中國全通（控股）有限公司

CHINA ALL ACCESS (HOLDINGS) LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 633

2010 INTERIM Report

CONTENTS

Corporate Information	2
Management Discussion and Analysis	4
Review Report	22
Consolidated Income Statement	24
Consolidated Statement of Comprehensive Income	26
Consolidated Balance Sheet	27
Consolidated Statement of Changes in Equity	29
Condensed Consolidated Statement of Cash Flows	31
Notes to the Unaudited Interim Financial Report	32

CORPORATE INFORMATION

DIRECTORS

Executive Directors
Mr. Chan Yuen Ming
Mr. Shao Kwok Keung
Mr. Gao Hou Ming
(resigned on 30 August 2010)

Independent Non-Executive Directors
Mr. Pun Yan Chak
Mr. Wong Che Man Eddy *(FCPA)*
Mr. Lam Kin Hung Patrick

AUTHORISED REPRESENTATIVES

Mr. Chan Yuen Ming
Mr. Shao Kwok Keung

AUDIT COMMITTEE

Mr. Wong Che Man Eddy *(Chairman) (FCPA)*
Mr. Pun Yan Chak
Mr. Lam Kin Hung Patrick

REMUNERATION COMMITTEE

Mr. Pun Yan Chak *(Chairman)*
Mr. Wong Che Man Eddy *(FCPA)*
Mr. Shao Kwok Keung

NOMINATION COMMITTEE

Mr. Lam Kin Hung Patrick *(Chairman)*
Mr. Wong Che Man Eddy *(FCPA)*
Mr. Shao Kwok Keung

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 805, 8th Floor
Greenfield Tower
Concordia Plaza
1 Science Museum Road
Tsimshatsui, Kowloon
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

AUDITORS

KPMG
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

COMPLIANCE ADVISER

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

LEGAL ADVISERS

Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Central
Hong Kong

INTERNAL CONTROL REVIEW ADVISER

Shinewing Risk Services Limited
16/F, United Centre,
95 Queensway
Hong Kong

PRINCIPAL BANKERS

Bank of Communications Co Ltd., Hong Kong Branch
2/F, 563 Nathan Road
Kowloon
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited
18th Floor
Fook Lee Commercial Centre
Town Place, 33 Lockhart Road
Wanchai
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

COMPANY WEBSITE

www.chinaallaccess.com

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As a communication application solutions and services provider across networks, platforms and industries for public security and emergency operations in the PRC, the Group achieved remarkable revenue growth in the first half of year 2010 compared with the corresponding period in 2009. It was mainly due to a variety of promotion campaigns undertaken by us to improve our brand recognition as well as to reinforce our customer oriented corporate image in the PRC's public security and emergency operations industry.

The Group provides one-stop solution to our customers. We not only sell whole set of equipment, but also provide software development, network access, system upgrade, operation maintenance and other services according to individual customer's needs. This distinctive strategy, together with the pursuit for the most advanced technology in the world enable us to be a pioneer in the industry. More and more of our application systems and solutions are penetrating into the PRC market and the name of "All Access" has become a brand well regarded in the PRC market in terms of quality and service.

Based on our regional hubs in Beijing, Shanghai and Guangzhou, we have set up more than 20 offices all over the country. Our extensive sales and marketing network assists the Group to build up strong presence in all key local markets. As a result, more sales opportunities can be identified to increase our growth momentum.

With our application solutions deployed in the Beijing Olympic Games, Hainan Boao Forum, Asia Shanghai F1 race and other major events in the past few years, during the period under review a number of our satellite communication application systems were used by the mission execution government departments of the Shanghai World Expo. Having products showcased in important events such as the Shanghai World Expo is essential for marketing our brand in the industry.

Besides, the Group partnered with a wide range of specialized technology vendors, such as BINZ Ambulance-und Umwelttechnik GmbH, RaySat Antenna Systems Israel Ltd and ITwell Co. Ltd to deliver state-of-the-art products to our customers.

BUSINESS REVIEW *(Continued)*

The Group's one-stop solution strategy, strong sales network, reputation gained by serving in major events and cooperation with technology partners all contributed to our success in expanding the reach of our brand and further boosting our competitiveness and market position.

Application of IPO Proceeds

The net proceeds from the Company's initial public offering ("IPO") in September 2009 were approximately HK$403.47 million, after deduction of related expenses. Up to 30 June 2010, the Company has already applied HK$105.65 million of the net proceeds in accordance with the description of the use of proceeds in the prospectus of the Company dated 4 September 2009 (the "Prospectus"). The balance of approximately HK$297.82 million of the net proceeds will be also applied in line with the description in the Prospectus.

FINANCIAL REVIEW

As the Group continues to implement its core strategy of providing innovative products to our customers to enjoy the benefit of applying advanced technology in their operations, we succeeded in achieving targets in major operating indicators set by the management for the first half of 2010. We are delighted to deliver satisfactory financial results to our shareholders.

Revenue

The Group recorded revenue of approximately RMB129.09 million for the six months ended 30 June 2010, representing an increase of approximately 58% as compared to RMB81.84 million for the corresponding period of last year.

The increase in revenue for the six months ended 30 June 2010 compared to the corresponding period of last year was mainly due to the following factors:

- Provision of satellite communication application solutions and services exhibited an increase in revenue from approximately RMB48.15 million for the six months ended 30 June 2009 to approximately RMB59.30 million for the six months ended 30 June 2010 which represented a growth of approximately 23%. The high double digit increment was attributable to the strategies of penetrating into new industries and the expanding market share in the existing industries. Capitalising on the opportunity of modernising the government's emergency communication systems to cope with the security requirement of Shanghai World Expo, our Shanghai office contributed 14% of this segment’s revenue. As a result, five municipal government bureaus used altogether seven systems of the Group to support their security protection mission in this international event. Moreover, it stimulated our sales in other two autonomous cities, i.e. Beijing and Tianjin, to report revenue growth of approximately 23% and 100% respectively.

