SUPERDATA SOFTWARE HOLDINGS LIMITED
（速達軟件控股有限公司）*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8263)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005

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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

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

This announcement, for which the directors of Superdata Software Holdings Limited (the "Company") (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange 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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* *For identification purposes only*

HIGHLIGHTS

- For the year ended 31 December 2005, the revenue of the Company and its subsidiaries (collectively, the "Group") increased significantly to approximately RMB84.2 million, which representing an approximate increase of 43% when compared to previous year.

- Net profit of the Group amounted to approximately RMB51.3 million for the year ended 31 December 2005, representing an increase of approximately 66% as compared to approximately RMB30.9 million (Restated) for the corresponding period in the previous year.

- Basic earnings per share of the Group was approximately RMB12.74 cents for the year ended 31 December 2005.

- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2005 (2004: HK$4.7 cents).

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2005 have been agreed by the Group's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINANCIAL RESULTS

The Directors are pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2005 together with the comparative figures for the preceding year ended 31 December 2004 as follows:

Consolidated Income Statement

	Note	**2005** ***RMB'000***	2004 *RMB'000* (Restated)
Sales	*2*	**84,177**	58,731
Cost of materials consumed		**(2,454)**	(2,532)
Other gains — net	*2*	**16,060**	8,898
Staff costs		**(19,485)**	(16,413)
Amortisation of development costs		**(715)**	—
Depreciation		**(1,401)**	(1,326)
Royalty charges		**(1,557)**	(1,544)
Advertising and promotional expenses		**(6,434)**	(6,418)
Other operating expenses		**(13,770)**	(8,312)
Profit before income tax	*4*	**54,421**	31,084
Income tax expense	*5*	**(3,089)**	(157)
Profit attributable to equity holders		**51,332**	30,927
Dividends	*6*	**17,000**	28,308
Basic earnings per share *(RMB cents)*	*7*	**12.74**	7.71
Diluted earnings per share *(RMB cents)*	*7*	**11.66**	7.33

Consolidated Balance Sheet

		As at 31 December	
		2005	2004
	Note	***RMB'000***	*RMB'000*
			(Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		**4,304**	3,323
Intangible assets		**4,039**	1,068
		8,343	4,391
Current assets			
Inventories		**1,398**	1,540
Trade and other receivables	*8*	**35,329**	6,447
Short-term bank deposits		**58,000**	70,543
Cash and cash equivalents		**19,334**	21,783
		114,061	100,313
Total assets		**122,404**	104,704
EQUITY			
Share capital		**25,818**	22,565
Other reserves	*10*	**49,513**	45,948
Retained earnings	*10*		
— Proposed final dividend		**—**	20,142
— Others		**32,930**	2,163
Total equity		**108,261**	90,818
LIABILITIES			
Current liabilities			
Trade and other payables	*9*	**5,556**	5,417
Customer deposits		**3,252**	6,025
Current income tax liabilities		**1,585**	157
Other tax payable		**3,750**	2,287
Total liabilities		**14,143**	13,886
Total equity and liabilities		**122,404**	104,704
Net current assets		**99,918**	86,427
Total assets less current liabilities		**108,261**	90,818

Notes:

1. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involved a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

The adoption of new/revised HKFRS

In 2005, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS-Int 15	Operating Leases — Incentives
HKFRS 2	Share-based Payments

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 17, 21, 24, 27, 32, 33, 36, 38, 39 and HKAS-Ints 15 did not result in substantial changes to the Group's accounting policies. In summary:

— HKAS 1 has affected the presentation of minority interest and other disclosures.

— HKASs 2, 7, 8, 10, 16, 17, 27, 32, 33, 36, 38, 39 and HKAS-Ints 15 had no material effect on the Group's policies.

— HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the Group entities have the same functional currency as the presentation currency for respective entity financial statements.

— HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31 December 2004, the provision of share options to employees did not result in an expense in the income statements. Effective 1 January 2005, the Group expenses the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7 November 2002 and had not yet vested on 1 January 2005 was expensed retrospectively in the income statement of the respective periods.

