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 2013

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

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

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 Rule Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange ("GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

** For identification purposes only*

HIGHLIGHTS

For the year ended 31 December 2013,

– turnover of the Group amounted to approximately RMB125,477,000 (2012: approximately RMB100,336,000) which represented an increase of 25.06%;

– profit attributable to owners of the Company was approximately RMB862,000 (2012: loss of approximately RMB2,933,000); and

– the Directors do not recommend the payment of a final dividend (2012: 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 2013, together with the comparative figures for the year of 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	NOTES	**2013**	2012
		RMB'000	*RMB'000*
			(restated)
Turnover	4	**125,477**	100,336
Cost of sales		**(109,774)**	(85,509)
Gross profit		**15,703**	14,827
Other revenue	6	**3,785**	3,407
Distribution expenses		**(5,661)**	(5,736)
Administrative expenses		**(13,941)**	(13,356)
Share of profit (loss) of associates		**973**	(2,078)
Profit (loss) before tax		**859**	(2,936)
Income tax expense	7	**-**	-
Profit (loss) for the year	8	**859**	(2,936)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation and other comprehensive income for the year		**121**	123
Total comprehensive income (expense) for the year		**980**	(2,813)
Profit (loss) for the year attributable to:			
Owners of the Company		**862**	(2,933)
Non-controlling interests		**(3)**	(3)
		859	(2,936)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**983**	(2,810)
Non-controlling interests		**(3)**	(3)
		980	(2,813)
Earnings (loss) per share (in RMB)			
Basic and diluted	10	**0.0018**	(0.0061)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	NOTES	**2013** *RMB'000*	2012 *RMB'000*
Non-current assets			
Plant and equipment		**440**	269
Interests in associates		**7,920**	7,627
Intangible assets		**3,934**	4,969
Available-for-sale investments		**2,416**	2,416
Restricted bank deposits		**-**	450
		14,710	15,731
Current assets			
Inventories		**7,316**	7,152
Amounts due from customers for contract work		**4,570**	8,034
Trade receivables	11	**17,941**	11,776
Deposits, prepayments and other receivables		**7,235**	7,634
Amounts due from associates		**216**	973
Amount due from a shareholder		**200**	200
Restricted bank deposits		**480**	-
Bank balances and cash		**63,063**	58,450
		101,021	94,219
Current liabilities			
Trade payables	12	**8,839**	6,714
Other payables and accrued expenses		**21,793**	18,551
Amount due to a shareholder		**1,212**	1,212
Amount due to a related party		**638**	664
		32,482	27,141
Net current assets		**68,539**	67,078
Total assets less current liabilities		**83,249**	82,809
Non-current liability			
Deferred income		**1,620**	2,160
Net assets		**81,629**	80,649
Capital and reserves			
Share capital		**48,000**	48,000
Reserves		**33,641**	32,658
Equity attributable to owners of the Company		**81,641**	80,658
Non-controlling interests		**(12)**	(9)
Total equity		**81,629**	80,649

NOTES:

1. GENERAL

Shanghai Jiaoda 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 Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 31 July 2002.

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

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

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

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

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 - 2011 Cycle
Amendments to HKFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC)* – Interpretation ("Int") 20	Stripping Costs in the Production Phase of a Surface Mine

* HK(IFRIC) represents the Hong Kong (International Financial Reporting Interpretations Committee).

Except as described below, the directors of the Company anticipate that the application of the above amendments to HKFRSs has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

a) recognised financial instruments that are set off in accordance with HKAS 32 Financial Instruments: Presentation; and

b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The amendments to HKFRS 7 have been applied retrospectively. As the Group does not have any offsetting arrangements or any master netting agreements in place, the application of the amendments has had no material impact on the disclosures or amounts reported in the Group's consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 Consolidated Financial Statements, HKFRS 11 Joint Arrangements, HKFRS 12 Disclosure of Interests in Other Entities, HKAS 27 (as revised in 2011) Separate Financial Statements and HKAS 28 (as revised in 2011) Investments in Associates and Joint Ventures, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKFRS 11 is not applicable to the Group as the Group does not have any joint arrangements.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK(SIC) – Int 12 Consolidation – Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

As a result of the initial application of HKFRS 10, the directors of the Company made an assessment whether the Group has control over its investees at the date of initial application and concluded that the application of HKFRS 10 does not result in any change in control conclusions.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[4]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 January 2014, except as disclosed below. Early application is permitted.

