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.

ZZNode Technologies Company Limited
直真科技有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2371)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

The board of directors (the "Board") of ZZNode Technologies Company Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2008, together with the comparative audited figures for 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	NOTES	**2008** *RMB*	2007 *RMB*
Turnover	*3*	**23,966,337**	85,117,959
Cost of sales and services		**(18,973,234)**	(64,765,739)
Gross profit		**4,993,103**	20,352,220
Other income	*4*	**909,689**	5,949,689
Research and development expenditure		**–**	(6,781,326)
Selling and marketing expenses		**(320,132)**	(5,375,655)
Administrative expenses		**(16,649,226)**	(34,554,256)
Finance costs		**(177,249)**	–
Decrease in fair value of investment properties		**(6,694,796)**	–
Loss on disposal of subsidiaries	*11*	**(15,351,725)**	–
Other operating expenses		**(638,677)**	–
Share of result of an associate		**–**	235,217
Loss before tax		**(33,929,013)**	(20,174,111)
Income tax credit	*5*	**888,560**	716,934
Loss for the year	*6*	**(33,040,453)**	(19,457,177)
Loss per share			
– Basic (RMB cents)	*8*	**(8.19)**	(4.93)

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET
As at 31 December 2008

	NOTES	2008 RMB	2007 RMB
Non-current assets			
Property, plant and equipment		**1,033,548**	16,630,158
Investment properties		**8,871,535**	–
Intangible assets		**–**	2,281,490
Interest in an associate		**–**	6,190,199
Deposit paid for acquisition of investment		**21,228,000**	–
Receivable in respect of a terminated transaction – long-term portion	*12*	**15,479,000**	–
		46,612,083	25,101,847
Current assets			
Inventories		**–**	4,501,106
Amounts due from customers for integration solutions		**–**	12,341,882
Trade receivables	*9*	**7,207,076**	27,413,973
Prepayments, deposits and other receivables		**1,165,638**	5,244,273
Receivable in respect of a terminated transaction – current portion	*12*	**28,746,000**	–
Financial assets at fair value through profit or loss		**7,986,593**	–
Bank deposits		**–**	37,003,227
Bank balances and cash		**3,887,517**	40,715,159
		48,992,824	127,219,620
Current liabilities			
Trade payables	*10*	**8,493,069**	12,066,501
Note payables	*10*	**–**	3,519,934
Advances from customers, accrued charges and other payables		**2,333,035**	16,792,091
Tax liabilities		**–**	556,071
		10,826,104	32,934,597
Net current assets		**38,166,720**	94,285,023
		84,778,803	119,386,870
Capital and reserves			
Share capital		**42,815,665**	41,897,665
Reserves		**41,963,138**	77,489,205
Total equity		**84,778,803**	119,386,870

NOTES:

1. GENERAL

The Company was incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Suites 1205-1207, 12th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong. During the year, the substantial shareholder of the company was changed to Betterment Enterprises Limited which is a subsidiary of PME Group Limited, a company incorporated in Cayman Islands and its shares are also listed on the Stock Exchange. The directors do not consider any company to be the ultimate holding company of the Company.

The functional currency of the Company is Hong Kong Dollar. The functional currencies for its certain subsidiaries are Renminbi ("RMB"). For the purposes of presenting the consolidated financial statements, the Group adopted RMB as its presentation currency.

The Company is an investment holding company.

Pursuant to an agreement dated 24 October 2007, the Company agreed to sell (the "Disposal") and Bright Pearl Holdings Limited ("Bright Pearl"), a shareholder of the Company, agreed to purchase the entire interest in Modern Age Investments Limited ("Modern Age") and its subsidiary, Beijing Zhizhen Node Technology Development Co., Ltd. 北京直真節點技術開發有限公司 ("ZZNode (Beijing)") (the "Disposal Group") for a cash consideration of HK$110,000,000 (approximately RMB102,300,000). The Disposal was completed on 21 January 2008.

After the completion of the Disposal, the Group's businesses are carried out by its remaining operating subsidiary, Shanghai Zhizhen Node Technology Development Co., Limited 上海直真節點技術開發有限公司 ("ZZNode (Shanghai)").

