SHANGHAI JIAODA WITHUB
INFORMATION INDUSTRIAL COMPANY LIMITED*
上海交大慧谷信息產業股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8205)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (the "Directors") of Shanghai Jiaoda Withub Information Industrial Company Limited (the "Company") 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 (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all options 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 purpose only*

HIGHLIGHTS

For the year ended 31 December 2009,

– turnover of the Group amounted to approximately RMB84,608,000 (2008: approximately RMB87,642,000) which represented a slight decrease of approximately 3%;

– Profit attributable to equity holders of the Company was approximately RMB2,707,000 (2008: profit of approximately RMB334,000); and

– the Directors do not recommend the payment of a final dividend (2008: Nil).

The board of directors (the "Board" or the "Directors") of 上海交大慧谷信息產業股份有限公司 (Shanghai Jiaoda Withub Information Industrial Company Limited*) (the "Company", together with its subsidiaries, collectively, the "Group") announces the audited results of the Group for the year ended 31 December 2009, together with the comparative figures for the year of 2008 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Notes	**2009** **RMB'000**	2008 RMB'000
Turnover	*3*	**84,608**	87,642
Cost of sales		**(69,999)**	(74,693)
Gross profit		**14,609**	12,949
Other revenue	*5*	**3,567**	2,552
Distribution expenses		**(4,008)**	(4,967)
Administrative expenses		**(11,495)**	(10,794)
Share of results of associates		**34**	594
Profit before tax		**2,707**	334
Income tax expense	*6*	**–**	–
Profit for the year attributable to owners of the Company	*7*	**2,707**	334
Exchange difference arising on translation of foreign operations and other comprehensive income for the year		**85**	261
Total comprehensive income for the year attributable to owners of the Company		**2,792**	595
Earnings per share *(in RMB)*	*8*		
– Basic and diluted		**0.0056**	0.0007

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	**2009** **RMB'000**	2008 *RMB'000*
Non-current assets			
Plant and equipment		**2,601**	576
Investments in associates		**26,446**	26,912
Intangible asset		**2,550**	2,850
Available-for-sale investments		**2,416**	2,416
		34,013	32,754
Current assets			
Inventories		**3,457**	4,550
Amounts due from customers for contract works		**9,778**	7,484
Trade receivables	*9*	**13,691**	14,531
Deposits, prepayments and other receivables		**9,378**	9,124
Amount due from a related party		**1,000**	1,000
Amount due from an associate		**82**	–
Bank balances and cash		**63,530**	49,664
		100,916	86,353
Current liabilities			
Trade payables	*10*	**6,798**	8,955
Other payables and accrued expenses		**27,073**	15,020
Amount due to a shareholder		**1,800**	–
Amount due to a related party		**564**	121
		36,235	24,096
Net current assets		**64,681**	62,257
		98,694	95,011
Capital and reserves			
Share capital		**48,000**	48,000
Reserves		**49,803**	47,011
Total equity		**97,803**	95,011
Non-current liability			
Deferred income		**891**	–
		98,694	95,011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Share capital *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Statutory reserves *RMB'000*	Translation reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
At 1 January 2008	48,000	61,068	16,000	223	(159)	(30,716)	94,416
Profit for the year	–	–	–	–	–	334	334
Other comprehensive income for the year	–	–	–	–	261	–	261
Total comprehensive income for the year	–	–	–	–	261	334	595
At 31 December 2008 and 1 January 2009	48,000	61,068	16,000	223	102	(30,382)	95,011
Profit for the year	–	–	–	–	–	2,707	2,707
Other comprehensive income for the year	–	–	–	–	85	–	85
Total comprehensive income for the year	–	–	–	–	85	2,707	2,792
At 31 December 2009	**48,000**	**61,068**	**16,000**	**223**	**187**	**(27,675)**	**97,803**

Notes:

1. **GENERAL**

Shanghai Jiadoa Withub Information Industrial Company Limited (the "Company") was incorporated on 4 May 1998 as a joint stock limited liability company in Shanghai, the People's Republic of China (the "PRC"). The Company was listed on the Growth Enterprises Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 31 July 2002 by the placing of 132,000,000 overseas listed foreign shares ("H shares") of RMB0.10 each at HK$0.66 per H share. The placing of 132,000,000 H shares included 120,000,000 new H shares and 12,000,000 H shares converted from domestic shares of the Company.