The Group has reassessed the useful lives of its intangible assets in accordance with the provisions of HKAS 38. No adjustment resulted from this reassessment.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards, wherever applicable. All standards adopted by the Group require retrospective application other than:

— HKAS 16 — the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transactions;

— HKAS 39 — does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous SSAP 24 "Accounting for investments in securities" to investments in securities and also to hedge relationships for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and recognised at 1 January 2005.

— HKAS-Int 15 — does not require the recognition of incentives for leases beginning before 1 January 2005.

— HKFRS 2 — only retrospective application for all equity instruments granted after 7 November 2002 and not vested at 1 January 2005.

The adoption of HKFRS 2 resulted in:

	2005	2004
	RMB'000	*RMB'000*
Increase in staff costs	**3,219**	1,509
Decrease in retained earnings	**(4,728)**	(1,509)
Decrease in basic earnings per share *(RMB cents)*	**(0.80)**	(0.38)
Decrease in diluted earnings per share *(RMB cents)*	**(0.73)**	(0.36)

No early adoption of the following new Standards or Interpretations that have been issued but are not yet effective. The adoption of such Standards or Interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS-Int 3	Emission Rights
HKFRS-Int 4	Determining whether an Arrangement Contains a Lease
HKFRS-Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

2. Sales and other gains

The Group is principally engaged in the development and sales of packaged software in the People's Republic of China excluding Hong Kong (the "PRC"). Turnover recognised during the year are as follows:

	2005	2004
	RMB'000	*RMB'000*
Turnover *(Note)*		
Sales of packaged software	**84,177**	58,731
Other gains-net		
Interest income	**1,472**	934
Value-added tax refund income	**11,776**	7,725
Royalty income	**2,729**	228
Other operating income	**83**	11
	16,060	8,898

Note: Turnover as disclosed above is net of applicable value-added tax ("VAT") in the PRC.

3. Segment information

The Group regards the development and sales of packaged software as a single business segment. The Group also operates within one single geographical segment as its revenues are primarily generated in the PRC and its assets are also mostly located in the PRC. Accordingly, no segmental information is presented.

4. Profit before income tax

Profit before income tax is stated after charging the following:

	2005	2004
	RMB'000	*RMB'000*
Depreciation	**1,401**	1,326
Amortisation	**1,391**	674
Changes in inventories of finished goods and work in progress	**5**	(87)
Raw material and consumables used	**2,449**	2,619
Advertising and promotional costs	**6,434**	6,418
Auditors' remuneration	**728**	543

5. Income tax expense

No provision for Hong Kong profits tax has been made for the year ended 31 December 2005 (2004: Nil) as the Group had no estimated assessable profit in Hong Kong.

The Group's subsidiaries in the PRC, Superdata Software Technology (Guangzhou) Limited ("Superdata (Guangzhou)"), Glory Software (Shanghai) Limited ("Glory (Shanghai)"), Superdata Network Technology (Guangzhou) Limited ("Superdata Network") and Superdata ERP Software (Guangzhou) Limited ("Superdata ERP") are foreign investment enterprises and are subject to PRC enterprise income tax ("EIT").

In accordance with the PRC Law of Enterprise Income Tax for Enterprises with Foreign Investment and Foreign Enterprises, Superdata (Guangzhou) is entitled to full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing the first profitable year after offsetting all tax losses carried forward from the previous five years. 2005 is the third profitable year for Superdata (Guangzhou) after offsetting all accumulated operating losses brought forward. Superdata (Guangzhou) is registered in Guangzhou Economic Technology Development District. It has been approved by the tax authorities for a preferential EIT rate of 15% (2004: 15%).

Pursuant to "The Provisional Regulation on High Technology Enterprises of Beijing", Glory (Shanghai) is now applying for full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing 2001. For the year ended 31 December 2005, no PRC profits tax has been provided as Glory (Shanghai) had no assessable profit for the year (2004: Nil).