The details of the Disposal are set out in the circular dated 21 December 2007.

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

In the current year, the Group has applied the following amendments and interpretations ("Ints") (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are or have become effective.

Hong Kong Accounting Standard ("HKAS") 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limited on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

HKFRS (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible Hedged Items[3]
HKFRS 1 (Revised)	First-time Adoption of HKFRS[3]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 7 (Amendment)	Financial instruments: Disclosures-Improving about Financial Instruments[2]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 9 and HKAS 39 (Amendments)	Reassessment of Embedded Derivatives[6]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[5]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[3]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[7]

1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

2 Effective for annual periods beginning on or after 1 January 2009

3 Effective for annual periods beginning on or after 1 July 2009

4 Effective for annual periods beginning on or after 1 July 2008

5 Effective for annual periods beginning on or after 1 October 2008

6 Effective for annual periods ending on or after 30 June 2009

7 Effective for transfers of assets from customers received on or after 1 July 2009

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 and interpretations will have no material impact on the financial position of the Group.

3. TURNOVER AND SEGMENTAL INFORMATION

The Group is principally engaged in the development and provision of telecommunications operational support system products and solutions in the PRC. The Group's activities including the sales of self-developed software and third party software and hardware, the provision of system integration services and maintenance, training and other services, are delivered as part of a total solution services provided by the Group. The rental income is generated from the operating leases of Group's investment properties.

An analysis of the Group's turnover for the year is as follows:

	2008	2007
	RMB	*RMB*
Sales of self-developed software	**2,729,141**	36,628,089
Sales of third party software and hardware	**4,654,458**	33,129,936
System integration services	**–**	803,240
Maintenance, training and other services	**16,540,282**	14,556,694
Rental income	**42,456**	–
	23,966,337	85,117,959

Business and Geographical Segments

(a) Business segments

Segment information about these businesses is presented below:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2008

	Sales of self-developed software	**Sales of third party software and hardware**	**System integration services**	**Maintenance, training and other services**	**Property investment**	**Consolidated**
	RMB	***RMB***	***RMB***	***RMB***	***RMB***	***RMB***
TURNOVER						
External sales	**2,729,141**	**4,654,458**	**–**	**16,540,282**	**42,456**	**23,966,337**
RESULT						
Segment result	**(348,169)**	**1,347,245**	**–**	**3,664,656**	**(7,416,922)**	**(2,753,190)**
Unallocated corporate expenses						**(16,463,205)**
Unallocated other income						**816,356**
Finance costs						**(177,249)**
Loss on disposal of subsidiaries						**(15,351,725)**
Loss before tax						**(33,929,013)**
Income tax credit						**888,560**
Loss for the year						**(33,040,453)**

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2007

	Sales of self-developed software	Sales of third party software and hardware	System integration services	Maintenance, training and other services	Property investment	Consolidated
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
TURNOVER						
External sales	36,628,089	33,129,936	803,240	14,556,694	–	85,117,959
RESULT						
Segment result	(780,821)	3,247,463	277,179	10,454,135	–	13,197,956
Unallocated corporate expenses						(34,968,117)
Unallocated other income						1,360,833
Share of result of an associate						235,217
Loss before tax						(20,174,111)
Income tax credit						716,934
Loss for the year						(19,457,177)

(b) Geographical segments

The following provides an analysis of the Group's turnover by geographical markets, irrespective of the origin of the services:

	Turnover	
	2008	2007
	RMB	*RMB*
Hong Kong	**42,456**	–
PRC	**23,923,881**	85,117,959
	23,966,337	85,117,959

4. OTHER INCOME

	2008	2007
	RMB	*RMB*
Value-added tax refund income	**93,333**	4,588,856
Dividend income	**80,096**	–
Discount on acquisition of subsidiaries	**232,907**	–
Interest income	**146,052**	1,332,732
Gain on disposal of financial assets at fair value through profit or loss	**50,465**	–
Others	**306,836**	28,101
	909,689	5,949,689

5. INCOME TAX CREDIT

	2008	2007
	RMB	*RMB*
Deferred tax	**888,560**	716,934

The statutory tax rate for ZZNode (Beijing) and ZZNode (Shanghai) is 25% (2007: 15%) and 18% (2007: 15%) respectively.

