers of RMB15,674,506 (2008: RMB15,405,796).

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

		The Group			The Company	
	2009	2008	Opening	**2009**	2008	Opening
Name of related parties	**RMB**	RMB	RMB	**RMB**	RMB	RMB
Beijing CCID Jingwei Culture Communication Co., Ltd.	**-**	9,660	146,480	**-**	9,660	146,480
CCID Net	**-**	-	95,256	**-**	-	95,256
Electronic Information Centre	**-**	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.

19. 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	
	2009	2008	Opening	**2009**	2008	Opening
Name of related parties	**RMB**	RMB	RMB	**RMB**	RMB	RMB
Beijing CCID Software Licensing Co., Ltd.	**6,270**	6,270	16,124	**-**	-	-
Beijing CCID Information Technology Appraisal Co., Ltd.	**16,124**	16,124	316,270	**-**	-	-
	22,394	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.

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

		The Group			The Company	
	2009	2008	Opening	**2009**	2008	Opening
	RMB	RMB	RMB	**RMB**	RMB	RMB
CCID	**1,154,754**	980,000	3,070,000	**1,154,754**	980,000	-

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

NOTES TO FINANCIAL STATEMENTS

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	The Group			The Company		
	2009 RMB	2008 RMB	Opening RMB	**2009 RMB**	2008 RMB	Opening RMB
Advances to employees	**2,353,058**	2,086,947	1,516,728	**1,117,832**	863,296	1,156,938
Prepayments	**104,983**	601,178	231,084	**-**	-	231,084
Rental and other deposits	**1,972,159**	1,674,784	2,394,729	**71,266**	87,253	1,318,234
Pledge deposits	**391,600**	292,300	93,168	**-**	1,386,597	-
Others	**1,816,740**	1,407,330	52,919	**1,812,256**	-	19,130
	6,638,540	6,062,539	4,288,628	**3,001,354**	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.

21. CASH AND CASH EQUIVALENTS

	The Group			The Company		
	2009 RMB	2008 RMB	Opening RMB	**2009 RMB**	2008 RMB	Opening RMB
Cash at banks and on hand	**33,312,278**	31,248,911	80,382,103	**14,219,492**	10,225,019	61,286,968
Time deposits maturing within three months	**-**	-	-	**-**	-	-
Cash and cash equivalents in consolidated cash flow statement	**33,312,278**	31,248,911	80,382,103	**14,219,492**	10,225,019	61,286,968
Time deposits maturing over three months	**-**	-	-	**-**	-	-
Cash and cash equivalents in the balance sheet	**33,312,278**	31,248,911	80,382,103	**14,219,492**	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		
	2009 RMB	2008 RMB	Opening RMB	**2009 RMB**	2008 RMB	Opening RMB
United States Dollars	**72**	69	860	**491**	471	6,620
Hong Kong Dollars	**36,505**	36,500	36,059	**32,186**	35,726	35,337

NOTES TO FINANCIAL STATEMENTS

22. INVESTMENTS

	The Group			The Company		
	2009	2008	Opening	**2009**	2008	Opening
	RMB	RMB	RMB	**RMB**	RMB	RMB
Designated financial assets at fair value (note a) through profit or loss at initial recognition, at fair value						
PRC listed securities	**290,220**	213,570	650,160	**290,220**	213,570	650,160
Investment funds	**-**	-	8,184,778	**-**	-	4,331,183
	290,220	213,570	8,834,938	**290,220**	213,570	4,981,343
Available-for-sale financial assets (note b), at cost						
Unlisted investment	**8,656,500**	8,656,500	-	**-**	-	-
Less: Impairment loss (note 6c)	**(6,666,500)**	(6,666,500)	-	**-**	-	-
	1,990,000	1,990,000	-	**-**	-	-
Total	**2,280,220**	2,203,570	8,834,938	**290,220**	213,570	4,981,343
Long term investment	**1,990,000**	1,990,000	-	**-**	-	-
Current investment	**290,220**	213,570	8,834,938	**290,220**	213,570	4,981,343
Market value of listed securities and investment fund	**290,220**	213,570	8,834,938	**290,220**	213,570	4,981,343

(a) All of the financial assets stated at fair value are measured at quoted prices (unadjusted) in active market.