Superdata Network is entitled to full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing the first profitable year after offsetting all tax losses carried forward from the previous five years. 2005 is the first profitable year for Superdata Network after offsetting all accumulated operating losses brought forward. Superdata Network is registered in Guangzhou Economic Technology Development District. It has been approved by the tax authorities for a preferential EIT rate of 15%.

Superdata ERP is registered in Guangzhou Economic Technology Development District. In 2005, it is still in pre-operating stage and did not have any assessable profit.

The amount of income tax expense charged to the consolidated income statement represents:

	2005	2004
	RMB'000	*RMB'000*
Current taxation:		
— PRC EIT	**3,089**	157

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using weighted average tax rate applicable to profits of the consolidated companies as follows:

	2005	2004
	RMB'000	*RMB'000*
		(Restated)
Profit before income tax	**54,421**	31,084
Tax calculated at tax rates applicable to profits of the respective companies	**3,618**	170
Income not subject to tax	**(711)**	(18)
Expenses not deductible for tax purposes	**182**	5
Income tax expense	**3,089**	157

6. Dividends

	2005	2004
	RMB'000	*RMB'000*
Interim dividend paid of HK$4 cents, equivalent to RMB4.2 cents (2004: HK$1.9 cents, equivalent to RMB2 cents) per ordinary share	**17,000**	8,166
2004 proposed final dividend of HK$4.7 cents, equivalent to RMB5 cents per ordinary share	**—**	20,142
	17,000	28,308

The directors do not recommend the payment of a final dividend for year ended 31 December 2005 (2004: HK$4.7 cents, equivalent to RMB5 cents per share).

7. 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.

	2005	2004
	RMB'000	*RMB'000*
		(Restated)
Profit attributable to equity holders of the Company	**51,332**	30,927
Weighted average number of ordinary shares in issue *(thousands)*	**403,018**	401,010
Basic earnings per share *(RMB cents per share)*	**12.74**	7.71

Diluted

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2005	2004
	RMB'000	*RMB'000*
		(Restated)
Profit attributable to equity holders of the Company	**51,332**	30,927
Weighted average number of ordinary shares in issue *(thousands)*	**403,018**	401,010
Adjustments for — share options *(thousands)*	**37,048**	20,954
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**440,066**	421,964
Diluted earnings per share *(RMB cents per share)*	**11,66**	7.33

8. Trade and other receivables

	2005	2004
	RMB'000	*RMB'000*
Trade receivables	**30,344**	3,137
Less: Provision for impairment of receivables	**(651)**	(233)
Trade receivables — net	**29,693**	2,904
Prepayments	**94**	7
Other receivables	**5,053**	3,112
Prepaid expenses	**489**	424
	35,329	6,447

All trade and other receivable balances are denominated in Renminbi.

The majority of trade receivables have a credit period of 12 months. For the remaining receivables, the credit period granted to customers ranges from 30 to 60 days.

At 31 December 2005 and 2004, the ageing analysis of the trade receivables were as follows:

	2005	2004
	RMB'000	*RMB'000*
Current to 30 days	**21,353**	2,103
31 days to 60 days	**1,945**	368
61 days to 180 days	**6,017**	420
181 days to 360 days	**721**	118
Over 361 days	**308**	128
	30,344	3,137

The carrying amounts of the trade and other receivables approximate their fair values.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, nationally dispersed.

9. Trade and other payables

	2005	2004
	RMB'000	*RMB'000*
Trade payables	**972**	1,301
Accrued payroll	**2,228**	1,036
Other payables	**614**	652
Accrued expenses	**1,742**	2,428
	5,556	5,417

All trade and other payable balances are denominated in Renminbi.

The Group's trade payables are all within 30 days.

The carrying amounts of trade and other receivables approximate their fair values.