[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

[4] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

Annual Improvements to HKFRSs 2010 – 2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short- term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010-2012 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011 – 2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011-2013 Cycle will have a material effect on the consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed. Changes in the fair value of financial liabilities attributable to changes in credit risk of financial liabilities that are designated as at fair value through profit or loss are disclosed in these consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

The directors of the Company do not anticipate that the investment entities amendments will have any effect on the consolidated financial statements as the Company is not an investment entity.

Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments to HKAS 19 will have a significant impact on the consolidated financial statements as the Group does not have any defined benefit plans.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors of the Company do not anticipate that the application of these amendments to HKAS 36 will have a significant impact on the consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

The directors of the Company do not anticipate that the application of these amendments to HKAS 39 will have any effect on the consolidated financial statements as the Group does not have any derivatives that are subject to novation.

HK (IFRIC) – Int 21 Levies

HK (IFRIC) – Int 21 Levies addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The directors of the Company anticipate that the application of HK (IFRIC) – Int 21 will have no effect on the consolidated financial statements as the Group does not have any levy arrangements.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration give in exchange for goods.

4. TURNOVER

Turnover represents revenue arising from the development and provision of business solutions, application software, and installation and maintenance of network and data security products, and sales and distribution of computer and electrical products and accessories for the year. An analysis of the Group's turnover for the year is as follows:

	2013	2012
	RMB'000	*RMB'000*
Development and provision of:		
- Business solutions	**21,463**	15,943
- Application software	**6,260**	3,609
- Installation and maintenance of network and data security products	**2,929**	3,294
Sales and distribution of computer and electrical products and accessories	**94,825**	77,490
	125,477	100,336

5. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- Business application solutions - Develop and provide business application solutions services which include business solutions, application software, and installation and maintenance of 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 turnover and results by reportable and operating segment.

	Business application solutions		**Sales of goods**		**Total**	
	2013	2012	**2013**	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
REVENUE						
External sales	**30,652**	22,846	**94,825**	77,490	**125,477**	100,336
Segment profit	**8,916**	6,676	**6,353**	6,235	**15,269**	12,911
Share of profit (loss) of associates					**973**	(2,078)
Interest income					**1,562**	1,520
Unallocated corporate income					**1,267**	924
Unallocated corporate expenses					**(18,212)**	(16,213)
Profit (loss) before tax					**859**	(2,936)

Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' emoluments, interest income, share of profit (loss) of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

	Business application solutions		Sales of goods		Total	
	2013	2012	**2013**	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment assets	**23,950**	27,194	**16,341**	12,318	**40,291**	39,512
Interests in associates					**7,921**	7,627
Available-for-sale investments					**2,416**	2,416
Unallocated corporate assets					**65,103**	60,395
Consolidated assets					**115,731**	109,950
Segment liabilities	**20,804**	19,911	**9,669**	4,823	**30,473**	24,734
Unallocated corporate liabilities					**3,629**	4,567
Consolidated liabilities					**34,102**	29,301

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

- all assets are allocated to operating segments other than interests in associates, available-for-sale investments, amounts due from associates, restricted bank deposits, bank balances and cash and other assets for corporate use including other receivables.

- all liabilities are allocated to operating segments other than amount due to a shareholder and other payables for which the corporate is liable.