FINANCIAL REVIEW *(Continued)*

Revenue *(Continued)*

- Provision of wireless data communication application solutions and services exhibited an increase in revenue from approximately RMB31.61 million for the six months ended 30 June 2009 to approximately RMB67.56 million for the six months ended 30 June 2010 which represented an increase of approximately 138%. The key drivers were the sales of production monitoring system and our traffic offence electronic ticketing and payment solution, representing 92% of the segment's revenue. The significant growth recorded in the revenue segment was attributable to the sales and marketing effort of our nationwide network in different local markets and the increasing demand of our products promoted by the user-friendliness of 3G mobile communication technology.

Gross Profit

The Group's gross profit was approximately RMB52.63 million for the six months ended 30 June 2010, representing an increase of approximately 66% as compared to approximately RMB31.64 million for the corresponding period of the last financial year. Meanwhile, the gross profit margin increased from approximately 39% for the six months ended 30 June 2009 to approximately 41% for six months ended 30 June 2010. The growth in gross profit was mainly attributable to the following factors:

- Provision of satellite communication application solutions and services exhibited an increase in gross profit from approximately RMB20.75 million for the six months ended 30 June 2009 to approximately RMB24.89 million for the six months ended 30 June 2010 which represented a growth of approximately 20%.

- Provision of wireless data communication application solutions and services exhibited an increase in gross profit from approximately RMB14.33 million for the six months ended 30 June 2009 to approximately RMB31.65 million for the six months ended 30 June 2010 which represented a growth of approximately 121%.

FINANCIAL REVIEW *(Continued)*

Administration and Distribution Expenses

Administration and distribution expenses increased from approximately RMB5.09 million for the six months ended 30 June 2009 to approximately RMB13.24 million for the six months ended 30 June 2010 which represented a growth of approximately 160%. The increment was mainly due to the implementation of our growth strategy in building up our nationwide sales and marketing network. As at 30 June 2010, the Group had 6 subsidiaries and 18 sales offices all over China, including Hong Kong (as at 30 June 2009 it only had 3 subsidiaries and 2 sales offices). Meanwhile, the average headcount increased from 90 for the six months ended 30 June 2009 to 158 for the six months ended 30 June 2010, which drove up the staff cost by 107% to approximately RMB5.95 million, representing approximately 45% of the administration and distribution expenses. The other major items were audit fee, office expenses, travelling, rental and insurance which altogether accounted for approximately 49% of the administration and distribution expenses. Such expenses increased by approximately 239% as compared with those in the first half of 2009.

Finance Costs

Finance costs decreased from approximately RMB3.45 million for the six months ended 30 June 2009 to approximately RMB0.15 million for the six months ended 30 June 2010, representing a decrease of approximately 96%. It was mainly because there was a significant decrease in the amount of interest-bearing borrowings that was outstanding in the first half of 2010 as compared with the first half of 2009.

Income Tax

The income tax amount increased from approximately RMB3.80 million to approximately RMB5.75 million whilst the effective tax rate decreased slightly from 15% to 14% during the six months ended 30 June 2009 and 30 June 2010 respectively.

Profit for the Period

Profit for the period increased from approximately RMB21.27 million for the six months ended 30 June 2009 to approximately RMB34.65 million for the six months ended 30 June 2010 which represented a growth of approximately 63%. It was mainly driven by the 58% growth in revenue.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity, Financial Resources and Capital Structure

As at 30 June 2010, the Group had cash and cash equivalents of approximately RMB478.71 million (as at 31 December 2009: approximately RMB465.20 million). As at 30 June 2010, the Group had interest-bearing borrowings of approximately RMB15.34 million (as at 31 December 2009: nil). The interest-bearing borrowings as at 30 June 2010 were mainly resulted from mortgage loans raised for financing the purchase of office premises in Hong Kong and Guangzhou.

As at 30 June 2010, the gearing ratio (calculated by dividing total interest-bearing borrowings by total assets) of the Group was approximately 2% (as at 31 December 2009: nil). The increase in gearing ratio was due to the mortgage loans raised to finance the purchase of office premises in Hong Kong and Guangzhou. As at 30 June 2010, the Group had current assets of approximately RMB692.41 million (as at 31 December 2009: approximately RMB672.54 million) and current liabilities of approximately RMB70.25 million. (as at 31 December 2009: approximately RMB47.34 million). The current ratio (which is calculated by dividing current assets by current liabilities) was approximately 9.86 as at 30 June 2010 whilst the current ratio as at 31 December 2009 was approximately 14.21.

The Board's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Foreign Exchange Exposure

The Group's sales were denominated in RMB, the same functional currency of the Group. Therefore the Group is not exposed to significant foreign currency exchange risks and the Board does not expect future currency fluctuations to materially impact the Group's operations. The Group does not employ any financial instruments for hedging purposes.

LIQUIDITY AND CAPITAL RESOURCES *(Continued)*

Capital Expenditure and Investment in Subsidiary

During the period under review, the Group's total capital expenditure amounted to approximately RMB30.76 million, which was mainly used in the acquisition of office premises, equipment and 60% equity interest in Beijing Zhiping Network Technology Company Limited, details of which have already been set out in the Company's announcement dated 22 April 2010.

Charge on Assets

As at 30 June 2010, the Group's Hong Kong office premises with book value of approximately RMB16.50 million was pledged to secure bank facility of approximately RMB10.99 million; Guangzhou office premises with book value of approximately RMB8.95 million was pledged to secure bank facility of approximately RMB4.35 million.

Contingent Liabilities

As at 30 June 2010, the Group had no material contingent liabilities.

HUMAN RESOURCES

As at 30 June 2010, the Group employed approximately 190 employees (as at 30 June 2009: approximately 94 employees). The Group's employees are remunerated in line with the prevailing market terms and individual performance, with their remuneration packages and policies reviewed on a regular basis. The Group offers to its employees competitive salary package, as well as contribution to defined contribution retirement plan. A share option scheme has also been adopted for employees of the Group and other eligible participants, the details of which are set out in the paragraph headed "Share Option Scheme" below.