No provision for PRC Enterprise Income Tax was made for 2008 since the assessable profit is wholly absorbed by tax losses brought forward. No provision for PRC Enterprise Income Tax was made in 2007 as the Company's subsidiaries in the PRC incurred tax loss.

No provision for Hong Kong profits tax was made in the consolidated income statement for both 2008 and 2007 as the Group did not have any assessable profit arising in Hong Kong for both years.

6. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2008	2007
	RMB	*RMB*
Directors' emoluments	**2,135,929**	3,839,853
Other staff costs	**1,322,677**	26,169,738
Retirement benefits scheme contributions excluding directors' emoluments	**687,299**	2,307,961
Total staff costs	**4,145,905**	32,317,552
Auditor's remuneration	**430,000**	976,390
Impairment loss on trade receivables	**–**	9,198,341
Share-based payment expenses	**–**	2,208,494
Depreciation of property, plant and equipment	**478,291**	2,065,125
Loss on disposal of property, plant and equipment	**–**	184,156
Changes in fair value of financial assets at fair value through profit or loss (included in other operating expenses)	**638,677**	–
Write-off of intangible assets	**–**	375,000
Net exchange loss	**42**	31,505
Amortisation of intangible assets	**380,248**	5,120,651
Operating lease rentals in respect of rented premises	**1,912,031**	2,811,909

7. DIVIDEND

No dividend was declared and paid during the year (2007: Nil). The directors do not recommend the payment of any dividend in respect of the year.

8. LOSS PER SHARE

The calculation of the loss per share is based on the loss for the year of RMB33,040,453 (2007: RMB19,457,177) and weighted average number of ordinary shares of 403,661,202 (2007: 395,000,000).

For the year ended 31 December 2007, no diluted loss per share has been presented because the exercise price of the Company's share options was higher than the average market price of the Company's shares and there were no other potential ordinary shares outstanding for the year.

For the year ended 31 December 2008, no diluted loss per share has been presented because there were no potential ordinary share outstanding for the year.

9. TRADE RECEIVABLES

	2008	2007
	RMB	*RMB*
Trade receivables	**7,207,076**	37,094,081
Less: accumulated impairment loss	**–**	(9,680,108)
	7,207,076	27,413,973

The Group allows an average credit period of 90 days to its trade customers. The following is an aged analysis of trade receivables net of accumulated impairment loss at the balance sheet date:

	2008	2007
	RMB	*RMB*
0-90 days	**6,912,287**	17,900,021
91-180 days	**294,789**	1,505,009
181-270 days	**–**	6,696,053
271-360 days	**–**	99,405
More than 1 year	**–**	1,213,485
	7,207,076	27,413,973

Before accepting any new customer, the Group assesses the potential customer's credit quality and define credit limits for that customer. The credit limits granted to customers are reviewed periodically and when necessary. Over 95% of the trade receivables are neither past due nor impaired at 31 December 2008 (2007: 71%). These trade receivables comprise principally receivables from strategic partners and infrastructural telecommunications service providers with a reputable credit standing.

Included in the Group's trade receivable balance are debtors with a carrying amount of approximately RMB294,000 which are past due at 31 December 2008 (2007: RMB8,009,000) and which the Group has not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these trade receivables at 31 December 2008 is approximately 135 days (2007: 230 days).

Movements of accumulated impairment losses on trade receivables are set out as follows:

	2008	2007
	RMB	*RMB*
Balance at 1 January	**9,680,108**	481,767
Impairment loss recognised	**–**	9,198,341
Disposal of subsidiaries	**(9,680,108)**	–
Balance at 31 December	**–**	9,680,108

For the year ended 31 December 2007, RMB9,198,341 were assessed to be individually impaired because these receivables have been overdue for a prolonged period and considered doubtful by the directors of the Company as at 31 December 2007.