(b) Available-for-sale financial assets refer to 19.9% equitable interests in CCID Exhibition held by CCID Supervision.

NOTES TO FINANCIAL STATEMENTS

23. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

An ageing analysis of the accounts payable is as follows:

	The Group			The Company		
	2009	2008	Opening	**2009**	2008	Opening
	RMB	RMB	RMB	**RMB**	RMB	RMB
Within 60 days	**2,584,813**	2,212,779	827,147	**1,882,384**	1,112,871	3,211,147
61 days to 180 days	**2,216,147**	2,129,993	19,715	**981,382**	909,698	19,715
181 days to 365 days	**1,144,370**	542,926	3,905,858	**1,803,848**	946,820	2,234
Over 365 days	**5,955,469**	3,946,489	54,000	**5,759,000**	3,057,847	54,000
	11,900,799	8,832,187	4,806,720	**10,426,614**	6,027,236	3,287,096
Current accounts payable and accrued liabilities	**977,819**	6,041,313	903,096	**10,426,614**	6,027,236	3,287,096
Non-current accounts payable and accrued liabilities	**10,922,980**	2,790,874	3,903,624	**-**	-	-

a) The accounts payable of the Group includes balances due to related companies of RMB13,121 (2008: RMB19,957).

b) Included in the balance of Group's account payable and accrued liabilities at 31 December 2009 was an amount due to contract vendor of RMB124,067 (2008: RMB157,520).

24. ACCRUALS AND OTHER PAYABLES

	The Group			The Company		
	2009	2008	Opening	**2009**	2008	Opening
	RMB	RMB	RMB	**RMB**	RMB	RMB
Provision for social insurance fees and the public housing funds	**7,282,391**	7,498,870	7,304,910	**3,815,080**	3,800,952	3,633,592
Other tax payables	**2,529,269**	2,257,068	2,112,414	**1,861,963**	1,701,796	1,807,340
Received in advance	**4,991,555**	4,250,181	4,476,925	**664,393**	788,197	1,961,268
Others	**1,992,917**	1,906,985	1,706,815	**1,255,263**	1,101,017	963,512
	16,796,132	15,913,104	15,601,064	**7,596,699**	7,391,962	8,365,712

25. DUE TO IMMEDIATE HOLDING COMPANY

	The Group			The Company		
	2009	2008	Opening	**2009**	2008	Opening
	RMB	RMB	RMB	**RMB**	RMB	RMB
Acquisition of the ninth and tenth floors of CCID Plaza (note (a))	**1,577,829**	1,577,829	1,577,829	**1,557,829**	1,577,829	1,577,829
Others (note (b))	**171,386**	567,990	524,599	**111,757**	474,082	471,528
	1,749,215	2,145,819	2,102,428	**1,689,586**	2,051,911	2,049,357

a) The amount due to the immediate holding company at 31 December 2009 included 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.

NOTES TO FINANCIAL STATEMENTS

26. 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 in 2010.

27. DEFERRED TAXATION

(a) Recognised deferred tax

Components of recognised deferred tax assets:

	The Group			The Company		
	2009	2008	Opening	**2009**	2008	Opening
	RMB	RMB	RMB	**RMB**	RMB	RMB
Financial assets	**15,120**	-	-	**15,120**	-	-
Impairment for bad and doubtful debts	**138,437**	-	42,090	**126,124**	-	42,090
Provision for social insurance fees and public housing funds	**-**	-	55,139	**-**	-	55,139
	153,557	-	97,229	**141,244**	-	97,229

(b) Deferred taxation not recognised

Components of unrecognised deferred tax assets/(liabilities):

	The Group			The Company		
	2009	2008	Opening	**2009**	2008	Opening
	RMB	RMB	RMB	**RMB**	RMB	RMB
Unused tax loss	**2,830,000**	2,100,000	950,000	**-**	-	-
Financial assets	**-**	34,000	(213,000)	**-**	34,000	(159,000)
Intangible assets	**(1,680,000)**	(850,000)	-	**-**	-	-
	1,150,000	1,284,000	737,000	**-**	34,000	(159,000)

The Group has 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.