PROSPECTS

Being supported by our powerful nationwide sales and marketing network in the PRC and partnership with advanced technology vendors, we having been spearheading into different industries by launching successful applications. As a result of the application of our products by our customers in various major domestic and international events in the PRC, we have become a well known brand in the Chinese market. With the increasing recognition of the advantage of satellite communication system in emergency operations and security protection, the users involved in these industries will continue to upgrade their existing systems as well as to install more sophisticated systems by sourcing products which enable them to use the most advanced technology. Hence, our satellite communication application business will be benefited from this rapidly growing market trend. At the same time, we are promoting our products in the wireless data communication application to become industry standards in order to increase our competitiveness. We have seen remarkable achievements on this. Alongside with our efforts to further increase our market penetration, we expect that it will continue to be our key growth driver. Beyond that, we are exploring the market opportunity of satellite communication application in the mass market by co-operating with a nationwide telecom operator in the PRC. We will continue our strive to be a solution and service provider across different networks, different platforms and different markets.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2010, the interests and short positions of the Directors and/or chief executives of the Company in any shares of the Company ("Shares"), underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be and had been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register kept by the Company, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(Continued)*

Name of Director	Capacity/ Nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding
Mr. Chan Yuen Ming ("Mr. Chan")	Interest of a controlled corporation *(Note 2)*	435,300,000 ordinary Shares (L)	41.96%

Notes:

1. The letter "L" denotes a long position in the Shares or shares of the relevant Group member.

2. These Shares were registered in the name of Creative Sector Limited ("Creative Sector"), the entire issued share capital of which was owned by Mr. Chan. Mr. Chan was deemed to be interested in all the Shares in which Creative Sector was interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2010, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2010, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company), who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company in accordance with the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Name of Shareholder	Company/ Name of Group member	Capacity/ Nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding
Creative Sector	Our Company	Beneficial owner	435,300,000 ordinary Shares (L)	41.96%
Atlantis Investment Management Limited ("Atlantis")	Our Company	Investment manager	135,425,000 ordinary Shares (L)	13.05%
Chengwei CAA Holdings Limited ("Chengwei")	Our Company	Beneficial owner	106,200,000 ordinary Shares (L)	10.24%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(Continued)*

Name of Shareholder	Company/ Name of Group member	Capacity/ Nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding
Chengwei Ventures Evergreen Fund, L.P.	Our Company	Interest of a controlled corporation *(Note 2)*	106,200,000 ordinary Shares (L)	10.24%
Chengwei Ventures Evergreen Management, LLC	Our Company	Interest of a controlled corporation *(Note 3)*	106,200,000 ordinary Shares (L)	10.24%
EXL Holdings LLC	Our Company	Interest of a controlled corporation *(Note 4)*	106,200,000 ordinary Shares (L)	10.24%
Mr. Li Eric Xun	Our Company	Interest of a controlled corporation *(Note 4)*	106,200,000 ordinary Shares (L)	10.24%
Ms. Li Yijing Zhu	Our Company	Interest of spouse *(Note 5)*	106,200,000 ordinary Shares (L)	10.24%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(Continued)*

Name of Shareholder	Company/ Name of Group member	Capacity/ Nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding
Profit Concept International Limited ("Profit Concept")	Our Company	Beneficial owner	52,500,000 Shares (L)	5.06%
Ms. Wang Yan Yun	Our Company	Interest of a controlled corporation *(Note 6)*	52,500,000 Shares (L)	5.06%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(Continued)*

Notes:

(1) The letter "L" denotes a person's long position in our Shares or shares of the relevant Group member.

(2) Chengwei Ventures Evergreen Fund, L.P. held approximately 89.28% of the issued share capital in Chengwei and therefore Chengwei Ventures Evergreen Fund, L.P. was deemed to be interested in all the Shares in which Chengwei was interested by virtue of the SFO.

(3) Chengwei Ventures Evergreen Fund, L.P. was an investment fund managed by Chengwei Ventures Evergreen Management, LLC and therefore Chengwei Ventures Evergreen Management, LLC was deemed to be interested in all the Shares in which Chengwei Ventures Evergreen Fund, L.P. was interested by virtue of the SFO.

(4) Chengwei Ventures Evergreen Management, LLC was owned as to 37% by EXL Holdings LLC, which was in turn owned as to 50% by Mr. Li Eric Xun. Therefore EXL Holdings LLC was deemed to be interested in all the Shares in which Chengwei Ventures Evergreen Management, LLC was interested by virtue of the SFO, and Mr. Li Eric Xun was deemed to be interested in all the Shares in which EXL Holdings LLC was interested by virtue of the SFO.

(5) Ms. Li Yijing Zhu was the wife of Mr. Li Eric Xun, and therefore Ms. Li Yijing Zhu was deemed to be interested in all the Shares in which Mr. Li Eric Xun was interested by virtue of the SFO.

(6) Profit Concept was wholly owned by Ms. Wang Yan Yun. Ms. Wang Yan Yun was deemed to be interested in all the Shares in which Profit Concept was interested by virtue of the SFO.

Save as disclosed herein, as at 30 June 2010, our Directors were not aware of any person (who is not a Director or chief executive of our Company) who had an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

In April 2010, the Group acquired 60% equity interest in Beijing Zhiping Network Technology Company Limited through contribution of additional registered capital in that company in the aggregate amount of RMB3 million. Details of the acquisition have been set out in the Company's announcement dated 22 April 2010.

Save as disclosed above, during the period under review, there was no other material acquisition or disposal of subsidiaries or associated companies by the Company.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was conditionally approved by resolutions of the then shareholders of the Company on 28 August 2009. No share options were granted, exercised or cancelled by the Company under the Share Option Scheme during the period under review and there were no outstanding share options under the Share Option Scheme as at 30 June 2010.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

None of the Directors is aware of any information that would reasonably indicate that the Company or any of its Directors is not or was not, during the six months ended 30 June 2010, in due compliance with the Code on Corporate Governance Practices set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules. Having made specific enquiry on all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by the Directors adopted by the Company during the six months ended 30 June 2010.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Board has reviewed the unaudited interim results of the Group for the six months ended 30 June 2010.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Pursuant to Rules 13.13 to 13.19 of the Listing Rules, a general disclosure obligation arises where the relevant advance to an entity, financial assistance or guarantees to affiliated companies of the Group exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

