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)

2010年報
ANNUAL REPORT

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

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Perspective 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 characteristic of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance given that there will be a liquid market in the securities traded on GEM.

This report, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report, in both English and Chinese versions, is available on the Company's website at www.ccidconsulting.com (the "Company Website").

Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "Corporate Communications") via the Company Website and who for any reason have difficulty in receiving or gaining access to this report posted on the Company Website will promptly upon request be sent this report in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language(s) (either English only or Chinese only or both languages) of Corporate Communications. Shareholders may send their request to receive this report in printed form, and/or to change their choice of the means of receipt and/or language(s) of Corporate Communications by notice in writing to the Hong Kong Share Registrar of the Company, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong or by sending an email to the Hong Kong Share Registrar of the Company at is-ecom@hk.tricorglobal.com.

CCIDConsulting

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

羅文	(Luo Wen)	(Chairman)
李峻	(Li Jun)	(Chief Executive Officer)

Non-executive Directors

洪京一 (Hong Jingyi)
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)

SUPERVISORY COMMITTEE

宮承和	(Gong Chenghe)	(Chairman of the committee)
趙澤明	(Zhou Zeming)	
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)
郭新平	(Guo Xinping)	
李峻	(Li Jun)	(Chief Executive Officer)

COMPLIANCE OFFICER

羅文 (Luo Wen) (Chairman)

COMPANY SECRETARY

Wong Ki Yan Davhen FCCA, HKICPA

AUTHORISED REPRESENTATIVES

羅文	(Luo Wen)	(Chairman)
Wong Ki Yan Davhen		FCCA, HKICPA

LEGAL ADDRESS

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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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
26/F, Tesbury Centre, 28 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 2010.

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 etc., 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 the fields 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 and various autonomous regions, but also industries in electronics, telecommunications, energy, finance, automobile etc.. The Company is striving to become China's number one brand in informative consulting, number one brand in strategic consulting, and number one brand in government decision-making.

FINANCIAL RESULTS

For the year ended 31 December 2010, the Group recorded turnover of RMB113,502,928, the gross profit of RMB50,311,208, and profit per share of RMB1.8 cents per ordinary share.

In 2010, the Company vigorously promotes service reform by uplifting the professional branding and team competitiveness. The Company pro-actively explores new service models, pays great attention in establishing and advancing managerial quality control systems, which sustained the Company to growth even in the intense market competition.

Regarding to different service segments, because of advancing the service reform continuously, in 2010, the Company's management and public relation consultancy services income reached RMB53,249,303, representing a rise of 38% as compared to the corresponding period in last year, the income from information engineering supervision services was RMB31,248,369, representing a rise of 18% as compared to the corresponding period in last year. Due to the Company promotes the service reforming promotion continually to face the rapid decline in market demand and develop management consultancy business base on the market research services, still the income from market research services was RMB25,172,491, representing a drop of 20% as compared to the corresponding period in last year.

FUTURE DEVELOPMENTS

In 2011, the Company will break through the high end consulting projects, promote subsidiary business development, develop key regional markets and improve the overall competitiveness so as to further enhance the profitability of the Company.

BREAKTHROUGH THE HIGH END CONSULTING PROJECTS

In 2011, the Company will follow the high end consulting trend to select a group of influential, strong assistance, high technology, high value-added consulting projects as a breakthrough. By implementing the high end projects, the Company will enhance the overall competitiveness to accelerate the upgrading of the progress in business transformation.

TO PROMOTE SUBSIDIARY BUSINESS DEVELOPMENT

The Company is actively implementing the "1 Body 2 Wings" strategy, for the Company as the body and for the two subsidiary companies, they are: Beijing CCID Shiji Information Engineering Consulting Company Limited and Beijing CCID Innovation Investment Consulting Limited be the two wings. With the full use of various resources, the Company actively create a favorable environment to develop the two subsidiaries by promoting and enhancing both the informative consulting business and finance consulting business, the two wings are in collaboration with the Company to form an advance business pattern.

DEVELOPING KEY REGIONAL MARKETS ACTIVELY IMPLEMENT

The Company is actively implementing the "1 Headquarter 3 Branches" strategy, by setting up branches in Shanghai, Guangzhou, Shenzhen. By taking Shanghai, Guangzhou, Shenzhen as the stepping stones to give focus on developing the Eastern and Southern China market etc and expanding the Company's market influence in those key areas, so as to better promote our business and to implement the projects in those locations.

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.

ACKNOWLEDGEMENT

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 2011

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The Development Of High End Business Transformation Services As The Direction Of Consulting Business

With the rapid economic development, the market is increasingly competitive. Companies in the increasingly complex economic environment, and in rapidly technological progress are facing more new challenges then ever. The needs of market research and management consulting services upgrade from a single role to multiple roles. In the mean time, the depth and operability of consulting services are in higher demand that is from the low end consulting business be upgraded to information management consulting, as well as from strategic consulting be upgraded to information technology consulting.

Information Technology Consulting + Technical Implementation Become An Important Direction Of The Development Of Consulting Services

The global competition brought challenges with a complex growth pattern in information technology, it promote the sub-industry consulting industry be focus from the "Strategic Consulting" be transferred to the "Technological Consulting". In recent years, the average annual growth rate of technological consulting is much higher than the growth rate of strategic and information consulting. Technological consulting has become the core areas of the global consulting industry. According to statistics from FEACO (the European Federation of Management Consultancies Associations), in 2009 the income structure of management consulting business in Europe, IT consulting business accounted for 14%, outsourcing business accounted for19%.

Investment And Financing Advisory And Management Consulting, Become Consulting Firms' Primary Means Of Competitive Differentiation

Investment risks and the complexity of financing make the governments and enterprises need more external agencies to provide professional services in the area of feasibility study, financing plan design, financing channel selections etc. Meanwhile, with the deepening of industrial restructuring and the increasingly fierce market competitions, enterprises need more and more professional restructuring and listing, mergers and acquisitions, venture capital and other investment and financing services. Some consulting firms rely on their domainant business advantages in the use of customers accumulated resources from management consulting business. Focus on local government, listed companies, ready to list companies and private enterprises to become customers. In addition, private financing, mergers and acquisitions, investment and financing services become paramount developing direction.

To Seize The High End Customer Markets Become Competitive Consulting Firm Focused

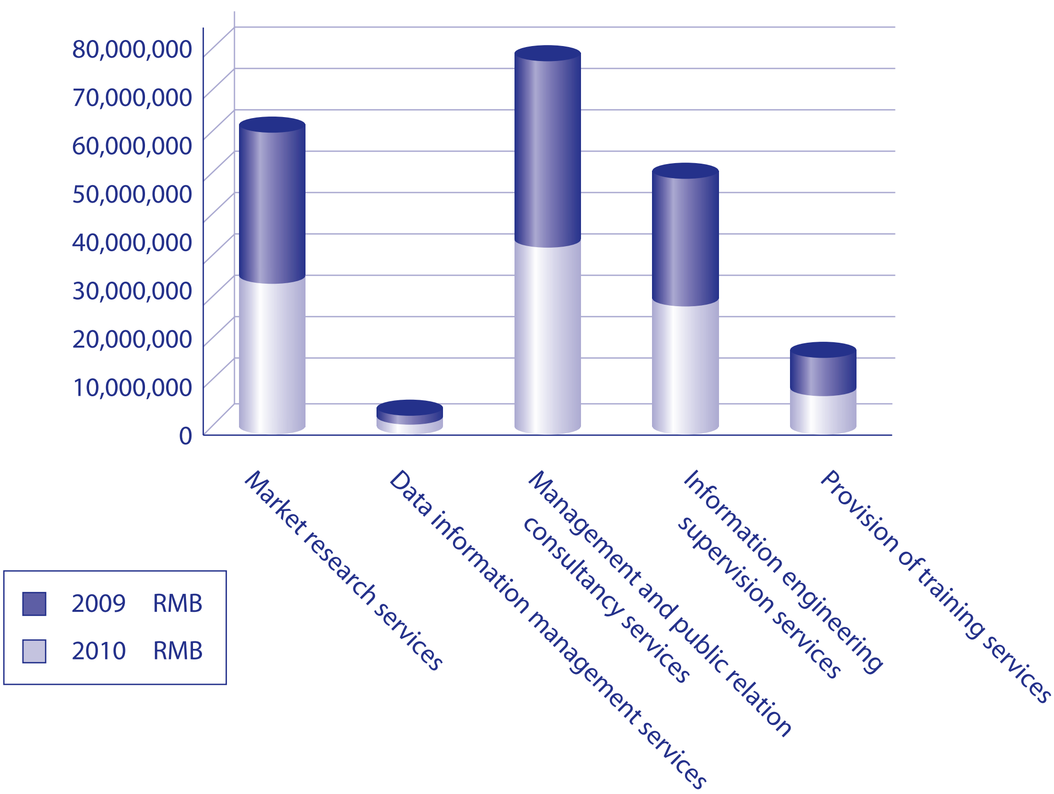
High end customers are big bosses, they are highly value-added, low payments default rates. To seize the high end customers will not only help improve the consulting firm's operating income and business capacity, but also conducive to shape the Company's brand image, so that high end customer market is a key area for leading consulting companies to compete with. Concentrated in serving the high end customers and medium-sized enterprises, these companies are with good reputation. Experienced consulting firms need to seize the high end customers to practice their own internal strength and to train qualified and experienced professional consultant by standardized and scientific management system and rapid response to the global collaboration network, even need to establish their own global information center, to resolve problems quickly, so as to provide high quality consulting services to high end clients.

Data Information And Technology Development Of Integrated Comprehensive Application For Financial Customers As 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. In recent years, 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 research and development capability.

TURNOVER ANALYSIS

For the year ended 31 December 2010 the turnover by operations can be classified as follows:



TURNOVER ANALYSIS

	2010 **RMB**	**%**	2009 RMB	%
Market research services	**25,172,491**	**22%**	31,336,874	29%
Data information management services	**1,119,655**	**1%**	1,934,353	2%
Management and public relation consultancy services	**53,249,303**	**48%**	38,640,077	37%
Information engineering supervision services	**31,248,369**	**27%**	26,421,097	25%
Provision of training services	**2,713,110**	**2%**	7,919,179	7%
Total	**113,502,928**	**100%**	106,251,580	100%

BUSINESS REVIEW

The Business Transformation Promotion Initially Has Good Result

In 2010, based on the product supply chain consulting, the Company's new business focus on upgrading 35 product lines, from a total of 20 product lines in 2009 was extended to a total of 55 product lines in 2010, which covers new emerging business strategic research, urban economic development research, business management reform research, perception city series, investment and financing research etc.