10. Reserves

	Merger reserve *(i)*	Exchange reserve	Statutory reserve fund *(ii)*	Other reserve *(iii)*	Retained earnings	Total
Balance at 1 January 2004	44,685	29	625	—	3,163	48,502
Profit for the year	—	—	—	—	30,927	30,927
Appropriation to statutory reserve fund	—	—	619	—	(619)	—
Dividends	—	—	—	—	(11,166)	(11,166)
Currency translation differences	—	(10)	—	—	—	(10)
Balance at 31 December 2004	44,685	19	1,244	—	22,305	68,253
Profit for the year	—	—	—	—	51,332	51,332
Appropriation to statutory reserve fund	—	—	3,565	—	(3,565)	—
Dividends	—	—	—	—	(37,142)	(37,142)
Reduction of reserve arising from repurchase of share options	—	—	—	(30,847)	—	(30,847)
Contribution from Profit Eagle Limited relating to repurchase of share options	—	—	—	30,847	—	30,847
Balance at 31 December 2005	44,685	19	4,809	—	32,930	82,443

(i) Merger reserve represents the difference between the nominal value of the ordinary shares issued by the Company and the aggregate of the share capital and share premium of the subsidiaries acquired by the Company through exchange of shares.

(ii) In accordance with the relevant laws and regulations of the PRC, the Group's subsidiaries established in the PRC are required to appropriate a minimum of 10% of the net profit after income tax reported in the statutory accounts to the statutory reserve, namely the statutory reserve fund until the balance of such fund has reached 50% of its registered capital. The amount of allocation is determined by the board annually. The total amount allocated to statutory reserve fund was approximately RMB3,565,000 (2004: RMB619,000) for the year ended 31 December 2005. This reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

(iii) Movement of other reserve represents cash contribution from Profit Eagle Limited totaling HK$29,652,000 for cancellation of 20,653,625 share options of the Company pursuant to the terms as prescribed in the Offer.

MANAGEMENT DISCUSSION AND ANALYSIS

General Overview

Superdata Software Holdings Limited ("Superdata") is a leading provider of packaged management softwares specifically developed for the small and medium enterprises ("SME(s)") in the China market. The Group provides a series of products that offer a board range of management solutions to customers to enhance profitability of enterprises. These solutions include accounting and financial reporting suites, warehouse and inventory management systems, internet promotion tools and enterprise relationship management systems.

The remarkable growth of PRC economy, largely contributed from the rapid development of private enterprises and SMEs, raised a tremendous demand for high value added SME management softwares which can provide outstanding capacity to integrate the system into the vertical management of the corporation. The Group has taken its leading position in research and development of these management softwares with the vision to provide practical and inexpensive solutions to wide range of target customers.

In 2005, the Group achieved a record-breaking turnover of approximately RMB84.2 million, representing an increase of 43% over that of RMB58.7 million in last year. Net profit attributable to shareholders increased by 66% to approximately RMB51.3 million as compared to the restated profit of 2004. The weighted average basic earnings per share was RMB12.74 cents, an increase of 65% over the last year's restated weighted average basic earning per share. These results were achieved by the continuous efforts in strengthening the products and services quality as well as developing new market and distribution channels for business growth.

Product Development

Superdata provides a board range of products to address distinctive needs of customers in different market segments. Our products cover extensive functional areas in financial reporting and bookkeeping, customer relationship management, warehouse and inventory management, manufacturing processing and enterprise promotion suite.

In the past years, Superdata was found to be successful on their products series including SD3000 series, SD5000 series and E3 series. These products series represented the major revenue stream of the Group and their success proved the well position of Superdata's products in the market.

During the year, the Group launched the new Enterprise Relationship Management ("ERM") series. The products emphasize the integration of corporation business information to its inherently built e-commerce platform. Corporation using the system can strengthen the connections of business units in different department through re-engineering of business information flow within the organization. This product package mainly included 8 modules: customer information management, supplier information management, products and services information management, open orders management, online sales management, personal message management, corporate message management and system maintenance. The system facilitates the management and utilization of corporate information in all aspects of the company operation and extends the value of system to outsider business partners.