As disclosed in the section headed "Our relationship with SkyComm Group and our Controlling Shareholders — Relationship with SkyComm Group — Long Term Co-operation Agreement" in the prospectus of the Company dated 4 September 2009, the Group and Sky Communication Group Co., Ltd. ("SkyComm") entered into the Long Term Co-operation Agreement on 28 February 2008 (as supplemented by a supplemental agreement dated 14 April 2009) to reinforce and regulate our business relationship and collaboration with SkyComm and its subsidiaries (collectively as the "SkyComm Group") whereby SkyComm Group will, for a period of five years until December 2012, refer all the business opportunities relating to the provisions of integrated wireless and satellite communication application solutions (including but not limited to the research and development of communication solutions and related software, development of the related technical solutions, installation, testing, maintenance, consultation and technical support services for communication equipment) to the Group by either procuring such end customers to appoint or contract with the Group directly for the provisions of the services, or entering into contracts for provision of such services with end customers as agent on behalf of the Group for provision of such relevant services by the Group. Pursuant to the Long Term Co-operation Agreement, the Group is required, and had provided, a lump sum of RMB30 million to SkyComm as performance guarantee deposit for contracts entered into by SkyComm Group as agent for the Group. The amount of the performance guarantee deposit is subject to annual adjustment in the manner specified therein, and a sum equal to 10% of the contract fee of each of such contracts shall be refundable upon completion of, and the expiry of the warranty period under, such contract. Any balance of the performance guarantee deposit will be refunded to the Group upon expiry of the Long Term Co-operation Agreement.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES *(Continued)*

As at 31 December 2009, a total of RMB15,000,000 of the performance guarantee had been refunded by SkyComm to the Group. During the six months ended 30 June 2010, a further deposit of RMB15,000,000 was provided to SkyComm as the Group anticipated there would be more business referrals from SkyComm, increasing the amount of performance guarantee deposit to RMB30,000,000. As at 30 June 2010, the present value of the performance guarantee deposit amounted to approximately RMB29,397,000 (as at 31 December 2009: approximately RMB9,332,000).

In September 2009, the Group and SkyComm signed a memorandum ("Memorandum"), under which the Group had committed to provide SkyComm with financial support up to a maximum amount of RMB100 million to assist SkyComm in carrying out its role as the Group's agent contemplated under the Long Term Co-operation Agreement. On 20 February 2010, the Group and SkyComm signed a supplemental memorandum ("Supplemental Memorandum") to supplement the Memorandum, which increased the maximum amount of financial support to RMB115 million. On 28 April 2010, the maximum amount of the financial support was reduced to RMB100 million following the expiry of the Supplemental Memorandum. The financial support had been made available to SkyComm on an interest-free, unsecured basis and any amount drawn was repayable within one month, provided that a default interest at the market rate plus a daily penalty of 0.05% of the amount would be charged in the event of any default in repayment within the said one month period, up to a maximum penalty amount to 5% of the funding amount.

During the six months ended 30 June 2010, the maximum outstanding amount under the above financial support arrangement amounted to approximately RMB111 million. All of the financial support made available to SkyComm was refunded to the Group within one month and at no time during the period had the outstanding financial support exceeded the maximum amount. The Memorandum and the financial support arrangement were terminated by the Group and SkyComm on 30 June 2010, and all advances drawn under the aforesaid financial support had been repaid in full by SkyComm.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES *(Continued)*

Based on the consolidated balance sheet of the Group as at 30 June 2010, the performance guarantee deposit and the financial support set out above, which are regarded as advances to an entity under Rule 13.13 of the Listing Rules, represented more than 8% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

Save as disclosed above, the Directors have confirmed that, as at the date of this report, there are no other circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend for the six months ended 30 June 2010 of HK1.0 cent per share (for the six months ended 30 June 2009: nil). The interim dividend will be paid to shareholders of the Company listed on the register of members of the Company on 7 October 2010. It is expected that the interim dividend will be paid on or about 2 December 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 5 October 2010 to 7 October 2010, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited at 18th Floor, Fook Lee Commerial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on 4 October 2010.

By Order of the Board
China All Access (Holdings) Limited
Shao Kwok Keung
Chief Executive Officer

Hong Kong
30 August 2010

KPMG

Review report to the board of directors of
China All Access (Holdings) Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 24 to 52 which comprises the consolidated balance sheet of China All Access (Holdings) Limited (the "Company") as of 30 June 2010 and the related consolidated income statement, consolidated statement of comprehensive income and consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2010 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
30 August 2010

Consolidated income statement

for the six months ended 30 June 2010 - Unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2010	2009
			(Audited)
	Note	***RMB'000***	*RMB'000*
Revenue	3	**129,094**	81,841
Cost of sales		**(76,461)**	(50,199)
Gross profit		**52,633**	31,642
Other revenue		**947**	1,609
Other net income		**214**	358
Distribution expenses		**(2,089)**	(387)
Administrative expenses		**(11,155)**	(4,698)
Profit from operations		**40,550**	28,524
Finance costs	5(a)	**(152)**	(3,453)
Profit before taxation	5	**40,398**	25,071
Income tax	6	**(5,745)**	(3,798)
Profit for the period		**34,653**	21,273

Consolidated income statement ***(Continued)***

for the six months ended 30 June 2010 - Unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2010	2009
			(Audited)
	Note	***RMB'000***	*RMB'000*
Attributable to:			
Equity shareholders of the Company		**34,679**	21,273
Non-controlling interests		**(26)**	—
Profit for the period		**34,653**	21,273
Earnings per share (RMB)	7	**0.033**	0.028

The notes on pages 32 to 52 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 13.

Consolidated statement of comprehensive income

for the six months ended 30 June 2010 - Unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2010	2009
		(Audited)
	RMB'000	*RMB'000*
Profit for the period	**34,653**	21,273
Other comprehensive income for the period		
Exchange differences on translation of financial statements of subsidiaries outside the PRC, net of nil tax	**(653)**	(308)
Total comprehensive income for the period	**34,000**	20,965
Attributable to:		
Equity shareholders of the Company	**34,026**	20,965
Non-controlling interests	**(26)**	—
Total comprehensive income for the period	**34,000**	20,965

The notes on pages 32 to 52 form part of this interim financial report.