28. Share Capital

The Group and the Company	2009, 2008 and opening Number of share	Nominal value RMB
Registered, issued and fully paid:		
Domestic shares of RMB0.1 each	485,900,000	48,590,000
Legal person shares of RMB0.1 each	5,100,000	510,000
H shares of RMB0.1 each	209,000,000	20,900,000
	700,000,000	70,000,000

29. 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)	Merger reseve account RMB (note b)	Retained profits RMB	**Total RMB**	Non-controlling 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 of a subsidiary under common control	-	-	-	7,000,000	-	**7,000,000**	-	**7,000,000**
Payment of dividend by pre-merged subsidiary	-	-	-	-	(7,000,000)	**(7,000,000)**	(3,000,000)	**(10,000,000)**
Balance at end of 2007 and beginning of 2008	18,609,965	9,475,219	58,517	7,000,000	22,343,575	**57,487,276**	6,098,389	**63,585,665**
Final dividend for 2007	-	-	-	-	(9,800,000)	**(9,800,000)**	-	**(9,800,000)**
Profit for the year	-	-	-	-	12,138,339	**12,138,339**	2,500,370	**14,638,709**
Transferred to statutory reserve funds	-	1,042,521	-	-	(1,264,525)	**(222,004)**	222,004	**-**
Reserve arising from the merger of a subsidiary under common control	-	-	-	(51,000,000)	-	**(51,000,000)**	-	**(51,000,000)**
Transfer the debit balance in merger reserve to other reserves and retained profits	(18,609,965)	(9,475,219)	(58,517)	44,000,000	(15,856,299)	**-**	-	**-**
Balance at end of 2008 and beginning of 2009	-	1,042,521	-	-	7,561,090	**8,603,611**	8,820,763	**17,424,374**
Profit for the year	-	-	-	-	11,876,557	**11,876,557**	2,404,427	**14,280,984**
Transfer to statutory reserve funds	-	1,440,673	-	-	(950,390)	**490,283**	(490,283)	**-**
Dividend for 2008	-	-	-	-	(7,490,000)	**(7,490,000)**	(1,500,000)	**(8,990,000)**
Balance at end of 2009	-	2,483,194	-	-	10,997,257	**13,480,451**	9,234,907	**22,715,358**

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	11,823,351	**35,658,415**
Profit for the year	-	-	-	12,160,743	**12,160,743**
Transferred to statutory reserve funds	-	1,216,073	-	(1,216,073)	**-**
Balance at end of 2007 and beginning of 2008	18,100,000	6,892,620	58,517	22,768,021	**47,819,158**
Final dividend for 2007	-	-	-	(9,800,000)	**(9,800,000)**
Profit for the year	-	-	-	4,832,679	**4,832,679**
Transferred to statutory reserve funds	-	358,620	-	(358,620)	**-**
Balance at end of 2008 and beginning of 2009	18,100,000	7,251,240	58,517	17,442,080	**42,851,837**
Final dividend for 2008	-	-	-	(7,490,000)	**(7,490,000)**
Profit for the year	-	-	-	7,045,953	**7,045,953**
Transferred to statutory reserve funds	-	675,612	-	(675,612)	**-**
Balance at end of 2009	18,100,000	7,926,852	58,517	16,322,421	**42,407,790**

NOTES TO FINANCIAL STATEMENTS

29. RESERVES (Continued)

Notes:

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

(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 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 and CCID Supervision 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 2009 (2008: 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:-

	2009	2008	Opening
	RMB	RMB	RMB (Restated)
Retained profits (before deduction of final dividend)	**10,997,257**	7,561,090	22,343,575
Less: Unrealised profit	**-**	-	(1,414,855)
	10,997,257	7,561,090	20,928,720

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

NOTES TO FINANCIAL STATEMENTS

30. 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 2009, no options were granted to the Group's employees since the listing of the Company in the Exchange.