The address of the registered office of the Company is at 2/F, Block 7, 471 Gui Ping Road, Shanghai, PRC and its principal place of business is at Building A, Shanghai Jiaoda Withub Information Park, No. 951 Panyu Road, Shanghai, PRC.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of business solutions, development and sale of application system and network and data security products and sales and distribution of computer and electrical products and accessories in the PRC.

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")**

In the current year, the Group has applied a number of new and revised standards, amendments to standards and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Hong Kong Accounting Standard ("HKAS") 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[5]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Right Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Revised)	First-time Adoption of HKFRSs[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[6]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – Interpretation ("INT") 14 (Amendment)	Prepayments of a Minimum Funding Requirement[5]
HK(IFRIC) – INT 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments[6]

[1] Effective for annual periods beginning on or after 1 July 2009.
[2] Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
[3] Effective for annual periods beginning on or after 1 January 2010.
[4] Effective for annual periods beginning on or after 1 February 2010.
[5] Effective for annual periods beginning on or after 1 January 2011.
[6] Effective for annual periods beginning on or after 1 July 2010.
[7] Effective for annual periods beginning on or after 1 January 2013.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. TURNOVER

Turnover represents amounts received and receivable from the provision of business solutions, development and sales of application system and network and data security products and sales and distribution of computer and electrical products and accessories.

	2009	2008
	RMB'000	*RMB'000*
Development and provision of:		
– Business solutions development	**38,700**	21,865
– Application software	**3,588**	3,545
– Network and data security products	**2,465**	2,036
Sales and distribution of computer and electrical products and accessories	**39,855**	60,196
	84,608	87,642

Turnover as disclosed above is net of applicable PRC business tax and discounts.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical) using a risks and return approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reporting segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

For management reporting purpose, the Group is currently organised into two operating divisions – business application solutions and sales of goods. These divisions are the basis on which the Group reports its primary segment.

Business application solutions: Develop and provide business application solutions services which include business solutions development, application software and network and data security products.

Sales of goods: Sales and distribution of computer and electrical products and accessories.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December

	Business application solutions		Sales of goods		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
SEGMENT REVENUE						
External sales	**44,753**	27,446	**39,855**	60,196	**84,608**	87,642
Segment profit	**10,103**	6,382	**4,162**	6,284	**14,265**	12,666
Share of results of associates					**34**	594
Interest income					**714**	1,592
Unallocated corporate income					**2,511**	960
Unallocated operating expenses					**(14,817)**	(15,478)
Profit for the year					**2,707**	334

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of corporate income and expenses, interest income, central administration costs, directors' salaries and share of results of associates. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	Business application solutions		Sales of goods		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment assets	**20,707**	14,703	**10,611**	14,355	**31,318**	29,058
Investments in associates					**26,446**	26,912
Unallocated corporate assets					**77,165**	63,137
Total assets					**134,929**	119,107
Segment liabilities	**28,282**	13,402	**4,052**	6,691	**32,334**	20,093
Unallocated corporate liabilities					**4,792**	4,003
Total liabilities					**37,126**	24,096

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than intangible assets, available-for-sale investments, investments in associates, amount due from a related party and an associate and assets used jointly by reportable segments.

- all liabilities are allocated to reportable segments other than amount due to a shareholder and liabilities for which reportable segments are jointly liable.

Other segment information

	Business application solutions		Sales of goods		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
For the year ended 31 December						
Amounts included in the measure of segment profit or segment assets:						
Capital expenditure	**2,302**	56	**–**	–	**2,302**	56
Depreciation of plant and equipment	**249**	504	**–**	1	**249**	505
Amortisation of intangible asset	**300**	300	**–**	–	**300**	300
Impairment loss recognised (reversed) in respect of trade receivables	**109**	(75)	**–**	–	**109**	(75)
Bad debts recovered	**(209)**	(464)	**–**	–	**(209)**	(464)
Loss on disposal of plant and equipment	**28**	–	**–**	–	**28**	–
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:						
Investments in associates	**–**	–	**–**	–	**26,446**	26,912
Share of results of associates	**–**	–	**–**	–	**34**	594
Interest income	**–**	–	**–**	–	**714**	1,592

Geographical information

Over 95% of the Group's revenue was generated from customers in the PRC during the two years ended 31 December 2009 and all of the Group's assets were located in the PRC. Therefore, no geographical segment information is presented.