Consolidated balance sheet

At 30 June 2010 - Unaudited
(Expressed in Renminbi)

	Note	At 30 June 2010	At 31 December 2009 (Audited)
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment	8	**73,367**	48,247
Intangible assets	14	**2,070**	—
Goodwill	14	**367**	—
Trade and other receivables	9	**71,185**	53,911
		146,989	102,158
Current assets			
Inventories		**7,836**	8,395
Trade and other receivables	9	**137,867**	130,948
Banks deposits with original maturities over three months		**68,000**	68,000
Cash and cash equivalents	10	**478,709**	465,200
		692,412	672,543
Current liabilities			
Trade and other payables	11	**61,797**	38,293
Interest-bearing borrowings	12	**722**	—
Income tax payable		**7,727**	9,045
		70,246	47,338
Net current assets		**622,166**	625,205

Consolidated balance sheet *(Continued)*

At 30 June 2010 - Unaudited

(Expressed in Renminbi)

	Note	At 30 June 2010 RMB'000	At 31 December 2009 (Audited) RMB'000
Total assets less current liabilities		**769,155**	727,363
Non-current liabilities			
Interest-bearing borrowings	12	**14,613**	—
Deferred tax liabilities		**9,413**	8,896
		24,026	8,896
NET ASSETS		**745,129**	718,467
CAPITAL AND RESERVES			
Share capital		**9,141**	9,141
Reserves		**734,258**	709,326
Total equity attributable to equity shareholders of the Company		**743,399**	718,467
Non-controlling interests		**1,730**	—
TOTAL EQUITY		**745,129**	718,467

The notes on pages 32 to 52 form part of this interim financial report.

Consolidated statement of changes in equity

for the six months ended 30 June 2010 - Unaudited

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company										
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Capital reserve RMB'000	Statutory general reserve RMB'000	Exchange reserve RMB'000	Merger reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2009	73	–	–	82,603	13,139	2,939	(84,141)	127,066	141,679	–	141,679
Changes in equity for the six months ended 30 June 2009:											
Repayment of convertible notes	–	–	–	(297)	–	–	–	–	(297)	–	(297)
Total comprehensive income for the period	–	–	–	–	–	(308)	–	21,273	20,965	–	20,965
Balance at 30 June 2009 and 1 July 2009	73	–	–	82,306	13,139	2,631	(84,141)	148,339	162,347	–	162,347
Changes in equity for the six months ended 31 December 2009:											
Arising from reorganisation	(73)	–	164,155	(80,643)	(13,139)	(3,214)	84,141	(151,227)	–	–	–
Issuance of shares arising from reorganisation	18	51	–	–	–	–	–	–	69	–	69
Capitalisation issue	6,590	(6,590)	–	–	–	–	–	–	–	–	–
Issuance of shares for placing and initial public offering	2,533	402,721	–	–	–	–	–	–	405,254	–	405,254
Share issue costs	–	(38,990)	–	–	–	–	–	–	(38,990)	–	(38,990)
Conversion of convertible notes and fixed coupon notes	–	–	–	113,922	–	–	–	–	113,922	–	113,922
Total comprehensive income for the period	–	–	–	–	–	(786)	–	76,651	75,865	–	75,865
Appropriation of reserve	–	–	–	–	10,690	–	–	(10,690)	–	–	–

Consolidated statement of changes in equity *(Continued)*

for the six months ended 30 June 2010 - Unaudited

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company										
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Capital reserve RMB'000	Statutory general reserve RMB'000	Exchange reserve RMB'000	Merger reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 31 December 2009 and 1 January 2010	9,141	357,192	164,155	115,585	10,690	(1,369)	–	63,073	718,467	–	718,467
Changes in equity for the six months ended 30 June 2010:											
Dividends approved in respect of the previous year	–	(9,094)	–	–	–	–	–	–	(9,094)	–	(9,094)
Non-controlling interests arising from business combination	–	–	–	–	–	–	–	–	–	1,756	1,756
Total comprehensive income for the period	–	–	–	–	–	(653)	–	34,679	34,026	(26)	34,000
Balance at 30 June 2010	**9,141**	**348,098**	**164,155**	**115,585**	**10,690**	**(2,022)**	**–**	**97,752**	**743,399**	**1,730**	**745,129**

The notes on pages 32 to 52 form part of this interim financial report.

Condensed consolidated statement of cash flows

for the six months ended 30 June 2010 - Unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2010	2009
			(Audited)
	Note	***RMB'000***	*RMB'000*
Cash generated from operations		**45,540**	13,130
Tax paid		**(7,063)**	—
Net cash generated from operating activities		**38,477**	13,130
Net cash (used in)/generated from investing activities		**(30,497)**	298
Net cash generated from/(used in) financing activities		**6,089**	(17,453)
Net increase/(decrease) in cash and cash equivalents		**14,069**	(4,025)
Cash and cash equivalents at 1 January	10	**465,200**	174,711
Effect of foreign exchange rates changes		**(560)**	—
Cash and cash equivalents at 30 June	10	**478,709**	170,686

The notes on pages 32 to 52 form part of this interim financial report.

Notes to the unaudited interim financial report

(Expressed in Renminbi unless otherwise indicated)

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 30 August 2010.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2010 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The comparative figures for the six months ended 30 June 2009 represent the information derived from the non-statutory consolidated financial statements for the six months ended 30 June 2009, which had been prepared on a reorganisation of business under common control pursuant to the Reorganisation as described in the Company's prospectus dated 4 September 2009. Further details of the basis of preparation of the consolidated financial statements for the six months ended 30 June 2009 are set out in the Company's 2009 interim financial report.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2009 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

Notes to the unaudited interim financial report *(Continued)*

1 Basis of preparation *(Continued)*

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the board of directors is included on pages 22 to 23.

The financial information relating to the six months ended 30 June 2009 and the year ended 31 December 2009 that is included in the interim financial report as being previously reported information does not constitute the Company's financial statements for that financial period/year but is derived from those financial statements. The non-statutory financial statements for the six months ended 30 June 2009 and the statutory financial statements for the year ended 31 December 2009 are available in the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their reports dated 28 September 2009 and 30 March 2010 respectively.