In terms of the market research and data information management services, the Company provides databases, market research and research services, and further deepened the understanding of the market and industry, expanded customer needs by providing customers with market research database on the industry planning, development and strategy management consulting needs strong support of the Company's business restructuring and upgrading.

In terms of the management and public relation consultancy services, the Company seize the opportunity in the "Twelve Five Year Plan" of the state and the relevant ministries in major planning projects and large-scale enterprise information technology planning needs of central development opportunities, The corporate management consulting business of the Company maintain a rapid growth, completed 17 local governments strategic projects (Beijing, Shanghai, Shandong, Fujian and other provinces). The Company also provides "Twelve-Five Year Plan" related planning up to 55 in total. In 2010, the Company management and public relationship consultancy services turnover was RMB53,249,303 with an increase of 38% as compared to the corresponding period of last year.

In terms of information engineering supervision services, being the successful bidder for the supervision of information system for Shenzhen Airport Terminal Area Expansion Project, Golden Tax Project (Phase III), "Large Aircraft" from the Chinese Academy of Science, Digitization Mine in Shanxi Coal Group projects, The Company continues maintain as the only domestic research and project supervision leading service providers and obtain certified supervision qualification in telecommunications engineering and marching to the telecommunication supervision areas. In 2010, the supervision information engineering services turnover was RMB31,248,369 with a increase of 18% as compared to the corresponding period of last year.

In terms of the provision of training services, the Company provides information systems project management, information system integration qualification, information systems project management training, as customers in obtaining the relevant qualification after the demand for training, and because of intense market competition and the rising of operating costs etc. In 2010, provision of training service's turnover was RMB2,713,110 decrease by 66% as compared to the corresponding period of last year.

Proactive Service System Made Great Progress

In 2010, the Company further improve the proactive service system by bringing our domainant advantages in the Government consulting and industrial policy research. Through the "Internal Training + External Training" approach, the Company focus on the breakthrough of the traditional ICT industry and local government customers in key markets, and key developing regional cities and key clients so as to make significant progress in the proactive service system. Both the number of big customer's and their related sales are in great progress. The Company has more than 20 million-level customers, among them are 16 ministries customers like the State Administration of Taxation, Customs Commission Office, the State Food and Drug Administration etc. Also, it includes a number of state-owned large enterprise customers like Petro China, Sinopec, China Food Storage, the China Medicine, China Southern Power Grid, the Shenzhen Airport Group etc. It also includes more than 20 local government clients of Beijing, Tianjin, Guizhou, Qingdao, Suzhou, Zhengzhou, Foshan, Lianyungang, Erdos etc.

Taking Steps To Open Up Regional Markets

To unify the change of market demand and to realize the corporate business reforming promotion, in 2010 the Company proposed "1 Body 2 Wings", "1 Headquarter and 3 Branches" strategic development. The Company activated Beijing CCID Shiji Information Engineering Consulting Company Limited and Beijing CCID Innovation Investment Consulting Limited to support the information technology with all strength in financing development; At the same time, in the key economic region, carries on the promotion to the original office, has established the Shanghai Subsidiary company, Shenzhen Subsidiary company, Guangzhou Subsidiary company, has developed Ningbo, Shanxi newly and so on new region market.

Steady Steps To Advance The Talented Person Troop

For the building team competitive power, according to the corporate growth strategic direction and the post demand, the Company has established the research, the sale, the administration, the leading cadre and the new staff and so on, 5 type staff's standardized training system. In 2010, the Company level training achieves 56 times, the training quality has promoted greatly. At present, 40% of staff holds master degrees or above, which form the backbone of the Company. The turnover rates of key and general staff are not higher than 10%. Through the optimized adjustment by matching the staff posts and skills. Hence, the overall quality of the staff troop further promote.

The Internal Management Level Improves Day By Day

In 2010, the Company completed a collaborative office document management information systems in document management contract, project management and development of knowledge database management tasks. Among them, the document management and contract management run on the line in the first half of 2010, and the document management and contract management system upgrades in the second half of the year, the function was further improved. Project management and knowledge data-base management system trial run in late 2010, formally launched in early 2011. Development and the use of information system, greatly simplify the work process, improve efficiency, reduce administrative cost, enhanced the overall corporate governance of the Company and give solid support to the Company in carrying out various businesses.

Enterprise Culture In-depth Progress

The Company give full support to Communist Party Club (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 fitness to enjoy both work and life. By improving the Workers Congress System, the Congress successfully held the First Session of The Second Meeting of Congress Workers, which improves the management system of the legitimacy, transparency and effectiveness of the implementation. The CPC give full play role of CPC interest groups, adhere to carry out a variety of cultural and sports activities. Recommending employees to participate sports activities throughout the year and continue to hold combats in basketball, football, badminton, table tennis, tennis etc. as well as climbing team activities. The Company concerned about the staff of life, and strive workers for healthy and practical things. Around the "Refined Humane Care" principle, the CPC take the initiative to help employees to solve their personal problems. Through these activities to enrich the spare time of employees, to promote unity and integration between departments, effectively expressed the concern of the Company to the employees as well as to improve the Company's staff cohesion and attractiveness.

Gradually Raise The Awareness Of Social Responsibility

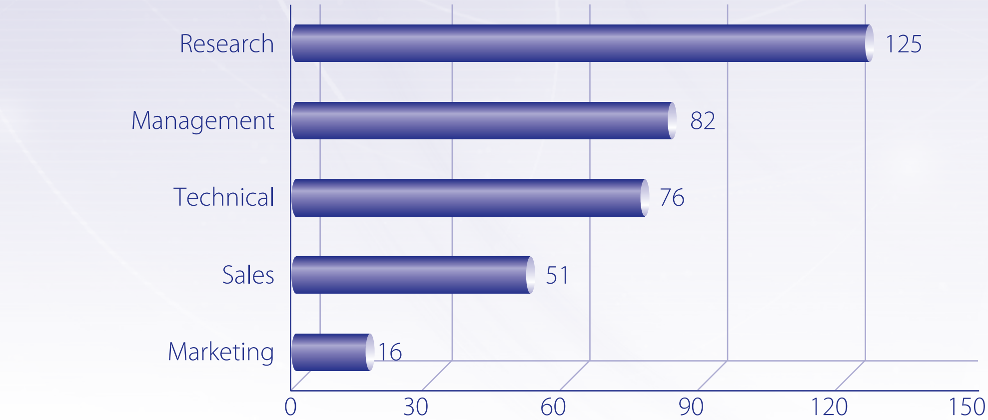
The Company while does good management work, has also fulfilled the social responsibility as an important responsibility. In 2010, the Company actively organized company staff to offer compassion for "Gansu Province District Disaster Area" to give donation to the impoverished mother, and issued the public written proposal to all staff, convinced every staff to donate money to establish "CCID Consultant Public Welfare Fund", which obtained the company staff's positive response. By the staff voluntary donation fund and the Company donation fund, the Company continued to support the Chengdu 44 Secondary School in the voluntary books donation activity, which had obtained good comments from higher Communist Party. At the same time, the Company will put such donation work to integrate with the yearly working plan syndicate, the CPC in coordination with the work idea in the fulfilment of enterprise social responsibility.

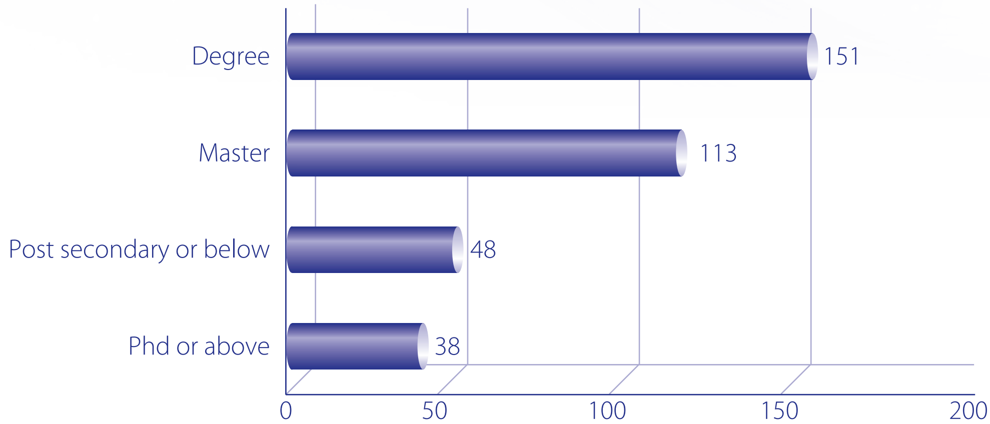
Marketing and promotion

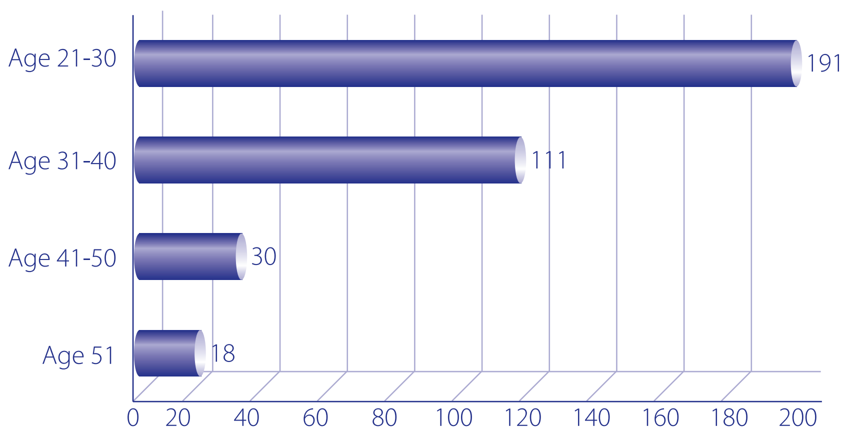
The Company always puts the brand value of continuous improvement as the daily operation and management of important work to the brand, professional and team-centered, and enhance the competitiveness of the Company's brand. Publicity in the media in 2010, the Company has established 13 key products in the propaganda system, including 3 specialized projects, 13 publications EDM special issue and 35 publications in the media library, completed 420 media articles; publicity in the network promotion, completed 95% of the Web page updates; regional promotion achieve 90% of the core media coverage, complete the high-level management discussion visits 8 times. Supervision business as the main support unit, participated in the China Electronic Enterprises Association Information Systems Section of the preparation and supervision of the organization of the inaugural meeting and became vice president of branch units and the Association governing units, which further expand the Company's influence in the industry.