Information about major customers

The Group's customer base includes one (2008: Nil) customer with whom transactions have exceeded 10% of the Group's revenue. In 2009, revenues from this customer amounted to approximately RMB15,654,000 (2008: RMB2,855,000).

5. OTHER REVENUE

	2009	2008
	RMB'000	*RMB'000*
Dividends from available-for-sale investments	**2,334**	180
Interest income	**714**	1,592
Bad debts recovered	**209**	464
Government grants	**9**	–
Impairment loss reversed in respect of trade receivables	**–**	75
Others	**301**	241
	3,567	2,552

6. INCOME TAX EXPENSE

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and its subsidiaries is 25% from 1 January 2008 onwards.

No provision for EIT has been made for the both years ended 31 December 2009 since the assessable profits of the companies within the Group are wholly absorbed by tax losses brought forward.

7. PROFIT FOR THR YEAR

Profit for the year has been arrived at after charging (crediting):

	2009	2008
	RMB'000	*RMB'000*
Staff costs (including directors' emoluments) comprises:		
Salaries and other benefits	**4,887**	5,179
Contributions to retirement benefits scheme	**668**	453
Total staff costs	**5,555**	5,632
Auditors' remuneration	**330**	328
Amortisation of intangible asset	**300**	300
Depreciation of plant and equipment	**249**	505
Cost of inventories recognised as an expense – included in cost of sales	**53,815**	67,206
Impairment loss recognised in respect of trade receivables (included in administrative expenses)	**109**	–
Share of income tax expense of associates	**154**	111
Research and development expenditures	**4,204**	4,516
Net exchange loss	**141**	132
Loss on disposal of plant and equipment	**28**	–
Gross rental income from office premises	**(64)**	–
Less: operating lease charges in respect of office premises	**–**	–
	(64)	–

8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the profit for the year attributable to owners of the Company of approximately RMB2,707,000 (2008: RMB334,000) and the weighted average number of 480,000,000 (2008: 480,000,000) ordinary shares in issue during the year.

Diluted earnings per share is equal to the basic earnings per share since the Company has no dilutive potential shares as at 31 December 2009 and 2008.

9. TRADE RECEIVABLES

	2009	2008
	RMB'000	*RMB'000*
Trade receivables	**15,123**	15,854
Less: Allowance for doubtful debts	**(1,432)**	(1,323)
	13,691	14,531

The Group allows an average credit period from 90 to 180 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the reporting date:

	2009	2008
	RMB'000	*RMB'000*
0 to 90 days	**8,907**	9,143
91 to 180 days	**278**	1,848
181 to 365 days	**1,454**	1,044
Exceeding 365 days	**3,052**	2,496
	13,691	14,531

10. TRADE PAYABLES

The average credit period on purchases of goods is 180 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2009	2008
	RMB'000	*RMB'000*
0 to 90 days	**1,582**	4,888
91 to 180 days	**1,076**	962
181 to 365 days	**1,234**	626
Exceeding 365 days	**2,906**	2,479
	6,798	8,955

DIVIDENDS

No dividend was paid or proposed during the two years ended 31 December 2009 and 31 December 2008, nor has any dividend been proposed since the balance sheet date.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the year ended 31 December 2009, the Group recorded a turnover of approximately RMB84,608,000 (2008: approximately RMB87,642,000), representing a slight decrease of RMB3,034,000 or 3% as compared to the last year. The Group recorded a profit of merely RMB2,707,000 which is almost breakeven for this year as compared with the profit of RMB334,000 for the year ended 31 December 2008. This year the Group recorded a significant growth in revenue over the previous year as a result of the heavy cut down of the cost of sales while maintaining the administrative expenses and the Company was able to maintain the gross profit margin at the competitive market.