In the last quarter, the Group also launched its flagship products series: SD3000online pro. The product was constructed with its innovative design in data connectivity. Enterprise users can now access its own company data securely through the internet connection with Superdata's data exchange server or directly with their own data server. SD3000online pro exceeds the limitation that enterprise can only synchronize their data through company's internal network. Now, enterprises including their head offices, their branch offices, sales centres and their individual management team members can receive and update real-time information as long as internet connections are available. The Group expected this new innovative product with advanced online capability will provide a new trend of development in SMEs management software industry in the near future.

Sales and Marketing

The Group maintained its marketing strategy in indirect sales channels. Currently, the Group has three main distribution channels: Advantage Business Partners ("ABP"), Professional Business Partners ("PBP") and Internet Business Partners ("IBP") operating in their designated market segments to provide local presence to meet the needs of end users.

The Group has now established an extensive sales network to cover nearly all of the major developed areas in China. Currently, the Group has 26 branch offices together with over 1,700 retail channels in Guangzhou, Beijing, Shanghai and other major cities in the PRC.

To further support the sales efforts of our distribution partners, Superdata has expanded its sales teams by hiring 40 additional sales executive officers in various branch offices to cope with products enquires from our enlarged distributors group. These sales teams consist of employees in field sales, field technical supports and field marketing supports who are fully trained with product knowledge. They are responsible for coordinating the sales functions aiming at maximizing the sale performance of our distribution partners.

Financial Review

Consolidated Results of Operation

For the year ended 31 December 2005, the Group recorded a total turnover of RMB84.2 million, representing an increase of approximately 43% over the previous year. The Group continues to focus on the development and distribution of packaged software. With the deepening of products diversification, turnover of the Group increased from the launches of new products mainly ERM and SD3000online pro series, while the existing products SD3000 maintained stable growth on our expanding customer bases and maturing market.

Net Profit

The Group recorded a net profit of approximately RMB51.3 million for the year ended 31 December 2005, representing an increase of approximately 66% over the previous year. The net profit margin surged from 53% in year 2004 to 61% in year 2005. The encouraging result was achieved by the continuous sales growth coinciding with the effective cost control.

Other Gains

The Group recorded other gains of approximately RMB16.1 million in current year, which are mainly tax refund from the government on packaged software sales and interest income from bank deposits.

General and Administrative Expenses

General and administrative expenses included staff costs, depreciation, royalty charges, advertising and promotional expenses and other operating expenses. The total expenses for the year increased to RMB43.4 million when compared to RMB34.0 million in year 2004. It was mainly contributed from increased staff costs associated with our plan of expanding the sales and marketing workforces to enhance the promotion of new products. Further, the Group also incurred additional advertising expense to reinforce the channel partners' promotional campaigns in the retail market.

Outlook

Superdata targets the SMEs sector that offers superior growth potential. SMEs in China represent the major drive forces for economic growth and the sector has been maintaining a double digits growth for years. Their importance starts to dominate the attention of software solutions and services providers. By emphasizing higher value added product functionalities and services, Superdata is well positioned to deliver greater value to their customers and to capitalize on opportunities in existing offering market as well as new emerging market.

The Group's growth strategy is dependent on the construction of effective distribution networks and rapid development of innovative and practical business solutions to the end users. Superdata has committed for years to establish sound relationship with its distributors. The Group will ensure its distributors can receive adequate support from the branch offices and sales teams and at the same time, we will continue to expand its distribution network by increasing the sales forces in significant geographical areas.

For the product development, Superdata will seek to leverage the management's knowledge and experience in international management software market to enhance the product innovation. Meanwhile, the Group will continue to explore new opportunities for business diversification and expansion in the China internet market with the aim to bringing additional value to its business partners and shareholders in the future.

SIGNIFICANT INVESTMENT

As at 31 December 2005, the Group did not have any significant investment.

MATERIAL ACQUISITIONS AND DISPOSAL/FUTURE PLANS FOR MATERIAL INVESTMENT

There had been no material acquisitions and disposals during the year. At present, the Company and the Group have no plan for material investments or capital assets other than those set out in the Prospectus.