Other segment information

	Business application solutions		Sales of goods		Unallocated		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Amounts included in the measure of segment profit or segment assets:								
Addition to plant and equipment	**281**	22	**-**	-	**-**	-	**281**	22
Addition to intangible assets	**-**	1,880	**-**	-	**-**	-	**-**	1,880
Depreciation of plant and equipment	**104**	111	**-**	-	**-**	-	**104**	111
Amortisation of intangible assets	**1,035**	659	**-**	-	**-**	-	**1,035**	659
Impairment loss recognised on trade receivables	**-**	326	**158**	1,781	**-**	-	**158**	2,107
Impairment loss recognised on other receivables	**90**	-	**-**	-	**-**	-	**90**	-
Loss on disposal of plant and equipment	**2**	-	**-**	-	**-**	-	**2**	-
Allowance for inventories	**-**	-	**489**	890	**-**	-	**489**	890
Reversal of allowance for inventories	**-**	-	**(979)**	(1,076)	**-**	-	**(979)**	(1,076)
Reversal of impairment losses recognised on trade receivables	**(402)**	(413)	**(14)**	(10)	**-**	-	**(416)**	(423)
Amounts regularly provided to the CODM but not included in the measure of segment profit or segment assets:								
Interests in associates	**-**	-	**-**	-	**7,920**	7,627	**7,920**	7,627
Share of profit (loss) of associates	**-**	-	**-**	-	**973**	(2,078)	**973**	(2,078)
Reversal of impairment losses recognised on amount due from an associate	**-**	-	**-**	-	**(202)**	-	**(202)**	-
Interest income	**-**	-	**-**	-	**(1,562)**	(1,520)	**(1,562)**	(1,520)

Geographical information

All of the Group's turnover was generated from customers in the PRC during the year ended 31 December 2013 and 2012 and all of the Group's assets were located in the PRC. Therefore, no geographical segment information is presented.

Information about major customers

There is no customer with whom transactions have exceeded 10% of the Group's total turnover during the two years ended 31 December 2013.

6. OTHER REVENUE

	2013	2012
	RMB'000	*RMB'000*
Interest income	**1,562**	1,520
Government grants	**540**	540
Dividend income from an available-for-sale investment	**150**	390
Rental income	**258**	258
Reversal of impairment losses recognised on amount due from an associate	**202**	-
Reversal of impairment losses recognised on trade receivables	**416**	423
Others	**657**	276
	3,785	3,407

7. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and its PRC subsidiaries is 25% for both years.

No provision for Enterprise Income Tax has been made for the two years ended 31 December 2013 as there was no assessable profit derived from the PRC for both years.

No provision for Hong Kong Profits Tax has been made for the two years ended 31 December 2013 as there was no assessable profit derived from Hong Kong for both years.

The tax charge for the year can be reconciled to the profit (loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2013	2012
	RMB'000	*RMB'000*
Profit (loss) before tax	**859**	(2,936)
Tax at the domestic income tax rate of 25% (2012: 25%)	**215**	(734)
Tax effect of different tax rate of a subsidiary	**21**	47
Tax effect of expenses not deductible for tax purpose	**146**	583
Tax effect of income not taxable for tax purpose	**(546)**	(183)
Utilisation of tax losses previously not recognised	**-**	(339)
Tax effect on tax losses not recognised	**407**	107
Tax effect of share of (profit) loss of associates	**(243)**	519
Income tax expense for the year	**-**	-

8. PROFIT (LOSS) FOR THE YEAR

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

	2013	2012
	RMB'000	*RMB'000*
Staff costs (including directors', chief executive's and supervisors' emoluments):		
Salaries and other benefits	**8,608**	8,460
Contributions to retirement benefits scheme	**1,165**	1,193
Total staff costs	**9,773**	9,653
Gross rental income from office premises	**(258)**	(258)
Less: operating lease charges in respect of office premises	**258**	258
	-	-
Auditor's remuneration	**348**	341
Allowance for inventories (included in cost of sales)	**489**	890
Reversal of allowance for inventories (included in cost of sales)	**(979)**	(1,076)
Cost of inventories recognised as an expense (included in cost of sales)	**88,328**	69,670
Depreciation of plant and equipment	**104**	111
Amortisation of intangible assets (included in administrative expenses)	**1,035**	659
Impairment loss recognised on trade receivables (included in administrative expenses)	**158**	2,107
Impairment loss recognised on other receivables (included in administrative expenses)	**90**	-
Loss on disposal of plant and equipment	**2**	-
Exchange loss, net	**6**	17
Research and development expenditures (Note)	**2,204**	2,099
Share of income tax expense of associates (included in the share of profit (loss) of associates)	**258**	197
Minimum lease payment under operating leases	**1,811**	2,090

Note: During the year ended 31 December 2013, research and development costs included staff costs of approximately RMB1,198,000 (2012: RMB1,025,000) for the Group's employees engaged in research and development activities, which are also included in staff costs as above.

9. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2013, nor has any dividend been proposed since the end of the reporting period (2012: nil).

10. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to owners of the Company is based on the earnings for the year attributable to owners of the Company of approximately RMB862,000 (2012: loss of approximately RMB2,933,000) and the weighted average number of 480,000,000 (2012: 480,000,000) ordinary shares in issue during the year.

Diluted earnings (loss) per share is the same as the basic earnings (loss) per share as there were no potential dilutive ordinary shares outstanding as at 31 December 2013 and 2012.

11. TRADE RECEIVABLES

	2013	2012
	RMB'000	*RMB'000*
Trade receivables	**21,441**	15,534
Less: impairment loss recognised	**(3,500)**	(3,758)
	17,941	11,776

The Group allows credit period ranging from 90 to 180 days to its trade customers. The following is an aged analysis of trade receivables net of impairment losses recognised presented based on the date of delivery of goods or date of rendering of services which approximated the respective dates on which revenue was recognised.

	2013	2012
	RMB'000	*RMB'000*
Within 90 days	**12,815**	6,346
91 to 180 days	**482**	913
181 to 365 days	**116**	197
Over 365 days	**4,528**	4,320
	17,941	11,776

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of approximately RMB4,644,000 (2012: RMB4,568,000) which are past due as at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

	Total	Neither past due nor impaired	Past due but not impaired 91 to 180 days	Past due but not impaired 181 to 365 days	Past due but not impaired Exceeding 365 days
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2013	17,491	13,297	-	116	4,528
31 December 2012	11,776	7,208	19	229	4,320

Trade receivables that were past due but not impaired related to a number of customers which have a good track record with the Group. Based on past experiences, the management believes that no impairment loss is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Movements in the impairment losses on trade receivables:

	2013	2012
	RMB'000	*RMB'000*
At 1 January	**3,758**	2,074
Impairment loss recognised on trade receivables	**158**	2,107
Reversal of impairment loss recognised on trade receivables	**(416)**	(423)
At 31 December	**3,500**	3,758

As at 31 December 2013, included in the impairment loss on trade receivables are individually impaired trade receivables with an aggregate balance of approximately RMB3,500,000 (2012: RMB3,758,000) which are due to long outstanding.

12. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2013	2012
	RMB'000	*RMB'000*
Within 90 days	**6,708**	4,087
91 to 180 days	**474**	21
181 to 365 days	**52**	19
Over 365 days	**1,605**	2,587
	8,839	6,714

The average credit period on purchases of goods is 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDENDS

The directors do not recommend the payment of any dividends in respect of the year ended 31 December 2013.

RESULTS

For the year ended 31 December 2013, the Group recorded a turnover of approximately RMB125,477,000 (2012: approximately RMB100,336,000), representing an increase of RMB25,141,000 or 25.06% as compared to the last year. The Group recorded a profit of RMB859,000, while the loss for the year ended 31 December 2012 was RMB2,936,000.

BUSINESS REVIEW AND FUTURE PROSPECTS

For the entire financial year under review ended 31 December 2013, the total revenue of the Group has increased from RMB100,336,000 to RMB125,477,000. The growth of RMB25,141,000 in revenue represents 25.06% increase of the Group's sales as compared with that in 2012. The Group recorded a loss before tax of RMB2,936,000 for the previous year and a profit before tax of RMB859,000 during the year.

Revenue are mainly generated from the sales and distribution of computer and electrical products and accessories which made up of 75.57% of the total sales (or RMB94,825,000), and this is followed by 17.11% of total sales (or RMB21,463,000) for business solutions development and provision, 4.99% (or RMB6,260,000) for application software, 2.33% (or RMB2,929,000) for installation and maintenance of network and data security product. 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 increased by RMB17,335,000 in revenue as compared with RMB77,490,000 last year, representing an increase of 22.37%.

Revenue in business solutions development has increased by RMB5,520,000 or 34.62% from RMB15,943,000 in the previous year.

Revenue of application software business has increased by RMB2,651,000 from RMB3,609,000 last year, representing an increase of 73.46%. Sales from installation and maintenance of network and data security has decreased by RMB365,000 from the previous year of RMB3,294,000, representing a decrease of 11.08%.

The gross profit has increased from RMB14,827,000 to RMB15,703,000. This represents an increase of RMB876,000 or 5.91%. The gross profit margin has decreased from the previous financial year of 14.78% to the current year of 12.51%.