Business Review and Future Prospects

For the full financial year under review ended 31 December 2009, the total revenue for the Group has dropped from RMB87,642,000 to RMB84,608,000. The drop of RMB3,034,000 represent 3% fall from the 2008 group sales figure. The Group registered a profit before tax of RMB21,707,000 for the first time in 5 years.

The revenue are mainly consisting of the sales and distribution of computer and electrical products and accessories which made up of 47% of the total sales or RMB39,855,000, and this are followed by 46% of total sales or RMB38,700,000 for business solutions development, 3% or RMB2,465,000 for application software, 4% or RMB3,588,000 for network and data security. These business segments remain the core services and products for the company in the past and also for the future.

The sales and distribution of computer and electrical products and accessories has reduced in revenue from the previous year of RMB60,196,000. The reduction represents RMB20,341,000 or 34% of previous figure. The reduction is mainly caused by the slowdown in the demand in the market due to the weak economic situation and also the consumer market.

However, the business solutions development has increased their revenue from the previous of RMB21,865,000. This represents an increase of RMB of 16,835,000 or 77% of the previous sales. The increase is mainly due to more project is completed in this year based on the contract signed during the good year in 2008 or before.

The application software has reduced in the revenue from RMB3,545,000. The reduction represents a value of RMB of 43,000 or 1% of the previous figure. This is due to the weak sales in the market based on the weak consumption market. The network and data security sales has slightly increased from the previous year of RMB2,036,000. This represents a increase of RMB429,000 or 21% of the previous figure.

The improved of result is mainly contributed by the improvements in the gross profit and other revenue, and also the further cut down of the distribution expenses.

The gross profit has improved from RMB12,949,000 to RMB1,660,000. This represents an improvement of RMB14,609,000 or 12.82%. The improvement is mainly accredited to the lower down of the cost of sales. The gross profit margin has improved from the previous financial year of 14.7% to the current year of 17.7%.

Administrative expenses for the Company increased RMB701,000 from the previously year of RMB10,794,000 to the current year of RMB11,495,000. The increase is mainly contributed to the recognition of impairment loss in receivables and the increase in income tax expenses of associate companies.

The other revenue has increased RMB1,015,000 to RMB3,567,000 for the current year from the previous year of RMB2,552,000, primarily due to the fact that dividend from the available for sale company for the year increased to RMB2,334,000 from RMB180,000 last year.

The result of the associate company has recorded a substantial fall to RMB34,000 for the current year as compared to the previous year of RMB594,000. This indicated a decrease of RMB560,000 or 94.28%.

However, the distribution cost has almost doubled to RMB4,967,000 from the previous year of RMB4,008,000. This stands for an increase of RMB959,000 or 19.31%. The increase in distribution cost is caused by the increase of the transportation cost especially the oil price.

In future the Company main focus is still on the cost control in order to continue to monitor the cost in achieve the targeted profit. The management will try it bests to reduce unnecessary expenses and also to improve the productivity of the management staff.

As for the business in future, the Company will try to expand into the new market area including obtaining some business from the new customer through introduction of the existing client and marketing effort from the management.

In conclusion, after making profit for the last year for the first time, we continued to make profit in an obvious extent, bringing the Company to another milestone. The Group will try to maintain and enlarge the profits although the company is expected to encounter more challenges in 2010.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2009, shareholders' funds of the Group amounted to approximately RMB100,916,000 (2008: RMB95,011,000). Current assets amounted to approximately RMB97,803,000 (2008: RMB86,353,000), of which approximately RMB63,530,000 (2008: RMB49,664,000) were bank balances and cash. The Group had no non-current liabilities and its current liabilities amounted to approximately RMB36,235,000 (2008: RMB24,096,000), which mainly comprised of other creditors and accrued expenses. The Group did not have any long-term debts.

WORKING CAPITAL RATIO, GEARING RATIO

As at 31 December 2009, the Group had a net cash position and its working capital ratio (current assets to current liabilities) was 2.79 (2008: 3.58); and gearing ratio (long-term debt to shareholders' funds) was zero (2008: zero).