31. COMMITMENTS

(a) At 31 December 2009, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	The Group		The Company	
	2009	2008	**2009**	2008
	RMB	RMB	**RMB**	RMB
Within 1 year	**568,308**	505,114	**-**	153,616
2 to 5 years	**734,325**	-	**-**	-
	1,302,633	505,114	**-**	153,616

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 2009, the Group and the Company has no capital commitment outstanding which is not provided for in the financial statements (2008: Nil).

NOTES TO FINANCIAL STATEMENTS

32. MATERIAL RELATED PARTY TRANSACTIONS

(a) The following companies are members of 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:

	2009 RMB	2008 RMB
Gross revenue earned before sales surtaxes		
Provision for consulting services to:		
Beijing CCID Net IT Co., Ltd.	**-**	100,359
CCID	**2,093,559**	495,000
Beijing CCID Jingwei Culture Communication Co., Ltd	**-**	3,750
Electronic Information Centre	**-**	189,200
CCID (Holding) Ltd	**1,470,000**	-
	3,563,559	788,309
Provision for data management and supervision services to:		
Beijing CCID Info Tech Co., Ltd	**54,000**	-
CCID	**-**	980,000
	54,000	980,000
Other income :		
CCID	**814,860**	-
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.	**125,200**	401,400
Promotional and consultancy expenses charged by CCID Net	**83,604**	108,398
Promotional and consultancy expenses charged by CCID Call Centre	**111,403**	266,736
Consultancy expenses charged by CCID (Holding) Ltd.	**51,250**	10,000
Consultancy expenses charged by Beijing CCID Jingwei Culture Communication Co., Ltd	**255,790**	-
Consultancy expenses charged by Beijing CCID Information Technique Supervision Co., Ltd	**148,625**	-
Printing expenses charged by Beijing CCID Printing Co., Ltd	**1,732**	-
Consultancy expenses charged by CCID Exhibition	**-**	24,000
Communication expenses, internet expenses and building management fee charged by MIICMD	**1,807,215**	3,178,917
Translation expense charged by CCID Translation Co., Ltd.	**187,371**	239,836
	2,772,190	4,229,287

The Directors are of their 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.

	2009 RMB	2008 RMB
Other		
Acquired 70% equity interests in CCID Supervision from CCID (Holding) Ltd	**-**	51,000,000
Disposal of 0.1% equity interests in CCID Exhibition to CCID (Holding) Ltd	**-**	9,656

32. 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 Company and the related companies are within the CCID Group and are under common control of the same ultimate parent company.

(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 as disclosed in note 9, is as follows:

	2009	2008
	RMB	RMB
Salaries, wages and other benefits	**2,151,080**	1,509,618
Retirement benefit scheme contributions	**193,049**	195,784
	2,344,129	1,705,402

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

(c) Related party transactions entered into in 2009 disclosed pursuant to Sections 20.45 and 20.46 of GEM Listing Rules are as follows:

Date of transaction	Related party	Description	Term of agreement	Consideration RMB
17 June 2009	MIICMD	Building management of 9th and 10th floor of CCID Plaza	1/4/2009 - 31/3/2012	3,021,156
17 June 2009	MIICMD	Building management of 9th floor of CCID Plaza	1/4/2009 - 31/3/2012	213,516
17 June 2009	MIICMD	Building management of 9th floor of CCID Plaza	1/4/2009 - 31/3/2012	288,612
17 June 2009	MIICMD	Building management of 1st floor of CCID Plaza	1/4/2009 - 31/3/2012	1,685,778
17 June 2009	CCID Translation Co., Ltd	CCID intelligent platform translation service	1/4/2009 - 31/3/2012	1,350,000
17 June 2009	CCID Call Centre	TSR customer service centre related service (subcontracting service)	1/4/2009 - 31/3/2012	1,200,000
17 June 2009	CCID Net	2009-2012 IT network promotion on annual report	1/4/2009 - 31/3/2012	1,200,000
20 November 2009	CCID	The Shanghai Development of Electronic Information Product Manufacturing Industry Ideas, Goals, Priorities Measures	20/11/2009 - 31/12/2009	75,600
20 November 2009	CCID	Chang Ping District research and planning advisory for the development of high-tech industry during the eleventh five-year and twelfth five-year development strategies	20/11/2009 - 31/12/2009	264,600
16 November 2009	CCID	National digital library project full professional advice (4)	16/11/2009 - 31/12/2009	272,160
31 August 2008	CCID	Channels of electronic information products construction project	31/8/2008 - 31/12/2009	1,300,000
2 July 2009	CCID	The promotion of productive service to speed up the development of policy research and the promotion of independent innovation of China's industrial sector fiscal policy research	2/7/2009 - 15/8/2009	472,500
25 August 2009	CCID (Holding) Ltd	China's software and information system flaws library construction projects, construction projects and a series of information technology to carry out supervision, consulting services, technical services such as transfer items	1/8/2009 - 31/12/2009	1,500,000