HUMAN RESOURCES

The Group employed 350 (2009: 308) full-time staff members as at 31 December 2010, categorized by the following:







LIQUIDITY AND FINANCIAL RESOURCES

The Group held cash and bank deposits of RMB27,235,864, HK$36,512 and USD2 as at 31 December 2010. 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 2010 is summarised as below:

	RMB	Percentage
Total equity attributable to equity shareholders of the Company	92,281,002	90%
Non-Controlling Interests	10,084,103	10%
Total	**102,365,105**	**100%**

CAPITAL EXPENDITURE COMMITMENT AND CONTINGENT LIABILITY

As at 31 December 2010, the Group had no significant capital expenditure commitment and contingent liability.

PLEDGE OF ASSETS

As at 31 December 2010, the Company has no pledged assets.

GEARING RATIO

As at 31 December 2010, the Group's gearing ratio was about 34% (2009: 42%), calculated by dividing total liability by total net asset for the year.

ACQUISITION, DISPOSAL AND MAJOR INVESTMENT

On 25 October 2010, the Company (as vendor) and the Purchaser (a 95% owned subsidiary of the Company) entered into the Agreement, pursuant to which the Company has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, the Disposed Interest, representing 70% of the equity interest in the Target. The Consideration for the Disposal is RMB53,900,000 (equivalent to approximately HK$62,674,419), which will be satisfied in full by the Purchaser in cash upon Completion.

As at the date of this announcement, CCID is a controlling shareholder, and hence a controller, of the Company, interested in an aggregate of 485,900,000 Shares, representing approximately 69.41% of the issued share capital of the Company, through its interests in (i) the Research Centre, a controlling shareholder of the Company holding approximately 56.09% of the issued share capital of the Company; and (ii) CCID Riyue, a substantial shareholder of the Company holding approximately 13.32% of the issued share capital of the Company.

As Beijing CCID Riyue Investment Co., Ltd, a non-wholly owned subsidiary and thus an associate of CCID, is a substantial shareholder of the Target interested in 30% of the equity interest in the Target, the Disposal constitutes a connected transaction of the Company under Rule 20.13(1)(b)(i) of the GEM Listing Rules. The Disposal is subject only to the reporting and announcement requirements but exempted from the requirement of independent Shareholders' approval as each of the applicable percentage ratios (as defined in the GEM Listing Rules) falls below 5%.

For the full details, please refer to the announcement made on 25 October 2010.

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 46, is currently an Executive Director, Chairman of the Board, he is also the President for CCID Group, Chairman of Industry and Informationization Department Computer and Micro electron R&D center (Chinese Software Evaluation Center). 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 35, is currently an Executive Director, Chief Executive Officer of the Company. He is responsible for overall operation management and the administration of the Company and Group. He holds a concurrent Chief Executive Officer post of Beijing CCID Shiji Information Engineering Limited and Beijing CCID Innovate Investment Limited. Mr. Li graduated from Wu Han University, held a PHD degree in Geographical Information System. He has over 8 years of Senior Management experience and Mr. Li was appointed as an Executive Director on 29 December 2006.

NON-EXECUTIVE DIRECTORS

Mr. Hong Jingyi (洪京一), aged 48, Non-Executive Directors of the Company is currently the Party Committee Secretary of the Research Institute of China Electronic Information Industry Development. Mr. Hong graduates from the Xidian University, obtains the technology bachelor's degree, has senior engineer the qualifications. Mr. Hong successively holds the Ministry of Electronics Industry 15th research institute technician, machine the electrical department and Ministry of Electronics Industry human affairs education department assistant deputy office chief, department head, the information industrial department informationization advances Department Head Si, the deputy head of the bureau, the industry and the informationization department informationization advancement department deputy head of the bureau. Mr. Hong was appointed as non-executive director on 24 November 2010.

Mr. Lu Shan (盧山), aged 38, Non-Executive Directors of the Company is currently the Vice President of Research Institute of China Electronic Information Industry Development, and the Chairman of the Board of Beijing CCID Media Investment Company Limited. Mr. Lu 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 director on 25 November 2009.

Mr. Wang Peng (王鵬), aged 35, Non-executive Director of the Company. He is currently a officer of Research Institute of China Electronic Information Industry Development, and the director 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 non-executive director on 25 November 2008.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Guo Xinping (郭新平), aged 47, Independent Non-executive Director of the Company. He is currently the Deputy Chairman of the Board of UFIDA Software Co. Ltd and the Independent Non-executive Director of Glodon Company Limited (002410.SZ) and Sound Environmental Resources Company Limited (000826.SZ). 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 positions in the Ministry of Finance Reform Office In Tax System and as General Manager of UFIDA Software Co. Ltd. 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 47, Independent Non-executive Director of the Company. He is currently the Dean of Finance Department, Officer in Applied Finance and the Head of Financial Security Research Institute, he is also the non-executive director of Hwasu Corporation (000509.SZ) and Henan Province Lotus Flower Monosodium Glutamate Limited (600186.SH). Mr. Han graduated from Management Department of Beijing Technology University with a master degree, and the Economic Department of Silesian Technical University, with a master degree in Management and doctor degree in Economics. Mr. Han held a number of professor positions at Beijing Technological University, China Security Market Research Design Centre, and the Central Economic University. Mr. Han was appointed as an independent non-executive director with effect from 17 March 2005.

Mr. Pan Xingwu (潘興午), aged 45, Independent Non-executive Director of the Company. He is currently the Greater China Service Director of Motorola (China) Mobile Technology Co. Ltd. Mr. Pan 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 18 years experience working in customer service. He was appointed as an independent non-executive director with effect from 15 March 2007.

SUPERVISORS

Mr. Gong Chenghe (宮承和), aged 56, the Chairman of Supervisor Committee of the Company, he is currently the Vice Party Committee Secretary of Research Institute of China Electronic Information Industry Development and Secretary of Discipline Committee of CCID. Mr. Gong graduated from Economic Management Department of the 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 22 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. Zhao Zeming (趙澤明), aged 52, supervisor of the Company. Mr. Zhao is currently the Head of Finance Department at the Research Institute of China Electronic Information Industry Development. 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. Mr. Zhao was appointed as Supervisor on 20 November 2009.

Ms. Zhao Xiuzhen (趙秀珍), aged 38, 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.

SENIOR MANAGEMENT

Mr. Zhang Tao (張濤), aged 35, is currently the Vice General Manager of the Company., the Chief Executive Officer of Beijing CCID Innovative Investment Company Limited. Mr. Zhang was graduated from Beijing Industry & Business University with Master Degree in Business Administration. Since April 2002, Mr. Zhang held a number of positions including general manager of computer & software consulting division, communication & network consulting division, research director, and president assistant. Mr. Zhang has 9 years of experience in industry & market consulting field.

Ms. Maggie Wang (王靖), aged 34, is currently the vice president 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. Lu Kun (路琨), aged 32, is current the Chief Executive Officer of Beijing CCID Shiji Information Engineering Company Limited. Mr. Lu graduated from Tianjin University with a doctorate degree in Management. Mr. Lu joined the Company in February 2007. He served as general manager of the energy industry, research centers, business director for energy and information services, enterprise information, city information and e-government etc with more than 5 years experience.

Ms. Wen Fang (文芳), aged 31 is currently the vice president of the Company. Ms. Wen graduated from the Beijing Jiaotong University with a master's degree in economics. Ms. Wen 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 etc with more than 6 years of experience.

Mr. Bai Jiesong (白杰松), aged 35, is currently the Chief Finance Officer of the Company. Mr. Bai graduated from Beijing University of Technology with a master degree. Mr. Bai 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 (付長文), aged 30, is currently the Secretary of the Board. Mr. Fu graduated from People's University of China with a master degree in Economics. Mr. Fu joined the Company in July 2004, he served in the Investment Consulting Division, Corporate Strategic Consulting Center and Investment Management Division and Corporate Governance and has over 6 years of experience.

SENIOR MANAGEMENT (Continued)

Mr. Wong Ki Yan Davhen (黃基恩), aged 41, is currently the company secretary, authorized representative and the chief accountant of the Company. Mr. Wong is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants as well as graduated as an International Master of Business Administration at Tsinghua University and MIT Sloan. He has over 17 years of auditing, accounting and financial experience. He joined the Company in May 2006.

Mr. Qin Hailin (秦海林), aged 33 years, in currently the Vice President of the Company, and the Head of Shanghai subsidiary company. Mr. Qin graduated from Jilin University, obtained a PHD in Economics. Mr. Qin joins the Company in July 2007. He served as deputy general manager of industrialization research center, general manager for urban strategy consultation center, general inspector of government service group service, and president assistant. He has 4 year experience in the area of urban consultation strategy plan, industrial localization, campus development etc.

Mr. Wang Sanyi (王三義), aged 44, is currently the Vice President of the Company, and the Head of Shenzhen subsidiary company. Mr. Wang graduates from the Xi'an Jiaotong University, obtains PHD in management science, MBA. Mr. Wang joins the Company in September 2007, he successively holds marketing consultation services department general manager, enterprise strategy consultation duties and so on center deputy general manager, enterprise strategy and Internet referral service inspector general, assistant president, in the strategic management, human resources management, the marketing consultation, throws management consultation domains and so on financing consultation, growth enterprise to have 10 remaining years of life consultation experiences.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

For the year ended 31 December 2010, 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 2010.

BOARD OF DIRECTORS

The third Board of Directors (the "Board") of the Group currently comprises eight directors, of three are influential Independent 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 13 to 14 of the annual report.

As at 31 December 2010, the Board conforms to GEM Listing Rules. In any time, there were at least three independence non-executive directors. Moreover the number of Independent Non-executive Director should reach one-third of the total number of Board member. Simultaneously, at least an Independence Non-executive Director has the suitable professional qualification either in accountancy or finance.

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

The members of the Board as at 31 December 2010 were:

Executive directors

Mr. Luo Wen (Chairman)
Mr. Li Jun (Chief Executive Officer)

Non-executive directors

Mr. Hong Jingyi
Mr. Lu Shan
Mr. Wang Peng

Independent non-executive directors

Mr. Guo Xinping
Mr. Han Fuling
Mr. Pan Xingwu

BOARD OF DIRECTORS (Continued)

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

In 2010, the Board held eight meetings details of the attendance of the Board are as follows:–

Directors		Number of Board meeting held during the term of directorship in 2010	Attendance
Mr. Luo Wen		11	11
Mr. Li Jun		11	11
Mr. Hong Jingyi	Appointed as director on 23.11.2010	0	0
Mr. Lu Shan		11	11
Mr. Wang Peng		11	11
Mr. Guo Xinping		11	11
Mr. Han Fuling		11	11
Mr. Pan Xingwu		11	11

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.