CAPITAL STRUCTURE

The shares of the Company were listed on GEM of the Stock Exchange on 6 June 2003. There has been no change in the capital structure of the Company since the Company's listing on that date. The capital of the Company comprises only ordinary shares. The Company and the Group had no borrowings and long-term debts as at 31 December 2005.

GEARING RATIO

As at 31 December 2005, the Group did not have any long-term debts and its shareholders' equity amounted to approximately RMB108.3 million. In this regard, the Group held a net cash position with its zero gearing ratio (net debt to shareholders' equity) as at 31 December 2005.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows.

As at 31 December 2005, the Group had cash and cash equivalents of RMB19.3 million as compared to RMB21.8 million as at 31 December 2004.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs costs in Renminbi. Risk on exposure to fluctuation in exchange rates should be minimal as there is no material fluctuation in the exchange rate between Hong Kong dollars and Renminbi.

CHARGES OF GROUP ASSETS

As at 31 December 2005, the Group did not have any charges on its assets.

CONTINGENT LIABILITY

As at 31 December 2005, the Group did not have any significant contingent liabilities.

EMPLOYEE INFORMATION

As at 31 December 2005, the Group had 466 full-time employees (2004: 406) working in Hong Kong and mainland China. The total staff costs, including directors' emoluments, amounted to approximately RMB19.5 million (2004: RMB16.4 million). The Group remunerates its employees based on their performance, experience and the prevailing industry practice.

The Company adopted a pre-IPO share option scheme (the Pre-IPO Share Option Scheme) and a share option scheme (the "Share Option Scheme") (collectively the "Schemes") which was approved by written resolution of shareholders on 19 May 2003. On 20 January 2006, all the options outstanding as at year end date were lapsed as a result of a voluntary conditional offer made by Profit Eagle Limited. For details refer to section "Withdrawal of Listing" of this announcement.

WITHDRAWAL OF LISTING

On 18 October 2005, the directors of Superdata were formally informed by Profit Eagle Limited of its intention to make a voluntary conditional offer to acquire all the issued shares of Superdata and to cancel all outstanding share options of the Company.

On 29 December 2005, the offer was declared unconditional and Profit Eagle Limited announced its intention to proceeds its rights of compulsory acquisition to compulsorily acquire all the outstanding shares of Superdata which had not been acquired ("Outstanding Shares").

At the date of this announcement, the procedure for withdrawal of listing is ongoing and the Company's shares have been suspended in trading until the proposed withdrawing of listing from GEM following the completion of the compulsory acquisition.

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

The following is a summary of the actual progress of the Group compared with the business objectives set out in the Prospectus for the six months ended 31 December 2005:

Business objectives as stated in the Prospectus dated 28 May 2003	**Actual business progress for the six months ended 31 December 2005**
1. **Sales and Distribution**	
Expand the number of authorized business partners/retailers in order to enhance the sales and distribution network of the Group.	The number of regional offices increased to 26 (including the head office in Guangzhou).
2. Marketing	
Launch, advertise and promote the Group's various products via media and by attending or organizing conferences and seminars.	A series of promotional campaigns have been launched during the year. These promotional campaigns received positive result on the new products sales.
3. **Product Development**	
Continue to upgrade the existing business management software.	Upgrading is on-going. The newly upgraded products have been improved in the aspects of execution efficiency and functionality.
Commence the R&D of the personal and finance software.	Resources have been redirected to the development of 3000online Pro which the Group considered to have huge potential in future.
Continue to upgrade the existing of R&D facilities and other equipment.	Upgrading is on-going.