NOTES TO FINANCIAL STATEMENTS

32. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Related party transactions entered into in 2009 disclosed pursuant to sections 20.45 and 20.46 of GEM Listing Rules are as follows: (continued)

Date of transaction	Related party	Description	Term of agreement	Consideration RMB
21 November 2009	CCID	The promotion of productive service to speed up the development of policy research and the promotion of independent innovation of China's industrial sector fiscal policy research	1/12/2009 – 31/12/2009	189,000
1 August 2009	CCID	Dongguan City network new media industry development strategic planning	1/8/2009 - 31/12/2009	75,600
1 July 2009	CCID	Dongguan City electronic information industry development strategic planning	1/7/2009 - 31/12/2009	472,500
17 December 2009	CCID	Research institute of China electronic information industry development case library information database consolidation project	17/12/2009 - 30/6/2010	1,875,000
25 December 2009	CCID	The Beijing information industry development goals, the ideas and measures to "twelfth five-year" period	25/12/2009 - 30/4/2010	189,000

All of the above companies are members of CCID Group.

(d) The ultimate controlling party of the Company and of the Group is the PRC Government which provide a major source of revenue to the Company and the Group (2008: Same).

33. NON-ADJUSTING EVENTS AFTER REPORTING PERIOD

No non-adjusting event occurred after the end of reporting period and before the approved and authorized for issue of these annual audited financial statements by Board of Directors.

NOTES TO FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT

Financial assets and liabilities carried on the statement of financial position include the following assets and liabilities:-

- 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 of which the value is subject to fluctuation as a result of changes in market price;
- 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. The Group is exposed to foreign exchange risk arising from the exposure of RMB against United States Dollars and Hong Kong Dollars. Having regard the exchange rates between RMB and the other two foreign currencies, the Group believes that its exposure to foreign exchange risk is remote. At present, the Group does not intend to hedge its exposure to foreign exchange risk profile, and will consider appropriate hedging measures in future upon necessary.

As at 31 December 2009, had RMB been strengthened or weakened by 1% against the foreign currencies with all other variables held constant, the profit before tax would have been increased or decreased by RMB1,717 (2008: RMB8,725).

Price risk
As the financial assets at fair value represent an immaterial portion to the Group's total assets, the management does not measure its price risk. The maximum exposure to price risk is the carrying amount at the end of reporting period.

At 31 December 2009, had the fair value of the investment profolio 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 RMB2,902 (2008: RMB2,136).

NOTES TO FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT (Continued)

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	
	2009	2008	**2009**	2008
	RMB	RMB	**RMB**	RMB
Pass due more than one year	**8,381,421**	4,409,039	**956,314**	356,992

Liquidity risk

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

Maturity analysis

As at 31 December 2009, the remaining contractual maturities of the Group's and the 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 end of reporting period) and the earliest date of the Group and of the Company can be required to pay are as follow:-

	The Group		The Company	
	2009	2008	**2009**	2008
	RMB	RMB	**RMB**	RMB
Trade and other payables				
Payable on demand or within one year	**22,450,614**	23,440,536	**21,432,437**	14,829,644

NOTES TO FINANCIAL STATEMENTS

35. MANAGING CAPITAL

	The Group		The Company	
	2009	2008	**2009**	2008
	RMB	RMB	**RMB**	RMB
Managing capital comprises:-				
Issued and paid up share capital	**70,000,000**	70,000,000	**70,000,000**	70,000,000
Retained profits	**10,997,257**	7,561,090	**16,322,421**	17,442,080
Other reserves	**2,483,194**	1,042,524	**26,085,369**	25,409,757
	83,480,451	78,603,611	**112,407,790**	112,851,837

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 dividend.