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 2010, 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 RMB234,662 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.

As at 31 December 2010, 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 2010 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 2010.

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 2010 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 33 to 94.

The Board recommends a payment of RMB3,010,000 at RMB0.0043 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 95 to 96. 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 28 to the financial statements and in the consolidated statement of changes in equity of the Group, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2010, in accordance with the Hong Kong Company Law, no credit balance 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 28 to the financial statements, retained profits of RMB19,009,568 available for distribution as dividends.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 14% of the total sales for the year and sales to the largest customer included therein amounted to 5%. Purchases from the Group's five largest suppliers accounted for less than 11% 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 31 "Material Related Party Transaction". Save as aforesaid, none of the directors of the Company or any of their associates or any shareholders which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers.

DIRECTORS

As at 31 December 2010, the directors of the Company were:

Executive directors:

Luo Wen (Chairman)
Li Jun (Chief Executive Officer)

Non-executive directors:

Hong Jingyi
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 13 to 16 of the annual report.

DIRECTORS' SERVICE CONTRACTS

The Company 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.

The Company enters into a service contract from 24 November 2010 to 23 November 2013 with Mr. Hong Jingyi as Non-executive Director..

The Company enters into a 3 year service contract from 25 November 2009 to 24 November 2012 with Mr. Lu Shan as Non-executive Director.

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

The Company 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.

Besides the above contracts, all directors or the supervisors and their subordinate company and do not have any other service contract with the Company.

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 director remuneration are listed at Note 8 of the financial report.

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 Company has entered into certain contracts with related companies of the Company. The contract terms have been reviewed by the independent non-executive directors, who confirm that the transactions were entered into:

(1) the Company 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 31 to the financial statements.

DIRECTORS' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2010, 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.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 20 November 2002. A summary of principle terms and conditions of the share option scheme are set out in the section headed "Summary of principle terms of the share option scheme" in Appendix IV of the prospectus of the Company dated 29 November 2002. Up to 31 December 2010, no option has been granted pursuant to such share option scheme.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2010, 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 Center of MII Computer and Microelectronics Development ("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%

Name	Capacity	Nature of interest	Number and class of shares	Approximate percentage in the same class of shares	Approximate percentage of issued share capital
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 2010, 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 31 to the financial statements. Save as disclosed therein, there were no other material transactions to be disclosed as connected and related party transactions in accordance with the requirements of the GEM Listing Rules and accounting principles generally accepted in Hong Kong.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2010, the Group had around 350 (2009: 308) 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 2010 have been audited by Ho & Chung CPA Limited who retire and, offer themselves for re-appointment at the 2011 annual general meeting.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on pages 17 to 20 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 24 September 2010, 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 23 November 2010 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 23 November 2010;

(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 2011

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 2010, 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 2010 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 2011

INDEPENDENT AUDITOR'S 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 consolidated financial statements of the Group set out on pages 33 to 94 which comprise the consolidated and separate statements of financial position as at 31 December 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRS and the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity'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 consolidated financial statements.

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

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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

OPINION

In our opinion, the consolidated 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 2010 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 2011
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
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CONSOLIDATED INCOME STATEMENT OF THE GROUP

Year ended 31 December 2010

	Notes	2010 RMB	2009 RMB
Turnover	4a	**113,502,928**	106,251,580
Cost of sales		**(63,191,720)**	(59,795,495)
Gross profit		**50,311,208**	46,456,085
Other revenue			
Other revenue	4b	**2,812,845**	1,019,534
Gain on investments		**6,094**	5,748
Fair value adjustment on financial assets		**–**	76,650
		2,818,939	1,101,932
		53,130,147	47,558,017
Operating expenses			
Selling and distribution costs		**(11,925,115)**	(10,277,908)
Administrative expenses		**(21,024,826)**	(19,705,216)
Financial expenses		**–**	(81)
Other operating expenses		**(10,818)**	(81,223)
		(32,960,759)	(30,064,428)
Impairment of assets	5	**(2,401,903)**	(90,885)
Fair value adjustment on financial assets		**(54,600)**	–
		(35,417,262)	(30,155,313)
Profit before taxation	6	**17,712,885**	17,402,704
Taxation	7	**(3,473,138)**	(3,121,720)
Profit for the year		**14,239,747**	14,280,984
Attributable to:			
Equity holders of the Company	10	**12,790,391**	11,876,557
Non-controlling interest		**1,449,356**	2,404,427
Profit for the year		**14,239,747**	14,280,984
Dividends			
Final: RMB0.43 (2009: RMB0.57) cents per share	11	**3,010,000**	3,990,000
Earnings per share			
Basic (cents)	12	**1.8**	1.7
Diluted (cents)	12	**1.8**	1.7

The notes on pages 40 to 94 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP

Year ended 31 December 2010

	Note	**2010** **RMB**	2009 RMB
Profit for the year		**14,239,747**	14,280,984
Other comprehensive income		**–**	–
Total comprehensive income		**14,239,747**	14,280,984
Attributable to:			
Equity holders of the Company	10	**12,790,391**	11,876,557
Non-controlling interest		**1,449,356**	2,404,427
		14,239,747	14,280,984

The notes on pages 40 to 94 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP

At 31 December 2010

	Notes	2010 RMB	2009 RMB
Non-current assets			
Property, plant and equipment	14	**25,942,536**	26,428,282
Intangible assets	16	**14,681,500**	14,681,500
Accrued assets	17	**23,863,545**	18,458,013
Long term investments	21	**1,990,000**	1,990,000
Deferred tax assets	26	**367,087**	153,557
		66,844,668	61,711,352
Current assets			
Accounts receivable and accrued assets	17	**33,432,269**	24,925,577
Due from related parties	18	**–**	22,394
Due from the ultimate holding company	18	**1,146,743**	1,154,754
Prepayments, deposits and other receivables	19	**6,224,271**	6,638,540
Cash at bank and in hand	20	**27,268,070**	33,312,278
Short term investments	21	**235,620**	290,220
		68,306,973	66,343,763
Current liabilities			
Accounts payable and accrued liabilities	22	**1,205,408**	977,819
Accrued salary and welfare		**3,692,216**	2,661,075
Accruals and other payables	23	**13,451,065**	16,796,132
Due to immediate holding company	24	**1,920,771**	1,749,215
Current tax liabilities		**375,488**	2,232,536
		20,644,948	24,416,777
Net current assets		**47,662,025**	41,926,986
Total assets less current liabilities		**114,506,693**	103,638,338
Non-current liabilities			
Accrued liabilities	22	**10,878,663**	10,922,980
Deferred tax liabilities	26	**1,262,925**	–
		12,141,588	10,922,980
NET ASSETS		**102,365,105**	92,715,358

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP

At 31 December 2010

	Notes	**2010** **RMB**	2009 RMB
EQUITY			
Share capital	27	**70,000,000**	70,000,000
Reserves	28	**22,281,002**	13,480,451
Total equity attributable to equity shareholders of the Company		**92,281,002**	83,480,451
Non-controlling interests	28	**10,084,103**	9,234,907
TOTAL EQUITY		**102,365,105**	92,715,358

Approved and authorised for issue by the board of Directors on 28 March 2011.

Li Jun
Director

Luo Wen
Director

The notes on pages 40 to 94 form part of these financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

At 31 December 2010

	Notes	2010 RMB	2009 RMB
Non-current assets			
Property, plant and equipment	14	**25,903,387**	25,934,628
Interests in subsidiaries	15	**44,592,021**	94,292,988
Deferred tax assets	26	**354,774**	141,244
		70,850,182	120,368,860
Current assets			
Interests in subsidiaries	15	**49,700,967**	–
Accounts receivable and accrued assets	17	**32,025,364**	23,622,809
Due from ultimate holding company	18	**1,146,743**	1,154,754
Prepayments, deposits and other receivables	19	**3,003,926**	3,001,354
Cash at bank and in hand	20	**12,142,758**	14,219,492
Short term investments	21	**235,620**	290,220
		98,255,378	42,288,629
Current liabilities			
Accounts payable and accrued liabilities	22	**13,567,121**	10,427,064
Accrued salary and welfare		**2,485,442**	2,340,121
Accruals and other payables	23	**7,241,652**	7,596,699
Due to immediate holding company	24	**1,799,173**	1,689,586
Due to subsidiaries	25	**26,410,727**	500,000
Current tax liabilities		**456,996**	1,285,502
		51,961,111	23,838,972
Net current assets		**46,294,267**	18,449,657
Total assets less current liabilities		**117,144,449**	138,818,517
Non-current liabilities			
Due to subsidiaries	25	**500,000**	26,410,727
NET ASSETS		**116,644,449**	112,407,790
EQUITY			
Share capital	27	**70,000,000**	70,000,000
Reserves	28	**46,644,449**	42,407,790
TOTAL EQUITY		**116,644,449**	112,407,790

Approved and authorised for issue by the board of Directors on 28 March 2011.