Business objectives as stated in the Prospectus dated 28 May 2003	Actual business progress for the six months ended 31 December 2005
4. **Technical Support Services**	
Continue to train members of the Group's authorized retailers and technical support services staff regarding the Group's products.	Variety of training programs have been offered to the authorized retailers.
Continue to help more authorized retailers to build up services centres for the Group's various products.	Development activities have slowed down in response to the slow demand for the services centres from authorized retailers.
5. **Human Resources**	
Employ additional 7 R&D staff, 4 sales and marketing staff and 2 general and administrative staff.	More staff members than stated were employed in order to cope with the rapid business growth.
Employ 3 additional technical servicing staff.	More staff members than stated were employed.
Provide trainings and short-term course to the technical personnel.	Trainings and short-term courses are provided to technical personnel on continuous basis.

USE OF PROCEEDS

The Group raised net proceeds of approximately HK$20.8 million upon listing, the Group had used part of the proceeds from listing to achieve the business objectives as stated above and substantially in the manner as set out in the Prospectus. The proceeds have been applied as follows:

	According to the use of the proceeds as stated in the Prospectus dated 28 May 2003 *HK$' million*	Amount utilized up to 31 December 2005 *HK$' million*
Continue to develop new business management software	6.5	**6.5**
Enhance support services and expand distribution network and product range in order to maintain dominant market position	6.0	**6.0**
Enhance R&D capability	3.0	**3.0**
Enhance the brand image and reputation of "Quickbooks"	5.0	**5.0**
	20.5	**20.5**

COMPETING INTERESTS

As at 31 December 2005, IDG Technology Venture Investment, Inc., being a substantial shareholder of the Company, had investments in another business in the PRC which competes or may compete with the Group in the development and sale of business management software products for PRC enterprise users.

Save as disclosed above, as at 31 December 2005, none of the directors or substantial shareholders of the Company or any of their respective associates had engaged in any business that compete or may compete with the business of the Group, or had any other conflict of interests with the Group.

SPONSOR'S INTERESTS

Pursuant to the sponsor agreement dated 28 May 2003 entered into between the Company and First Shanghai, First Shanghai is entitled to receive a fee for acting as the Company's sponsor for the period from 6 June 2003 to 31 December 2005.

Saved as disclosed above, neither First Shanghai nor any of its respective directors, employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interests in the securities of the Company or any of the members of the Group, or had any right to subscribe for or to nominate persons to subscribe for the securities of the Company as at 31 December 2005.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 December 2005, the Company adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors. On 18 October 2005, the Board was informed by Profit Eagle Limited, whose directors are also the directors of the Company, for a possible voluntary conditional offer (the "Offer") to acquire all the issued shares of the Company and to cancel all outstanding share options of the Company. Details of the Offer can be referred to section "withdrawal of Listing" of this announcement.

COMPLIANCE WITH RULES 5.34 TO 5.45 OF THE GEM LISTING RULES

The Company complied with the Board Practices and Procedures set out in Rules 5.34 to 5.45 of the GEM Listing Rules throughout the year ended 31 December 2005.

AUDIT COMMITTEE

The written terms of reference, which describe the authority and duties of the Audit Committee, were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules effective as at 31 December 2005.

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the group audit. It also reviews the effectiveness of both the external and internal audit and of internal controls and risk evaluation. The Committee comprises two independent non-executive directors, namely Dr. Lo Wing Yan, William, JP and Mr. Kwong Kai Sing, Benny. Four meetings were held during the year ended 31 December 2005. The Group's consolidated financial statements for the year ended 31 December 2005 have been reviewed by the audit committee, which is of the opinion that such statements have complied with the applicable accounting standards and that adequate disclosures have been made.

FINAL DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 December 2005.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on section "Corporate Governance Report" in the annual report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2005.

By order of the Board
Cen Anbin
Chairman

Hong Kong, 28 March 2006

As at the date of this announcement, the executive Directors of the Company are Mr. Zou Qixiong, Mr. Cen Anbin and Mr. Lin Gang; the non-executive directors of the Company are Mr. Zhou Quan, Mr. Lin Dongliang, Mr. Jiao Shuge and Mr. Wang Lin; and the independent non-executive directors of the Company are Dr. Lo Wing Yan, William, JP and Mr. Kwong Kai Sing, Benny.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its publication.