Other revenue has increased by RMB378,000 or 11.09% to RMB3,785,000 for the current year from the previous year of RMB3,407,000.

The share of profits of associates amounted to RMB973,000 for the current year as compared to the loss of RMB2,078,000 for the previous year, representing a surge of RMB3,051,000.

Distribution cost has decreased by RMB75,000 or 1.31% from RMB5,736,000 for the previous year to RMB5,661,000 during the year.

During the past year of 2013, the management actively expanded our market and developed new customers while strengthening our existing customer base. The Company has achieved a relatively large growth in its income. Meanwhile, the Company strictly controlled the cost expenses. With the efforts of all our staff, the Company has recorded a slight surplus in its business operations.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2013, shareholders' funds of the Group amounted to approximately RMB81,641,000 (2012: RMB80,658,000). Current assets amounted to approximately RMB101,021,000 (2012: RMB94,219,000), of which approximately RMB63,063,000 (2012: RMB58,450,000) were bank balances and cash. The Group had non-current liabilities amounted to approximately RMB1,620,000 (2012: RMB2,160,000) and its current liabilities amounted to approximately RMB32,482,000 (2012: RMB27,141,000), which mainly comprised of other payables and accrued expenses. The Group did not have any long-term debts.

WORKING CAPITAL RATIO AND GEARING RATIO

As at 31 December 2013, the Group had a net cash position and its working capital ratio (current assets to current liabilities) was 3.11 (2012: 3.47); and gearing ratio (liabilities to total assets) was approximately 29.47% (2012: 26.65%).

CAPITAL COMMITMENTS AND SIGNIFICANT INVESTMENTS

The Group had no capital commitments and significant investments for the year ended 31 December 2013.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group had no material acquisitions or disposals of subsidiaries and affiliated companies for the year ended 31 December 2013.

SEGMENT 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 presented in note 5 to the consolidated financial statements.

EMPLOYEE INFORMATION

As at 31 December 2013, the Group had 116 full time employees (2012: 110), comprising 12 in management, finance and administration (2012: 12), 35 in research and development (2012: 31), 47 in application development and engineering (2012: 49), and 20 in sales and marketing (2012: 15). Also, the Group had 2 school staff (2012: 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 2013 was approximately RMB9,773,000 (2012: RMB9,653,000).

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 2013, the Group did not have any charges on its assets (2012: 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 2013, the Group's monetary assets and transactions are mainly 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 noted that the recent appreciation in the exchange rate of RMB to HKD and USD and is 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 2013, the Group did not have any significant contingent liabilities (2012: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 19 May 2014 to 18 June 2014 (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 on 18 June 2014 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 May 2014.

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 the standard of dealings is Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the Stock Exchange's required standard of dealings and its code of conduct securities transactions by the Directors during 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 2013.

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 2013 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.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and comprehensive income and the related notes thereto for the year ended 31 December 2013 as set out in the preliminary announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary announcement.

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.

RESIGNATION OF DIRECTOR

The Board hereby announced that Mr. Qiao Jin ("Mr. Qiao"), an executive director has tendered his resignation as an executive director of the Company with effect from 7 July 2014 due to the other business engagement. Mr. Qiao has confirmed that he does not have any disagreement with the Board and that there are no matters relating to his resignation which need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to thank Mr. Qiao for his invaluable contributions to the Company throughout his respective term of service.

RESIGNATION OF SUPERVISOR

The Board hereby announced that Mr. Chen Minglong ("Mr. Chen"), a supervisor and the chairman of supervisory committee has tendered his resignation as a supervisor and the chairman of supervisory committee of the Company with effect from 7 July 2014 due to the other business engagement. Mr. Chen has confirmed that he does not have any disagreement with the Board and that there are no matters relating to his resignation which need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to thank Mr. Chen for his invaluable contributions to the Company throughout his respective term of service.

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. My vote of thanks also goes 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, 20 March 2014

As at the date of this announcement, the Directors of the Company are as follows:

Executive directors	Li Zhan, Mo Zhenxi, Wu Hanyuan, Du Songning, Wang Yiming and Qiao Jin
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 and on the website of the Company at http://www.withub.com.cn.