Li Jun
Director

Luo Wen
Director

The notes on pages 40 to 94 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE GROUP

Year ended 31 December 2010

	Note	**2010 RMB**	2009 RMB
Share capital			
Balance at beginning and end of year	27	**70,000,000**	70,000,000
Statutory reserve funds			
Balance at beginning of year		**2,483,194**	1,042,521
Appropriated from retained profits and non-controlling interests		**788,240**	1,440,673
Balance at end of year		**3,271,434**	2,483,194
Retained profits			
Balance at beginning of year		**10,997,257**	7,561,090
Profit for the year*		**12,790,391**	11,876,557
Appropriated to statutory reserve funds		**(788,080)**	(950,390)
2009 final dividend: RMB0.57 cents per share		**(3,990,000)**	–
2008 final dividend: RMB1.07 cents per share		**–**	(7,490,000)
Balance at end of year		**19,009,568**	10,997,257
Attributable to equity holders of the Company		**92,281,002**	83,480,451
Non-controlling interests			
Balance at beginning of year		**9,234,907**	8,820,763
Profit for the year*		**1,449,356**	2,404,427
Appropriated to statutory reserve funds		**(160)**	(490,283)
Final dividend		**(600,000)**	(1,500,000)
Balance at end of year		**10,084,103**	9,234,907
Total		**102,365,105**	92,715,358
Total comprehensive income for the year*			
Attributable to equity holders of the Company		**12,790,391**	11,876,557
Attributable to non-controlling interests		**1,449,356**	2,404,427
		14,239,747	14,280,984

The notes on pages 40 to 94 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS OF THE GROUP

Year ended 31 December 2010

	Note	**2010 RMB**	2009 RMB
Operating activities			
Operating profit		**17,712,885**	17,402,704
Depreciation		**1,686,914**	1,736,855
Interest income		**(194,261)**	(190,431)
Loss on disposal of property, plant and equipment		**56,649**	–
Fair value adjustment on financial assets		**54,600**	(76,650)
Operating profit before working capital changes		**19,316,787**	18,872,478
Increase in accounts receivable and accrued assets		**(13,912,224)**	(9,533,069)
(Increase)/decrease in prepayments, deposits and other receivables		**436,663**	(576,001)
Increase in accounts payables and accrued liabilities		**183,273**	3,068,612
Increase in accrued salary and welfare		**1,031,141**	1,203,969
Increase/(decrease) in accruals and other payables		**(3,345,068)**	883,028
Cash generated from operations		**3,710,572**	13,919,017
PRC enterprise income tax paid		**(4,280,791)**	(2,227,369)
Net cash generated from/(used in) operating activities		**(570,219)**	11,691,648
Cash flows from investing activities			
Payments to acquire property, plant and equipment		**(1,257,817)**	(257,354)
(Increase)/decrease in amounts due from ultimate holding company		**8,011**	(174,754)
Interest received		**194,261**	190,431
Net cash used in investing activities		**(1,055,545)**	(241,677)
Cash flows from financing activities			
Increase/(decrease) in amount due to immediate holding company		**171,556**	(396,604)
Dividend paid		**(4,590,000)**	(8,990,000)
Net cash used in financing activities		**(4,418,444)**	(9,386,604)
Net increase/(decrease) in cash and cash equivalents		**(6,044,208)**	2,063,367
Cash and cash equivalents at beginning of year		**33,312,278**	31,248,911
Cash and cash equivalents at end of year	20	**27,268,070**	33,312,278

The notes on pages 40 to 94 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

(a) Definition

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

The Company	CCID Consulting Company Limited 賽迪顧問股份有限公司
The Directors	all of the directors of the Company
The Group	comprises the Company and all of its subsidiaries
HKICPA	Hong Kong Institute of Certified Public Accountants
Exchange	The Stock Exchange of Hong Kong Limited
HKFRS	Hong Kong Financial Reporting Standard issued by HKICPA
HKAS	Hong Kong Accounting Standard issued by HKICPA
HK(IFRIC)-Int	Hong Kong Interpretation issued by HKICPA based on equivalent Interpretation issued by International Financial Reporting Interpretation Committee
PRC	The People's Republic of China
MIICMD	Research Center 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

1. GENERAL (Continued)

(a) Definition (Continued)

CCID Advertising	Beijing CCID Innovation Investment Consulting 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 of the Group and now the available-for-sale financial assets
CCID Group	comprises CCID and all of its subsidiaries, connected parties, controlling entities and agents
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 controlling interests thereon or are in a position to exercise significant influence on financial and operation decision
GEM	Growth Enterprise Market

1. GENERAL (Continued)

(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 Level 28, Three Pacific Place, 1 Queen's Road East, 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.

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 2010 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).

2. BASIS OF PREPARATION (Continued)

(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.

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.

2. BASIS OF PREPARATION (Continued)

(d) Effective HKFRSs

HKICPA issued the following HKFRS, HKAS and their improvements, newly issued or revised as indicated, which are generally effective in this financial year.

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 2009

As the Company as well as the Group early adopted the above HKFRS, HKAS and their improvements in last accounting year, their becoming effective do not have financial implication to the Company as well as the Group in this financial year.

Apart from the aforesaid accounting standards and improvements, there are some other HKFRSs, HKASs, HK(IFRIC)-Ints and their amendments becoming effective in this year. However, these new standards do not have financial implication to the Company as well as the Group.

2. BASIS OF PREPARATION (Continued)

(e) Impact of issued but not yet effective HKFRS

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

		Effective from
Amendment to HKFRS 1	First-time Adoption of HKFRSs – Limited Exemption for First-time Adopters	1 July 2010
Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of Financial Assets	1 July 2011
HKFRS 9 (Revised)	Financial instruments	1 January 2013
HKAS 24 (Revised)	Related party disclosures	1 January 2011
HK(IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments	1 July 2010
Amendment to HKAS 12	Income taxes	1 January 2012
Amendment to HKAS 32	Financial instruments: Presentation – Classification of right issues	1 February 2010
Amendment to HK(IFRIC)-Int 14	HKAS 19 – The limit on defined benefit asset, minimum funding requirements and their interactions	1 January 2011
Improvement to HKFRSs 2010	Amendments to HKFRS and related basis for conclusion and guidance made in response to the IASB annual improvement project in 2010	1 July 2010 or 1 January 2011

The Company as well as the Group had early adopted HKAS 24 (Revised) in the financial statements for 2009.

The Company as well as the Group have not early adopted the other Revised 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 Revised Standards and Amendments but not yet in a position to state whether the other Revised Standards and Amendments would have a significant impact on their operating results and financial positions.

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 face 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 separate 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 with indefinite useful lives are stated at cost less accumulated amortisation and impairment losses, if any brought forward from previous years. They are not subject to amortisation but reviewed for impairment annually.

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:

	2010	2009
Land and buildings held under finance lease	**30 years**	Not applicable
Land and buildings held under operating lease	**30 years**	30 years
Furniture, fixtures and equipment	**5 years**	5 years
Motor vehicles	**5 years**	5 years

(d) Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Company are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities, as appropriate. The interest element of the finance cost is recognised in profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Assets held under finance lease are depreciated over the shorter of the estimated useful life of the asset or the lease term on straight-line basis.

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 applicable to such operating leases are charged to profit or loss on a straight-line basis over the lease term. Upfront payments on leasehold land and land use rights are charged to 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 recognised as a reduction of rental expenses over the lease term on straight-line basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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;
- investments in subsidiaries (excluding those classified as current assets);
- available-for-sale financial assets stated at cost.

If any such indication exists, the asset's recoverable amount is estimated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Impairment of assets (Continued)

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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 categorised 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 profit or loss.

(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 recognised 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 end of reporting period, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at each end 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 progress reports submitted by the staff-in-charge with the assessment of Project Manager and Department Head. 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.

The expected loss foreseeable by management 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.

(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 unrecognised revenue will be equally allocated to the remaining contract period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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:

	2010 **RMB**	2009 RMB
Market research services	**25,172,491**	31,336,874
Data information management services	**1,119,655**	1,934,353
Management and public relation consultancy services	**53,249,303**	38,640,077
Information engineering supervision services	**31,248,369**	26,421,097
Provision of training services	**2,713,110**	7,919,179
	113,502,928	106,251,580

(b) Other revenue

	2010 **RMB**	2009 RMB
Interest income from bank deposits	**194,261**	190,431
Sundry income	**1,312,729**	829,103
Trade and other payables written off	**1,305,855**	–
	2,812,845	1,019,534

5. IMPAIRMENT OF ASSETS

	2010 **RMB**	2009 RMB
Trade receivables		
Bad and doubtful debts recognised in profit or loss	**2,570,043**	279,540
Bad and doubtful debts recovered	**(168,140)**	(188,655)
	2,401,903	90,885

The Directors have carried out individual assessment on accounts receivable 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 during the year include:

	2010 **RMB**	2009 RMB
Individually assessed		
New and additions	**2,570,043**	279,540
Less: Recovered	**(168,140)**	(188,655)
	2,401,903	90,885

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

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

	2010 RMB	2009 RMB
Salaries, wages and other benefits	**42,526,966**	37,889,791
Retirement benefit scheme contributions	**8,811,123**	8,348,993
Total staff costs	**51,338,089**	46,238,784

Total staff costs include research and development costs amounted to RMB2,369,604 (2009: RMB2,586,032).

At 31 December 2010, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2009: Nil).

(b) Other items

	2010 RMB	2009 RMB
Cost of services provided#	**63,191,720**	59,795,495
Auditors' remuneration	**234,662**	446,408
Depreciation#	**1,686,914**	1,736,855
Loss on disposal of property, plant and equipment	**56,649**	–
Operating lease charges – Land and buildings	**724,294**	664,607
Research and development cost#	**2,369,604**	2,586,032
Net exchange (gain)/loss	**(16,669)**	81,125
# The cost of services provided included:		
Depreciation	**884,341**	959,821
Staff cost	**28,519,661**	25,111,383
Research and development cost	**2,369,604**	2,586,032

7. TAXATION

(a) Taxation in the consolidated income statement represents:

	2010 RMB	2009 RMB
PRC enterprise income tax		
Provision for the year	**2,884,200**	3,275,277
Deferred tax – temporary differences	**588,938**	(153,557)
	3,473,138	3,121,720

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 2010 (2009: 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% (2009: 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% (2009: 15%).

Major unrecognised deferred tax as at 31 December 2010 is disclosed in note 26(b).

7. TAXATION (Continued)

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

	2010 RMB	2009 RMB
Profit before taxation	**17,712,885**	17,402,704
Applicable tax rate	**25%**	25%
Product of accounting profit multiplied by applicable tax rate	**4,428,221**	4,350,676
Tax effect of non-deductible expenses	**720,173**	15,167
Preferential tax rate granted to high technology industry	**(41,248)**	(726,606)
Tax effect of unused tax losses	**250,183**	807,450
Tax effect of recognised but non-deductible expenses	**(86,064)**	–
Tax effect of unrecognised but taxed income	**125,000**	–
Tax effect of deductible but not recognised expenses	**(2,537,862)**	(908,870)
Tax effect of recognised but untaxed income	**(1,526)**	(262,540)
Adjustment on deferred tax (income)/expenses	**588,938**	(153,557)
Other adjustment	**27,323**	–
Tax expense	**3,473,138**	3,121,720

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:

	2010 RMB	2009 RMB
Fees	**332,300**	352,414
Salaries and other benefits	**1,006,559**	914,632
Bonus	**596,334**	671,096
Retirement benefit scheme contributions	**184,857**	198,431
	2,120,050	2,136,573

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

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

2010

	Fees RMB	Salaries and other benefits RMB	Bonus RMB	Retirement benefit scheme contributions RMB	Total RMB
Executive directors					
Luo Wen	28,571	–	–	–	28,571
Li Jun	30,000	440,764	278,167	61,619	810,550
Non-executive directors					
Wang Peng	28,571	–	–	–	28,571
Lu Shan	28,571	435,504	278,167	61,619	803,861
Hong Jingyi	2,300	–	–	–	2,300
Independent non-executive directors					
Guo Xinping	42,858	–	–	–	42,858
Pan Xingwu	42,858	–	–	–	42,858
Han Fuling	42,858	–	–	–	42,858
Supervisors					
Gong Chenghe	28,571	–	–	–	28,571
Zhao Xiuzhen	28,571	130,291	40,000	61,619	260,481
Zhao Zeming	28,571	–	–	–	28,571
Total for 2010	332,300	1,006,559	596,334	184,857	2,120,050

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

2009

	Fees RMB	Salaries and other benefits RMB	Bonus RMB	Retirement benefit scheme contributions RMB	Total 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 Xiuzhen	29,622	148,810	35,000	54,729	268,161
Total for 2009	352,414	914,632	671,096	198,431	2,136,573

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 2010 (2009: Nil).