2 Changes in accounting policies

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

— HKFRS 3 (revised 2008), *Business combinations*

— Amendments to HKAS 27, *Consolidated and separate financial statements*

— Improvements to HKFRSs (2009)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the unaudited interim financial report *(Continued)*

2 Changes in accounting policies *(Continued)*

The amendments introduced by the Improvements to HKFRSs (2009) have had no material impact on the Group's financial statements. The other developments resulted in changes in accounting policy but none of these changes in policy have had a material impact on the current or comparative periods, for the following reasons:

— HKFRS 3 is applied prospectively from 1 January 2010. Such amendments have been applied to the business combination (note 14) that occurred during the current period but have not had a material impact on the Group's financial statements of the current period as the transaction costs incurred by the Group in connection with the business combination were not material.

— The amendments to HKAS 27 in respect of allocation of losses to non-controlling interests (previously known as minority interests) have had no material impact as there are no losses allocated to non-controlling interests in excess of their equity interest in the current period and previous periods.

Notes to the unaudited interim financial report ***(Continued)***

3 Segment reporting

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

— Provision of satellite communication application solutions and services, including project design, installation, testing, application service provision for satellite communication, as well as distribution of satellite receivers and equipment.

— Provision of wireless data communication application solutions and services, including installation, testing, application service provision for wireless data communication, as well as distribution of wireless terminals and equipment.

— Provision of call centre application solutions and services, including system design, software development, technical support, system installation, quality control for call centres.

Notes to the unaudited interim financial report *(Continued)*

3 Segment reporting *(Continued)*

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, 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, intangible assets and current assets with the exception of deferred tax assets, other corporate assets and certain communication equipment which is jointly used by all reportable segments. Segment liabilities include trade creditors and accruals attributable to the activities of the individual 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 or amortisation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is "segment operating profit". Segment operating profit includes the gross profit generated by the segment and certain administration and other income or expenses directly attributable to the segment. Items that are not specifically attributable to individual segments, such as unallocated finance costs, depreciation of certain communication equipment and other corporate administration costs, are excluded from segment operating profits.

Notes to the unaudited interim financial report *(Continued)*

3 Segment reporting *(Continued)*

(a) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

For six months ended 30 June	Provision of satellite communication application solutions and services		Provision of wireless data communication application solutions and services		Provision of call centre application solutions and services		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
		(Audited)		(Audited)		(Audited)		(Audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers (note)	**59,300**	48,146	**67,561**	31,605	**2,233**	2,090	**129,094**	81,841
Reportable segment profit	**24,568**	20,643	**31,430**	14,133	**1,379**	1,294	**57,377**	36,070
Depreciation for the period	**151**	109	**24**	36	**343**	311	**518**	456
Additions to non-current segment assets during the period	**–**	55	**26**	30	**204**	101	**230**	186

	At 30 June 2010	At 31 December 2009	**At 30 June 2010**	At 31 December 2009	**At 30 June 2010**	At 31 December 2009	**At 30 June 2010**	At 31 December 2009
		(Audited)		(Audited)		(Audited)		(Audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment assets	**76,314**	67,487	**115,384**	108,215	**35,460**	3,188	**227,158**	178,890
Reportable segment liabilities	**10,730**	13,266	**32,419**	1,043	**–**	–	**43,149**	14,309

Notes to the unaudited interim financial report *(Continued)*

3 Segment reporting *(Continued)*

(a) Segment results, assets and liabilities (Continued)

Note: Major customers

Revenue of customers amounting to 10 percent or more of the Group's revenue during the current and prior periods are set out below:

For six months ended 30 June	Provision of satellite communication application solutions and services 2010	2009 (Audited)	Provision of wireless data communication application solutions and services 2010	2009 (Audited)	Total 2010	2009 (Audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Customer A	**6,701**	18,594	**21,619**	9,971	**28,320**	28,565
Customer B	**14,538**	17,142	**—**	—	**14,538**	17,142
	21,239	35,736	**21,619**	9,971	**42,858**	45,707

(b) Reconciliation of reportable segment profit, assets and liabilities

	Six months ended 30 June 2010	2009 (Audited)
	RMB'000	*RMB'000*
Profit		
Reportable segment profit derived from the Group's external customers	**57,377**	36,070
Other revenue	**947**	1,609
Other net income	**214**	358
Depreciation and amortisation	**(5,113)**	(4,871)
Finance costs	**(152)**	(3,453)
Unallocated head office and corporate expenses	**(12,875)**	(4,642)
Consolidated profit before taxation	**40,398**	25,071

Notes to the unaudited interim financial report *(Continued)*

3 Segment reporting *(Continued)*

(b) Reconciliation of reportable segment profit, assets and liabilities *(Continued)*

	At 30 June 2010	At 31 December 2009 *(Audited)*
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**227,158**	178,890
Unallocated head office and corporate assets	**612,243**	595,811
Consolidated total assets	**839,401**	774,701
Liabilities		
Reportable segment liabilities	**43,149**	14,309
Unallocated head office and corporate liabilities	**51,123**	41,925
Consolidated total liabilities	**94,272**	56,234

Unallocated head office and corporate expenses mainly include directors' and auditors' remuneration, consultancy fees and other corporate administration costs which are not specifically attributable to individual segments.

Unallocated head office and corporate assets mainly include cash and cash equivalents, intangible assets, prepayments and deposits and property, plant and equipment which are not specifically attributable to individual segments.

Unallocated head office and corporate liabilities mainly include interest-bearing borrowings which are not specifically attributable to individual segments.

Notes to the unaudited interim financial report *(Continued)*

3 Segment reporting *(Continued)*

(c) Geographic segments

Substantially all of the Group's activities are based in the People's Republic of China (the "PRC") and all of the Group's turnover and contributions to profit before taxation are derived from the PRC during the current and prior periods.

4 Seasonality of operations

The Group's operations are subject to cyclical fluctuations during a year. Generally, higher sales are experienced during the second half of a year because most customers' annual budgets are prepared during the first quarter and normally carry out their procurement activities during the second half of the year after their budgets are finalised.