CAPITAL COMMITMENTS AND SIGNIFICANT INVESTMENTS

The Group had no capital commitments and significant investments for the year ended 31 December 2009.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group had no material acquisitions or disposals of subsidiaries and affiliated companies for the year ended 31 December 2009.

SEGMENTAL INFORMATION

All of the Group's activities are conducted in the PRC and are divided into two business segments – namely business application solutions and sales of goods. Accordingly, analysis by business segments is provided in note 4 to the consolidated financial statements.

EMPLOYEE INFORMATION

As at 31 December 2009, the Group had 109 full time employees (2008: 105), comprising 16 in management, finance and administration (2008: 18), 32 in research and development (2008: 24), 41 in application development and engineering (2008: 42), and 17 in sales and marketing (2008: 18). Also, the Group had 3 school staff (2008: 3).

The Group has not experienced any disruption of its normal business operations due to labour disputes or significant turnover of staff. The Directors consider that the Company has maintained a very good relationship with its staff.

Remuneration of employees including Directors' emoluments and all staff related costs for the year ended 31 December 2009 was approximately RMB5,555,000 (2008: RMB5,632,000).

The Group's remuneration and bonus policies are principally determined with reference to the qualification, experience and performance of individual employee.

CHARGES ON GROUP ASSETS

As at 31 December 2009, the Group had not pledged any assets to its bankers to secure banking facilities granted to the Group (2008: Nil).

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Directors presently do not have any future plans for material investments or capital assets. The management will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2009, the Group's monetary assets and transactions are denominated in RMB, HKD and USD. Though the exchange rates between RMB, HKD and USD are not pegged, there are relatively low level of fluctuation in exchange rates among RMB, HKD and USD. The management did notice the recent appreciation in the exchange rate of RMB to HKD and USD and are of the opinion that it does not currently have a material adverse impact on the Group's financial position. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES

As at 31 December 2009, the Group did not have any significant contingent liabilities (2008: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 18 April 2010 to 18 May 2010 (both days inclusive), during which no transfer of shares will be effected. The holders of shares whose name appears on the register of members of the Company at 4:00 p.m. on 16 April 2010 will be entitled to attend and vote at the AGM. In order to qualify for attendance at the above meeting, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H share registrar, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not later than 4:00 p.m. on 16 April 2010.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry of all the Directors and the Company and was not aware of any non-compliance with the Exchange's required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the year.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2009.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Company.

AUDIT COMMITTEE

The Company established an audit committee on 7 July 2002 with written terms of reference. The audit committee comprises the three independent non-executive Directors, Mr. Yuan Shumin, Dr. Cao Guo Qi and Dr. Chan Yan Chong.

The Company's consolidated financial statements for the year ended 31 December 2009 have been reviewed by the audit committee, who recommended such statements to the Board. The financial reporting process and internal control of the Company have also been reviewed by the audit committee, who were of the opinion that no further improvement was required for the time being. During the year, the audit committee has held four formal meetings.

CORPORATE GOVERNANCE

The Board considers that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 15 of the GEM Listing Rules for the year, except that the Company has not disclosed the terms of reference of audit committee and remuneration committee by including such information on the Company's website. The Company will take appropriate actions to comply with the CG Code.

APPRECIATION

I would like to take this opportunity to express my sincere thanks to our valuable shareholders and customers, and to our committed staff for their contributions to the continual business growth of the Group. I am also grateful to the management of the Group for their efforts and contributions throughout the year. Looking forward, we will try our best to reward the shareholders with the most fruitful return.

By Order of the Board
Shanghai Jiaoda Withub Information Industrial Company Limited
Li Zhan
Chairman

Shanghai, the PRC, 25 March 2010

As at the date of this announcement, the directors of the Company are as follow:

Executive Directors	Li Zhan, Cheng Min, Mo Zhenxi, Yuan Tingliang, Wang Yiming and Li Wei
Independent Non-executive Directors	Yuan Shumin, Cao Guo Qi and Chan Yan Chong

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