No directors and supervisors forfeited any emolument during the year ended 31 December 2010 (2009: Nil).

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2009: three) are directors and supervisors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other three (2009: two) individuals are as follows:

	2010 **RMB**	2009 RMB
Salaries and other benefits	**1,131,094**	664,852
Bonuses	**498,595**	589,365
Retirement benefit scheme contributions	**182,814**	113,228
	1,812,503	1,367,445

The emoluments of each highest paid individual during the year ended 31 December 2010 falls below RMB1,000,000 (2009: 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 2010 (2009: Nil).

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

The profit attributable to equity holders of the Company includes RMB8,226,659 (2009: RMB7,045,953) which has been dealt with in the financial statements of the Company.

11. DIVIDENDS

	2010 **RMB**	2009 RMB
Proposed final: RMB0.0043 (2009: RMB0.0057) per share		
– Domestic and legal person share	**2,111,300**	2,798,700
– H share	**898,700**	1,191,300
	3,010,000	3,990,000

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

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:

(i) Making up prior year's accumulative losses, if any.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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:

	2010	2009
Profit attributable to equity holders of the Company (RMB dollars)	**12,790,391**	11,876,557
Divided by weighted average number of issued shares (shares)	**700,000,000**	700,000,000
Basic and diluted earnings per share (RMB cents)	**1.8**	1.7

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 among 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 amortisation 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

2010	**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	**25,172,491**	**53,249,303**	**31,248,369**	**2,713,110**	**1,119,655**	**113,502,928**
Inter-segment income	**–**	**–**	**–**	**–**	**4,100,000**	**4,100,000**
Segment profit/(loss)	**11,560,078**	**24,184,362**	**14,173,332**	**1,610,652**	**(332,876)**	**51,195,548**
Other material non-cash items:						
– Impairment loss	**(94,520)**	**(708,000)**	**(1,599,383)**	**–**	**–**	**(2,401,903)**
Reportable segment assets	**7,165,597**	**25,658,592**	**26,865,280**	**42,600**	**558,747**	**60,290,816**
Reportable segment liabilities	**603,060**	**1,158,945**	**13,549,055**	**41,634**	**2,876,718**	**18,229,412**
	44,406,706	**103,543,202**	**84,236,653**	**4,407,996**	**8,322,244**	**244,916,801**
2009						
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

13. OPERATING SEGMENTS (Continued)

Reconciliations of reportable segment revenues, profit, assets and liabilities

2010	**Revenue RMB**	**Profit RMB**	**Assets RMB**	**Liabilities RMB**
Total per reportable segments	**117,602,928**	**51,195,548**	**60,290,816**	**18,229,412**
Elimination	**(4,100,000)**	**–**	**–**	**–**
Other revenue and net gains	**–**	**2,818,929**	**–**	**–**
Other operating expenses	**–**	**(33,899,689)**	**–**	**–**
Unallocated assets	**–**	**–**	**74,860,825**	**–**
Unallocated liabilities	**–**	**–**	**–**	**14,557,124**
Other material non-cash items:				
– Impairment loss	**–**	**(2,401,903)**	**–**	**–**
Total per consolidated financial statements	**113,502,928**	**17,712,885**	**135,151,641**	**32,786,536**
2009				
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

13. OPERATING SEGMENTS (Continued)

Reconciliations of other material items

	2010			2009		
	Reportable segment total RMB	**Adjustment RMB**	**The Group's total RMB**	Reportable segment total RMB	Adjustment RMB	The Group's total RMB
Interest revenue	**–**	**194,261**	**194,261**	–	190,431	190,431
Interest expenses	**–**	**–**	**–**	–	81	81
Depreciation	**–**	**1,686,914**	**1,686,914**	–	1,736,855	1,736,855
Segment profit	**51,195,548**	**(884,340)**	**50,311,208**	47,415,906	(959,821)	46,456,085
Expenditure for assets	**885,661**	**272,767**	**1,158,428**	195,909	61,445	257,354
Other material non-cash items:						
– Impairment loss	**(2,401,903)**	**–**	**(2,401,903)**	(90,885)	–	(90,885)
	49,679,306	**1,269,602**	**50,948,908**	47,520,930	1,028,991	48,549,921

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 total revenue.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Cost RMB	**Accumulated depreciation and impairment losses** RMB	**Net carrying value** RMB
Land and buildings held under operating lease in PRC under medium term			
Balance at 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 and beginning of 2010	32,818,854	(7,972,265)	24,846,589
Depreciation charge	–	(780,975)	(780,975)
Transfer of assets	(32,818,854)	8,753,240	(24,065,614)
Balance at end of 2010	–	–	–
Land and buildings held under finance lease in PRC under medium term			
Balance at beginning and end of 2009 and beginning of 2010	–	–	–
Transfer of assets	32,818,854	(8,753,240)	24,065,614
Depreciation charge	–	(260,325)	(260,325)
Balance at end of 2010	32,818,854	(9,013,565)	23,805,289
Furniture, fixtures and equipment			
Balance at 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 and beginning of 2010	4,861,641	(3,468,321)	1,393,320
Additions	1,006,607	–	1,006,607
Depreciation charge	–	(602,864)	(602,864)
Disposals	(56,649)	–	(56,649)
Balance at end of 2010	5,811,599	(4,071,185)	1,740,414

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group (Continued)

	Cost RMB	Accumulated depreciation and impairment losses RMB	Net carrying value RMB
Motor vehicles			
Balance at beginning of 2009	489,967	(221,087)	268,880
Depreciation charge	–	(80,507)	(80,507)
Balance at end of 2009 and beginning of 2010	489,967	(301,594)	188,373
Additions	251,210	–	251,210
Depreciation charge	–	(42,750)	(42,750)
Balance at end of 2010	741,177	(344,344)	396,833
Total			
Balance at 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 and beginning of 2010	**38,170,462**	**(11,742,180)**	**26,428,282**
Additions	1,257,817	–	1,257,817
Depreciation charge	–	(1,686,914)	(1,686,914)
Disposals	(56,649)	–	(56,649)
Balance at end of 2010	**39,371,630**	**(13,429,094)**	**25,942,536**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company

	Cost RMB	**Accumulated depreciation and impairment losses** RMB	**Net carrying value** RMB
Land and buildings held under operating lease in PRC under medium term			
Balance at 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 and beginning of 2010	32,818,854	(7,972,265)	24,846,589
Depreciation charge	–	(780,975)	(780,975)
Transfer of assets	(32,818,854)	8,753,240	(24,065,614)
Balance at end of 2010	–	–	–
Land and buildings held under finance lease in PRC under medium term			
Balance at beginning and end of 2009 and beginning of 2010	–	–	–
Transfer of assets	32,818,854	(8,753,240)	24,065,614
Depreciation charge	–	(260,325)	(260,325)
Balance at end of 2010	32,818,854	(9,013,565)	23,805,289
Furniture, fixtures and equipment			
Balance at 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 and beginning of 2010	3,537,596	(2,462,805)	1,074,791
Additions	1,485,050	–	1,485,050
Depreciation charge	–	(424,580)	(424,580)
Disposals	(50,411)	–	(50,411)
Balance at end of 2010	4,972,235	(2,887,385)	2,084,850

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company (Continued)

	Cost	Accumulated depreciation and impairment losses	Net carrying value
	RMB	RMB	RMB
Motor vehicles			
Balance at beginning of 2009	264,967	(213,962)	51,005
Depreciation charge	–	(37,757)	(37,757)
Balance at end of 2009 and beginning of 2010	264,967	(251,719)	13,248
Depreciation charge	–	–	–
Balance at end of 2010	264,967	(251,719)	13,248
Total			
Balance at 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 and beginning of 2010	**36,621,417**	**(10,686,789)**	**25,934,628**
Additions	1,485,050	–	1,485,050
Depreciation charge	–	(1,465,880)	(1,465,880)
Disposals	(50,411)	–	(50,411)
Balance at end of 2010	**38,056,056**	**12,152,669**	**25,903,387**

In 2002, the Company entered into a sale and purchase agreement with 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. In previous years, the Company had yet obtained the title deed of the Properties. In the opinion of the Directors, the significant risks and rewards of ownership associated with the Properties had yet been fully transferred to the Company. Accordingly, the Company as well as the Group used to recognise the Properties as land and buildings under operating lease in accordance with HKAS 17.

On 29 September 2010, the Company obtained the title deed of the Properties. At the same time, all the risks and rewards of the ownership associated with the Properties were passed to the Company. Accordingly, the Company as well as the Group reclassify the Properties as land and buildings held under finance lease in this year.

15. INTERESTS IN SUBSIDIARIES

The Company

	2010 RMB	2009 RMB
Unlisted share, at cost	**94,292,988**	94,292,988
Current portion (note a)	**49,700,967**	–
Non-current portion	**44,592,021**	94,292,988

Details of the subsidiaries at 31 December 2010 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 Information Engineering Supervision Co., Ltd. (note a)	Beijing, PRC	10,000,000	70%	Provision of information engineering supervision and training services
Beijing CCID Innovation Investment Consulting Co., Ltd. (note b)	Beijing, PRC	500,000	80%	Provision for investment consulting, it is inactive during the year
Beijing CCID Classic Public Relationship Co., Ltd. (note c)	Beijing, PRC	300,000	80%	Provision for intermediate planning and public relationship services

Notes:

(a) On 23 October 2010, the Company entered into a sale and purchase agreement with CCID Database whereby the Company sold its 70% of equity interests in CCID Supervision to CCID Database at a consideration of RMB53,900,000. After the share transfer, the Company will indirectly hold 66.5% equity interests in CCID Supervision through CCID Database. At the end of reporting period, the transfer was in progress but would be expected to be completed within twelve months after the reporting period. Accordingly, the investment in CCID Supervision is reclassified as current assets in this year.