During 2009, the Group's strategy, which was unchanged from 2008, was to maintain the net debt-to-adjusted capital ratio at the lower end of the range 20% to 30%.

Calculation for the net debt-to adjusted capital ratio:

	The Group		The Company	
	2009	2008	**2009**	2008
	RMB	RMB	**RMB**	RMB
Current liabilities	**24,416,777**	26,741,970	**23,838,972**	17,417,818
Less: related party balance	**(1,749,215)**	(2,145,819)	**(2,189,586)**	(2,551,911)
	22,667,562	24,596,151	**21,649,386**	14,865,907
Shareholders' equity	**92,719,400**	87,424,374	**112,411,832**	112,851,837
Net debt-to-adjusted capital ratio	**24%**	28%	**19%**	13%

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				
	2005	2006	2007	2008	**2009**
	RMB	RMB	RMB	RMB	**RMB**
	(Restated)	(Restated)	(Restated)	(Restated)	
Turnover	59,837,181	63,468,998	82,791,201	117,873,741	**106,251,580**
Cost of sales	(43,680,192)	(41,799,678)	(47,609,678)	(68,429,742)	**(59,795,495)**
Gross profit	16,156,989	21,669,320	35,181,523	49,443,999	**46,456,085**
Other revenue	648,627	1,362,919	8,312,513	665,357	**1,101,932**
Selling and distribution costs	(6,616,822)	(6,304,452)	(5,215,451)	(8,561,078)	**(10,277,908)**
Administrative expenses	(11,127,709)	(12,221,760)	(14,590,787)	(18,621,830)	**(19,705,216)**
Financial expenses	-	-	-	-	**(81)**
Other operating expenses	(3,476,268)	(1,142,340)	(385,171)	(1,523,010)	**(81,223)**
Impairment loss on investment in an associate	-	-	(6,700,000)	-	-
Impairment of assets	-	-	-	(132,755)	**(90,885)**
Loss on investments	-	-	-	(1,760,662)	-
Fair value adjustment on financial assets	-	-	-	(1,563,829)	-
Profit /(loss) from operating activities	(4,415,183)	3,363,687	16,602,627	17,946,192	**17,402,704**
Share of profit/(loss) of an associate for the year	-	-	(73,810)	12,053	-
Profit/(loss) before taxation	(4,415,183)	3,363,687	16,528,817	17,958,245	**17,402,704**
Taxation	-	(806,185)	(5,406,996)	(3,319,536)	**(3,121,720)**
Profit/(loss) for the year	(4,415,183)	2,557,502	11,121,821	14,638,709	**14,280,984**
Attributable to：					
Equity holders of the Company	(4,131,716)	2,683,304	10,795,810	12,138,339	**11,876,557**
Non-controlling interests	(283,467)	(125,802)	326,011	2,500,370	**2,404,427**
Profit/(loss) for the year	(4,415,183)	2,557,502	11,121,821	14,638,709	**14,280,984**

ASSETS AND LIABILITIES

	31 December				
	2005	2006	2007	2008	**2009**
	RMB	RMB	RMB	RMB	**RMB**
	(Restated)	(Restated)	(Restated)	(Restated)	
TOTAL ASSETS	148,587,744	149,667,583	160,274,752	116,957,218	**128,055,115**
TOTAL LIABILITIES	(18,678,194)	(17,200,530)	(26,689,087)	(29,532,844)	**(35,339,757)**
	129,909,550	132,467,053	133,585,665	87,424,374	**92,715,358**

HK08235
赛迪顾问在线
CCIDConsulting.com