5 Profit before taxation

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

	Six months ended 30 June	
	2010	2009
		(Audited)
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on borrowings	**124**	3,427
Other finance costs	**28**	26
Total finance costs	**152**	3,453
(b) Other items		
Depreciation of property, plant and equipment	**5,631**	5,327
Interest income	**(947)**	(1,413)
Cost of inventories sold	**67,709**	42,607

Notes to the unaudited interim financial report *(Continued)*

6 Income tax

	Six months ended 30 June	
	2010	2009
		(Audited)
	RMB'000	*RMB'000*
Current tax – PRC corporate income tax	**5,745**	2,937
Deferred taxation	**—**	861
	5,745	3,798

(a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(b) No provision for Hong Kong Profits Tax has been made as the Group's subsidiaries residing in Hong Kong either sustained adjusted tax losses or did not have assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2010 and 2009.

(c) Pursuant to the income tax rules and regulations of the PRC, the subsidiaries of the Group in the PRC are liable to PRC corporate income tax at a rate of 25% during the six months ended 30 June 2010 (six months ended 30 June 2009: 25%), except for Hebei Noter Communication Technology Company Limited ("Hebei Noter") which is entitled to a tax concession period during which Hebei Noter is fully exempted from PRC corporate income tax for two years starting from its first profit making year, followed by a 50% reduction in the PRC corporate income tax for the following three years. The tax rate of Hebei Noter for the six months ended 30 June 2010 is 12.5% (six months ended 30 June 2009: 12.5%).

Notes to the unaudited interim financial report *(Continued)*

7 Earnings per share

The calculation of earnings per share for the six months ended 30 June 2010 is based on the profit attributable to ordinary equity shareholders of the Company of RMB34,679,000 and the weighted average of 1,037,500,000 ordinary shares in issue during the current period.

The calculation of earnings per share for the six months ended 30 June 2009 is based on the profit attributable to ordinary equity shareholders of the Company of RMB21,273,000 and on the assumption that 750,000,000 shares of the Company are in issue and issuable, comprising one share in issue during the prior period, 1,999,999 shares issued pursuant to the Reorganisation (as described in the Company's prospectus dated 4 September 2009) which took place on 28 August 2009 and 748,000,000 shares issued pursuant to the capitalisation issue which took place on 15 September 2009 as if the shares were outstanding throughout the prior period.

No diluted earnings per share is disclosed as there were no dilutive instruments during the current and prior periods.

8 Property, plant and equipment

Acquisitions

During the six months ended 30 June 2010, the Group acquired items of property, plant and equipment with a cost of RMB30,751,000 (six months ended 30 June 2009: RMB325,000).

Notes to the unaudited interim financial report *(Continued)*

9 Trade and other receivables

	At 30 June 2010	At 31 December 2009
		(Audited)
	RMB'000	*RMB'000*
Non-current		
Trade receivables	**41,788**	44,579
Performance guarantee deposit (note 9(ii))	**29,397**	9,332
	71,185	53,911
Current		
Trade receivables	**131,803**	120,475
Less: Allowance for doubtful debts	**(445)**	(445)
	131,358	120,030
Performance guarantee deposit (note 9(ii))	**—**	4,866
Other receivables, prepayments and deposits	**6,509**	6,052
	137,867	130,948

Notes to the unaudited interim financial report *(Continued)*

9 Trade and other receivables *(Continued)*

Note:

(i) On 28 February 2008, Hebei Noter and Sky Communication Group Company Limited ("SkyComm") entered into a long term co-operation agreement for a period of five years until December 2012. In September 2009, Hebei Noter and SkyComm signed a memorandum, under which Hebei Noter committed to provide SkyComm with financial support up to a maximum amount of RMB100 million to assist SkyComm in carrying out its role as an agent of the Group in the provision of certain telecommunication services and dealing with certain customers while the Group bears all risks and rewards associated with these customers. The financial support made available to SkyComm is interest-free and repayable within one month. In the event that SkyComm fails to repay the amount within one month, interest will be charged at market interest rates, plus a daily penalty of 0.05% of the funding amount, up to a maximum penalty amounting to 5% of the funding amount.

On 20 February 2010, Hebei Noter and SkyComm signed a supplemental memorandum which increased the maximum amount of financial support to RMB115 million. On 28 April 2010, the maximum amount of financial support was reduced back to RMB100 million. During the six months ended 30 June 2010, the maximum outstanding amount under the financial support arrangement amounted to RMB111 million. All of the financial support made available to SkyComm was refunded within one month and at no time during the period had the outstanding financial support exceeded the maximum amount. The financial support arrangement was aborted by both parties on 30 June 2010.

(ii) Pursuant to the long term co-operation agreement, Hebei Noter provided a lump sum of RMB30,000,000 to SkyComm as a performance guarantee deposit which is subject to an annual adjustment in the manner as specified therein. The performance guarantee deposit is to provide security to SkyComm during the operations in case of the Group's failure in performance to its customers. Such performance guarantee deposit will be refunded to Hebei Noter when the retention period of the projects for which SkyComm acts as the agent for the Group has expired. The amount expected to be refunded one year after the balance sheet date is classified as a non-current receivable and is discounted at a rate generally available for discounting similar instruments with commercial banks in the PRC based on the expected timing of refund.

During 2009, a total of RMB15,000,000 of the deposit was refunded. During the six months ended 30 June 2010, a further deposit of RMB15,000,000 was provided to SkyComm as management anticipated there will be more business referrals from SkyComm, increasing the amount of performance guarantee deposit to RMB30,000,000. The total balance is expected to be recovered at the end of 2012. At 30 June 2010, the present value of the performance guarantee deposit amounting to RMB29,397,000 (2009: RMB9,332,000) was classified as a non-current asset.