(b) On 18 October 2010, CCID Advertising changed its name to Beijing CCID Innovation Investment Consulting Co., Ltd.

(c) On 18 January 2011, CCID PR changed its name to Beijing CCID Strategic Management Consulting Co., Ltd.

16. INTANGIBLE ASSETS

The Group

	2010 **RMB**	2009 RMB
Information database with indefinite useful lives		
Cost	**38,268,201**	38,268,201
Accumulated amortisation and impairment losses	**(23,586,701)**	(23,586,701)
Balance at beginning and end of year	**14,681,500**	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 recognised as expenses on straight-line basis based on its estimated useful life of 10 years. The amortised expenses were included in cost of sales in the profit or loss.

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. As a new version of website was introduced to the market, the management held that the 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 relies 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 amortisation and impairment losses in accordance with paragraph 74 of HKAS 38 ("Intangible assets"). As the useful life of the information database is indefinite, no amortisation 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").

16. INTANGIBLE ASSETS (Continued)

At the end of reporting period, the management of the Group evaluated the recoverable amount of the intangible assets using dividend model with the following major assumptions.

	2010 **RMB**	2009 RMB
Relevant net cash flow	**3,254,409**	2,038,043
Long-term growth rate	**3%**	3%
Return on capital employed	**13.86%**	13.86%
Recoverable amount measured by dividend model	**30,865,942**	19,329,509

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.

17. ACCOUNTS RECEIVABLE AND ACCRUED ASSETS

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

	The Group		**The Company**	
	2010 **RMB**	2009 RMB	**2010** **RMB**	2009 RMB
Within 60 days	**12,336,529**	10,235,943	**8,623,047**	7,724,126
61 days to 180 days	**14,451,415**	11,146,896	**8,103,984**	6,538,723
181 days to 365 days	**11,684,683**	8,648,440	**6,967,563**	6,059,998
Over 365 days	**18,823,187**	13,352,311	**8,330,770**	3,299,962
	57,295,814	43,383,590	**32,025,364**	23,622,809
Current accounts receivable and accrued assets	**33,432,269**	24,925,577	**32,025,364**	23,622,809
Non-current accrued assets	**23,863,545**	18,458,013	**–**	–
Reconciliation of allowance account for credit losses:				
Balance at beginning of year	**940,140**	849,255	**415,840**	324,955
New and addition	**2,570,043**	279,540	**970,660**	279,540
Written back	**(527,300)**	–	**(3,000)**	–
Recovered	**(168,140)**	(188,655)	**(168,140)**	(188,655)
Balance at end of year	**2,814,743**	940,140	**1,215,360**	415,840

17. 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.

Included in the balance of the Group's accounts receivable and accrued assets at 31 December 2010 was an amount due from contract customers of RMB15,888,991 (2009: RMB15,674,506).

The Company as well as the Group recognise major revenue based on the percentage of completion of respective projects or on straight-line basis over the contract period. The accounts receivable is recognised in accordance with the payment terms as stated in the service contracts. The corresponding assets of recognised revenue that has yet met the condition to be recognised as accounts receivable is recognised as accrued assets until these assets can be recognised as accounts receivable.

18. 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**	
Name of related parties	**2010 RMB**	2009 RMB	**2010 RMB**	2009 RMB
Beijing CCID Software Licensing Co., Ltd.	**–**	6,270	**–**	–
Beijing CCID Information Technology Appraisal Co., Ltd.	**–**	16,124	**–**	–
	–	22,394	**–**	–

The above related parties are controlled by CCID. The amounts due from related parties are 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**	
	2010 RMB	2009 RMB	**2010 RMB**	2009 RMB
CCID	**1,146,743**	1,154,754	**1,146,743**	1,154,754

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

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	The Group		The Company	
	2010	2009	**2010**	2009
	RMB	RMB	**RMB**	RMB
Advances to employees	**1,705,200**	2,353,058	**1,262,271**	1,117,832
Prepayments	**1,536,867**	104,983	**–**	–
Rental and other deposits	**948,993**	1,972,159	**53,000**	71,266
Pledged deposits	**334,241**	391,600	**–**	–
Others	**1,698,970**	1,816,740	**1,688,655**	1,812,256
	6,224,271	6,638,540	**3,003,926**	3,001,354

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

20. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2010	2009	**2010**	2009
	RMB	RMB	**RMB**	RMB
Cash at banks and on hand	**27,268,070**	33,312,278	**12,142,758**	14,219,492

The cash and cash equivalents as per consolidated statement of financial position are identical to that per consolidated statement of cash flows.

Included in cash and cash equivalents in the statement of financial position 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	
	2010	2009	**2010**	2009
			RMB	RMB
United States Dollars	**2**	72	**14**	491
Hong Kong Dollars	**36,512**	36,505	**32,192**	32,186

21. INVESTMENTS

	The Group		The Company	
	2010	2009	**2010**	2009
	RMB	RMB	**RMB**	RMB
Designated financial assets at fair value through profit or loss at initial recognition, at fair value				
PRC listed securities (note a)	**235,620**	290,220	**235,620**	290,220
	235,620	290,220	**235,620**	290,220
Available-for-sale financial assets, at cost				
Unlisted share (note b)	**8,656,500**	8,656,500	**–**	–
Less: Impairment loss	**(6,666,500)**	(6,666,500)	**–**	–
	1,990,000	1,990,000	**–**	–
Total	**2,225,620**	2,280,220	**235,620**	290,220
Long term investment	**1,990,000**	1,990,000	**–**	–
Short term investment	**235,620**	290,220	**235,620**	290,220
Market value of listed shares	**235,620**	290,220	**235,620**	290,220

Notes:

(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% (2009: 19.9%) equitable interests in CCID Exhibition held by CCID Supervision.

22. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

An ageing analysis of the accounts payable and accrued liabilities is as follows:

	The Group		**The Company**	
	2010 RMB	2009 RMB	**2010 RMB**	2009 RMB
Within 60 days	**1,726,861**	2,584,813	**1,540,237**	1,882,384
61 days to 180 days	**1,756,666**	2,216,147	**901,293**	981,832
181 days to 365 days	**2,234,265**	1,144,370	**1,817,507**	1,803,848
Over 365 days	**6,366,279**	5,955,469	**9,308,084**	5,759,000
	12,084,071	11,900,799	**13,567,121**	10,427,064
Current accounts payable and accrued liabilities	**1,205,408**	977,819	**13,567,121**	10,427,064
Non-current accrued liabilities	**10,878,663**	10,922,980	**–**	–

(a) The accounts payable and accrued liabilities of the Group includes balances due to related companies of RMB42,358 (2009: RMB13,121).

(b) The accounts payable and accrued liabilities of the Group includes balances due to contract vendors of RMB536,387 (2009: RMB124,067).

23. ACCRUALS AND OTHER PAYABLES

	The Group		**The Company**	
	2010 RMB	2009 RMB	**2010 RMB**	2009 RMB
Provision for social insurance fees and the public housing funds	**5,598,161**	7,282,391	**3,339,491**	3,815,080
Other tax payables	**1,712,711**	2,529,269	**699,776**	1,861,963
Received in advance	**3,216,788**	4,991,555	**965,168**	664,393
Others	**2,923,405**	1,992,917	**2,237,217**	1,255,263
	13,451,065	16,796,132	**7,241,652**	7,596,699

24. DUE TO IMMEDIATE HOLDING COMPANY

	The Group		The Company	
	2010 RMB	2009 RMB	**2010 RMB**	2009 RMB
Acquisition of the ninth and tenth floors of the CCID Plaza (note (a))	**1,577,829**	1,577,829	**1,577,829**	1,577,829
Others (note (b))	**342,942**	171,386	**221,344**	111,757
	1,920,771	1,749,215	**1,799,173**	1,689,586

Notes:

(a) The amount due to the immediate holding company at 31 December 2010 included the amount payable to MIICMD for the acquisition of the ninth and tenth floors of CCID Plaza. The amount payable is interest-free and repayable in accordance with the terms of the relevant property purchase agreement.

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

25. DUE TO SUBSIDIARIES

	The Group		The Company	
	2010 RMB	2009 RMB	**2010 RMB**	2009 RMB
Current liabilities	**–**	–	**26,410,727**	500,000
Non-current liabilities	**–**	–	**500,000**	26,410,727
	–	–	**26,910,727**	26,910,727

The amounts are unsecured, interest-free and have 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 2011.

26. DEFERRED TAXATION

(a) Recognised deferred tax

Components of recognised deferred tax:

	The Group		The Company	
	2010 RMB	2009 RMB	**2010 RMB**	2009 RMB
Deferred tax assets				
Financial assets	**41,083**	15,120	**28,770**	15,120
Impairment loss on accounts receivable	**326,004**	138,437	**326,004**	126,124
	367,087	153,557	**354,774**	141,244
Deferred tax liabilities				
Profit recognised in accordance with HKAS but not yet included in taxable profit	**1,262,925**	–	**–**	–

(b) Unrecognised deferred tax

Components of unrecognised deferred tax assets/(liabilities):

	The Group		The Company	
	2010 RMB	2009 RMB	**2010 RMB**	2009 RMB
Retirement benefit accrued	**(291,000)**	–	**–**	–
Unused tax loss	**3,080,000**	2,830,000	**–**	–
Intangible assets	**(2,590,000)**	(1,680,000)	**–**	–
	199,000	1,150,000	**–**	–

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.

27. SHARE CAPITAL

The Group and the Company

	2009 and 2010	
	Number of shares	**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

28. RESERVES

The Group	**Attributable to equity holders of the Company**				
	Statutory reserve account	**Retained profits**	**Total**	**Non-controlling interest**	**Total**
	RMB (note b)	RMB	**RMB**	RMB	**RMB**
Balance at 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**
Transferred to statutory reserve funds	1,440,673	(950,390)	**490,283**	(490,283)	**–**
Final dividend for 2008	–	(7,490,000)	**(7,490,000)**	(1,500,000)	**(8,990,000)**
Balance at end of 2009 and beginning of 2010	2,483,194	10,997,257	**13,480,451**	9,234,907	**22,715,358**
Profit for the year	–	12,790,391	**12,790,391**	1,449,356	**14,239,747**
Transferred to statutory reserve funds	788,240	(788,080)	**160**	(160)	**–**
Final dividend for 2009	–	(3,990,000)	**(3,990,000)**	(600,000)	**(4,590,000)**
Balance at end of 2010	3,271,434	19,009,568	**22,281,002**	10,084,103	**32,365,105**

28. RESERVES (Continued)

The Company	**Capital reserve account** RMB (note a)	**Statutory reserve funds** RMB (note b)	**Discretionary reserve account** RMB (note b)	**Retained profits** RMB	**Total** **RMB**
Balance at beginning of 2009	18,100,000	7,251,240	58,517	17,442,080	**42,851,837**
Profit for the year	–	–	–	7,045,953	**7,045,953**
Transferred to statutory reserve funds	–	675,612	–	(675,612)	**–**
Final dividend for 2008	–	–	–	(7,490,000)	**(7,490,000)**
Balance at end of 2009 and beginning of 2010	18,100,000	7,926,852	58,517	16,322,421	**42,407,790**
Profit for the year	–	–	–	8,226,659	**8,226,659**
Transferred to statutory reserve funds	–	788,240	–	(788,240)	**–**
Final dividend for 2009	–	–	–	(3,990,000)	**(3,990,000)**
Balance at end of 2010	18,100,000	8,715,092	58,517	19,770,840	**46,644,449**

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 Company and all of its subsidiaries, 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 years' 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 2010 (2009: Nil).
- In accordance with the Articles of Association of the Company, 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.