Notes to the unaudited interim financial report *(Continued)*

9 Trade and other receivables *(Continued)*

Ageing analysis

Included in trade and other receivables are trade receivables (net of allowance for doubtful debts) with the following ageing analysis:

	At 30 June 2010	At 31 December 2009 *(Audited)*
	RMB'000	*RMB'000*
Current	**127,648**	144,167
Less than 1 month past due	**31,777**	11,953
1 to 3 months past due	**1,384**	3,150
More than 3 months but less than 12 months past due	**10,149**	3,644
More than 12 months past due	**2,188**	1,695
Amounts past due	**45,498**	20,442
Trade debtors, net of allowance for doubtful debts	**173,146**	164,609
Representing:		
Non-current trade receivables	**41,788**	44,579
Current trade receivables	**131,358**	120,030
	173,146	164,609

Notes to the unaudited interim financial report *(Continued)*

9 Trade and other receivables *(Continued)*

***Ageing analysis** (Continued)*

Contract sums for the provision of application solutions (other than for sales of terminal equipment) are generally due and payable by instalments at different stages which comprised (i) downpayment payable upon signing of contract; (ii) remaining balance within three months after acceptance of project, subject to 5%-10% retention money, if any, to be withheld by customers in our projects until expiry of the warranty period. For sales of terminal equipment, contract sums are normally payable upon delivery of the relevant terminal equipment. The Group may grant credit up to 180 days to its customers according to the negotiation and relationship with these customers. The Group may also allow payments by instalments to certain customers with sound financial background and with no history of default. Normally, the Group does not obtain collateral from customers.

10 Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet and condensed consolidated cash flow statement comprise:

	At 30 June 2010	At 31 December 2009 *(Audited)*
	RMB'000	*RMB'000*
Cash at bank and in hand	**478,709**	465,200

Notes to the unaudited interim financial report ***(Continued)***

11 Trade and other payables

	At 30 June 2010 RMB'000	At 31 December 2009 (Audited) RMB'000
Trade payables	**30,881**	11,429
Receipts in advance	**952**	2,213
Other payables and accruals	**29,964**	24,651
	61,797	38,293

Included in trade and other payables are trade payables with the following ageing analysis:

	At 30 June 2010 RMB'000	At 31 December 2009 (Audited) RMB'000
Due within 1 month or on demand	**28,069**	7,588
Due after 1 month but within 3 months	**2,709**	3,740
Due after 6 months but within 12 months	**103**	101
	30,881	11,429

12 Interest-bearing borrowings

At 30 June 2010, the bank loans were repayable as follows:

	At 30 June 2010	At 31 December 2009 *(Audited)*
	RMB'000	*RMB'000*
Current portion		
Within 1 year	**722**	—
Non-current portion		
After 1 year but within 2 years	**749**	—
After 2 years but within 5 years	**2,428**	—
After 5 years	**11,436**	—
	14,613	—
Total mortgage loans	**15,335**	—

The mortgage loans are secured by the Group's buildings which were acquired during the interim period with carrying values of approximately RMB25,456,000 at 30 June 2010.

Notes to the unaudited interim financial report *(Continued)*

13 Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period:

	Six months ended 30 June	
	2010	2009
		(Audited)
	HK$'000	*HK$'000*
Interim dividend declared after the interim period, of HK1.0 cent per ordinary share (six months ended 30 June 2009: Nil)	**10,375**	—
	RMB'000	*RMB'000*
Equivalent to	**9,051**	—

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year approved during the interim period:

	Six months ended 30 June	
	2010	2009
		(Audited)
	HK$'000	*HK$'000*
Final dividend attributable to the financial year ended 31 December 2009, approved and paid during the following interim period, of HK1.0 cent per ordinary share (year ended 31 December 2008: Nil)	**10,375**	—
	RMB'000	*RMB'000*
Equivalent to	**9,094**	—

Notes to the unaudited interim financial report *(Continued)*

14 Business combination

On 22 April 2010, Beijing All Access Noter Communication Technology Company Limited ("Beijing Noter"), a wholly-owned subsidiary of the Company, Beijing Zhiping Network Technology Company Limited ("Beijing Zhiping") and its shareholders entered into a capital subscription agreement pursuant to which Beijing Noter acquired a 60% equity interest in Beijing Zhiping through contribution of additional registered capital in Beijing Zhiping in the aggregate amount of RMB3,000,000.

Before the acquisition, Beijing Zhiping had registered capital of RMB2,000,000 which was owned as to 80% and 20% by two individuals who are independent third parties to the Group. Following the capital contribution to Beijing Zhiping, the total registered paid up capital of Beijing Zhiping increased from RMB2,000,000 to RMB5,000,000, and Beijing Zhiping became owned as to 60% by Beijing Noter, and 32% and 8% by the two individuals mentioned above respectively. Beijing Zhiping became an indirect non-wholly-owned subsidiary of the Company since then and subsequently changed its name to Beijing All Access Zhiping Communication Technology Company Limited.

Notes to the unaudited interim financial report *(Continued)*

14 Business combination *(Continued)*

Beijing Zhiping's net assets at the acquisition date are analysed as follows:

	Pre-acquisition carrying amount *RMB' 000*	Fair value adjustment *RMB' 000*	Recognised values on acquisition *RMB' 000*
Intangible assets	—	2,070	2,070
Current assets	104	—	104
Currrent liabilities	(268)	—	(268)
Deferred tax liabilities	—	(517)	(517)
Net identifiable assets	(164)	1,553	1,389
Capital injection			3,000
			4,389
Group's 60% share of net identifiable assets			2,633
Goodwill arising from the acquisition			367
Total purchase consideration, satisfied by cash			3,000

The intangible assets represent the technical know-how relating to multimedia satellite transmission network and the value was determined by an independent valuer.

Notes to the unaudited interim financial report *(Continued)*

15 Commitments

(a) Capital commitments outstanding not provided for in the interim financial report

	At 30 June 2010	At 31 December 2009 *(Audited)*
	RMB'000	*RMB'000*
Contracted for	**—**	14,423

(b) At 31 December 2009, the Group had committed to provide financial support to SkyComm up to a maximum amount of RMB100 million (note 9(i)). Such financial support arrangement was aborted on 30 June 2010 hence the Group had no such commitment at 30 June 2010.

16 Material related party transactions

During the current period, the Group paid rental expense of RMB91,000 (six months ended 30 June 2009: RMB93,000) to the Company's controlling shareholder, Mr. Chan Yuen Ming, for office premises owned by him.