28. RESERVES (Continued)

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

	2010 **RMB**	2009 RMB
Retained profits	**19,009,568**	10,997,257

29. 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 2010, no options were granted to the Group's employees.

30. COMMITMENTS

(a) At 31 December 2010, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	The Group		**The Company**	
	2010 **RMB**	2009 RMB	**2010** **RMB**	2009 RMB
Within 1 year	**587,460**	568,308	**–**	–
2 to 5 years	**386,865**	734,325	**240,000**	–
	974,325	1,302,633	**240,000**	–

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 2010, the Group and the Company has no capital commitment outstanding which is not provided for in the financial statements (2009: Nil).

31. 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:

	2010 RMB	2009 RMB
Gross revenue earned before sales surtaxes		
Provision for consulting services to:		
CCID	**2,157,864**	2,093,559
CCID (Holding) Ltd.	**–**	1,470,000
	2,157,864	3,563,559
Provision for data management and supervision services to:		
Beijing CCID Info Tech Co., Ltd.	**30,000**	54,000
CCID (Holding) Ltd.	**396,000**	–
	426,000	54,000
Other income:		
CCID	**892,814**	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.	**71,671**	125,200
Promotional and consultancy expenses charged by CCID Net Information Technique Co., Ltd.	**131,310**	83,604
Promotional and consultancy expenses charged by CCID Call Centre Co., Ltd.	**91,710**	111,403
Consultancy expenses charged by CCID (Holding) Ltd.	**–**	51,250
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
Utility expenses, internet expenses, rental and building management fee charged by MIICMD	**2,099,070**	1,807,215
Translation expense charged by CCID Translation Co., Ltd.	**375,245**	187,371
	2,769,006	2,772,190

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.

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

31. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(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:

	2010 **RMB**	2009 RMB
Salaries, wages and other benefits	**2,214,709**	2,151,080
Retirement benefit scheme contributions	**195,062**	193,049
	2,409,771	2,344,129

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

31. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Related party transactions entered into in 2010 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 December 2009	CCID	Research institute of China electronic information industry development case library information database consideration project	19/1/2010-25/2/2011	1,000,000
20 January 2010	CCID	Development strategy of China's computer industry	20/1/2010-28/3/2010	80,000
28 October 2010	CCID	Twelfth five year plans of Tianjin intelligence and Tianjin information	30/5/2010-30/6/2011	378,000
30 April 2010	CCID	Zhang Jia Gang electronic equipment industrial base development planning	30/4/2010-30/10/2010	350,000
20 July 2010	CCID	Supplemental agreement for the Shanghai development of electronic information product manufacturing industry, ideas, goals and priorities measures	20/7/2010-30/9/2010	4,225
19 September 2010	CCID	Digital information industry base, Beijing, overall strategic planning	10/8/2010-31/12/2010	236,250
5 May 2010	CCID Call Centre Co., Ltd.	Call centre outsourcing operations and management model design	5/5/2010-4/5/2011	65,800
25 May 2010	Beijing China Electronic Press Technology Development Co., Ltd.	Central European CIO investment summit and conference activities	25/5/2010-27/6/2010	72,000
1 April 2010	CCID Net Information Technique Co., Ltd.	Car rental service	1/4/2010-31/3/2011	84,000
21 April 2010	Beijing China Electronic Press Technology Development Co., Ltd.	2010 IT networking promotion annual report	21/4/2010	18,900
1 April 2010	CCID Translation Co., Ltd	CCID smart translation system solutions, follow-up upgrade and maintenance services	1/4/2010-31/3/2011	264,000

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 (2009: Same).

32. NON-ADJUSTING EVENTS AFTER REPORTING PERIOD

After the end of reporting period, the Directors proposed a final dividend. Further details are disclosed in note 11.

33. 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.

33. FINANCIAL RISK MANAGEMENT (Continued)

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 2010, 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 RMB322 (2009: RMB1,717).

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 2010, had the fair value of the investment portfolio been 1% higher or lower with all other variables held constant, the profit/loss for the year before tax would have been increased or decreased by RMB2,356 (2009: RMB2,902).

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.

33. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Ageing analysis of pasted due but not yet impaired financial assets

	The Group		The Company	
	2010	2009	**2010**	2009
	RMB	RMB	**RMB**	RMB
Pass due for more than one year	**2,518,619**	3,081,421	**1,326,881**	956,314

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 2010, 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	
	2010	2009	**2010**	2009
	RMB	RMB	**RMB**	RMB
Trade and other payables				
Payable on demand or within one year	**20,617,624**	22,450,614	**25,523,061**	21,432,437

34. MANAGING CAPITAL

	The Group		The Company	
	2010	2009	**2010**	2009
	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	**19,009,568**	10,997,257	**19,770,840**	16,322,421
Other reserves	**3,271,434**	2,483,194	**26,873,609**	26,085,369
	92,281,002	83,480,451	**116,644,449**	112,407,790

The Company as well as the Group are not subject to any externally imposed capital requirements. Accordingly, the Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's abilities to continue as a going concern, so that they 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.

To reflect a truer picture of the capital structure, the Group and the Company revised the net debt-to-adjusted capital ratio in this year. For this purpose, the Group and the Company re-define net debt as total debt (which includes interest-bearing loans and borrowings and trade and other payables) plus proposed final dividend minus balances due to immediate holding company and subsidiaries. Adjusted capital comprises all components of equity less proposed final dividend.

In 2010, the Group's and the Company's strategies were to maintain the revised net debt-to-adjusted capital ratio at a level below 50% (2009: Same).

34. MANAGING CAPITAL (Continued)

Calculation for the revised net debt-to-adjusted capital ratio is as follow:

	The Group		The Company	
	2010 RMB	2009 RMB (Restated)	**2010 RMB**	2009 RMB (Restated)
Total liabilities	**32,786,536**	35,339,757	**52,461,111**	50,249,699
Add: Proposed final dividend	**3,010,000**	3,990,000	**3,010,000**	3,990,000
Less: Balance due to immediate holding company	**(1,920,771)**	(1,749,215)	**(1,799,173)**	(1,689,586)
Less: Balance due to subsidiaries	**–**	–	**(26,910,727)**	(26,910,727)
	33,875,765	37,580,542	**26,761,211**	25,639,386
Total shareholders' equity	**102,365,105**	92,715,358	**116,644,449**	112,407,790
Less: Proposal final dividend	**(3,010,000)**	(3,990,000)	**(3,010,000)**	(3,990,000)
	99,355,105	88,725,358	**113,634,449**	108,417,790
Revised net debt-to-adjusted capital ratio	**34%**	42%	**24%**	24%

FIVE YEAR FINANCIAL SUMMARY

SUMMARY OF FINANCIAL INFORMATION

The summaries of the results and of the assets and liabilities of the Group for the last five financial years extracted from the published audited financial statements, as adjusted by the merge of CCID Supervision and restated upon adoption of new and revised HKFRS as appropriate are as follow:

RESULT

	Year ended 31 December				
	2006 RMB	2007 RMB	2008 RMB	2009 RMB	**2010 RMB**
Turnover	63,468,998	82,791,201	117,873,741	106,251,580	**113,502,928**
Cost of sales	(41,799,678)	(47,609,678)	(68,429,742)	(59,795,495)	**(63,191,720)**
Gross profit	21,669,320	35,181,523	49,443,999	46,456,085	**50,311,208**
Other revenue	1,362,919	8,312,513	665,357	1,101,932	**2,818,939**
Selling and distribution costs	(6,304,452)	(5,215,451)	(8,561,078)	(10,277,908)	**(11,925,115)**
Administrative expenses	(12,221,760)	(14,590,787)	(18,621,830)	(19,705,216)	**(21,024,826)**
Financial expenses	–	–	–	(81)	**–**
Other operating expenses	(1,142,340)	(385,171)	(1,523,010)	(81,223)	**(10,818)**
Impairment loss on investment in an associate	–	(6,700,000)	–	–	**–**
Impairment of assets	–	–	(132,755)	(90,885)	**(2,401,903)**
Loss on investments	–	–	(1,760,662)	–	**–**
Fair value adjustment on financial assets	–	–	(1,563,829)	–	**(54,600)**
Profit from operating activities	3,363,687	16,602,627	17,946,192	17,402,704	**17,712,885**
Share of profit/(loss) of an associate for the year	–	(73,810)	12,053	–	**–**
Profit before taxation	3,363,687	16,528,817	17,958,245	17,402,704	**17,712,885**
Taxation	(806,185)	(5,406,996)	(3,319,536)	(3,121,720)	**(3,473,138)**
Profit for the year	2,557,502	11,121,821	14,638,709	14,280,984	**14,239,747**
Attributable to:					
Equity holders of the Company	2,683,304	10,795,810	12,138,339	11,876,557	**12,790,391**
Non-controlling interests	(125,802)	326,011	2,500,370	2,404,427	**1,449,356**
Profit for the year	2,557,502	11,121,821	14,638,709	14,280,984	**14,239,747**

FIVE YEAR FINANCIAL SUMMARY

ASSETS AND LIABILITIES

	31 December				
	2006 RMB	2007 RMB	2008 RMB	2009 RMB	**2010** **RMB**
TOTAL ASSETS	149,667,583	160,274,752	116,957,218	128,055,115	**135,151,641**
TOTAL LIABILITIES	(17,200,530)	(26,689,087)	(29,532,844)	(35,339,757)	**(32,786,536)**
	132,467,053	133,585,665	87,424,374	92,715,358	**102,365,105**

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