10. TRADE PAYABLES AND NOTE PAYABLES

	2008	2007
	RMB	*RMB*
Trade payables	**8,493,069**	12,066,501
Note payables	**–**	3,519,934
	8,493,069	15,586,435

The following is an aged analysis of trade payables and note payables at the balance sheet date:

	2008	2007
	RMB	*RMB*
Less than 90 days	**8,493,069**	10,170,330
More than 90 days but within one year	**–**	5,416,105
	8,493,069	15,586,435

11. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2008, the Group disposed of the Disposal Group for a consideration of HK$110,000,000 (approximately RMB102,300,000).

The details of the disposal are set out in a circular issued by the Company dated 21 December 2007.

	RMB
Net assets disposed of:	
Property, plant and equipment	15,935,683
Intangible assets	1,901,242
Interest in an associate	6,190,199
Inventories	207,974
Amounts due from customers for integration solutions	14,137,112
Trade receivables	22,922,322
Prepayments, deposits and other receivables	8,283,445
Bank deposits	45,537,662
Bank balances and cash	20,400,027
Trade payables	(6,070,375)
Note payables	(4,511,934)
Advances from customers, accrued charges and other payables	(6,864,262)
Tax liabilities	(417,370)
	117,651,725
Loss on disposal	(15,351,725)
Total consideration	102,300,000
Total consideration satisfied by:	
Cash consideration	102,300,000
Net cash inflow from the Disposal	
Cash consideration	102,300,000
Bank balances and cash disposed of	(20,400,027)
Net inflow of cash and cash equivalents in respect of the Disposal	81,899,973

The Disposed Group contributed cash outflow of approximately RMB3,100,000 in respect of operating activities for the year ended 31 December 2008. No cash flow movement in respect of investing and financing activity was contributed by the Disposed Group for the year ended 31 December 2008.

12. RECEIVABLE IN RESPECT OF A TERMINATED TRANSACTION

As at 31 December 2008, the Group had a receivable of HK$50,000,000 (approximately RMB44,225,000) in respect of a terminated transaction. The details of the termination of the transaction are set out in the announcement made by the Company dated 22 December 2008. The balance is unsecured and bears interest at 3 per cent per annum.

	HK$	RMB
Long-term portion	17,500,000	15,479,000
Current portion	32,500,000	28,746,000
	50,000,000	44,255,000

DIVIDEND

The Board does not recommend the payment of final dividend in respect of the year ended 31 December 2008 (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2008, the Group recorded a turnover of approximately RMB23,966,337 (2007: RMB85,117,959), representing a decrease of 71.8% as compared to that of last year. Of these, turnover derived from the sales of self-developed software was approximately RMB2,729,141 (2007: RMB36,628,089), representing a decrease of 92.5%. Turnover derived from sales of third party software and hardware decreased from approximately RMB33,129,936 in last year to approximately RMB4,654,458, representing a decrease of 86%. Turnover derived from system integration, maintenance and other services was approximately RMB16,540,282 (2007: RMB15,359,934). The substantial decrease in turnover from sales of self-developed software and sales of third party software and hardware is mainly due to disposal of the Disposal Group in January 2008. The Group holds investment properties and has earned rentals under operating leases amounted to RMB42,456 during the year.

The Group recorded a gross profit of RMB4,993,103 (2007: RMB20,352,220). The overall gross margin was decreased from approximately 23.9% of last year to approximately 20.8% of this year.

The decrease in administrative expenses by 51.8% from RMB34,554,256 of last year to RMB16,649,226 in this year mainly attributable to the exclusion of operating expenses contributed by the Disposal Group.

Loss attributable to shareholders was approximately RMB33,040,453 for the year (2007: RMB19,457,177). Basic loss per share were approximately RMB8.19 cents for the year (2007: RMB4.93 cents).

BUSINESS REVIEW

The Group is principally engaged in the provision of operational support system (OSS) software development and integrated services to telecommunications operators in China as well as mobile communication network optimization services.

During 2008, in response to the completion of restructure in telecommunications operators in China, the issuance of 3G licenses, and the increased effort of operators in expanding mobile communication networks, the Group has moderated its business operations and achieved certain improvements in its network optimization business. Breakthroughs were also made in the development of management software for the telecommunications value-added business.

Product Research and Development

The Group continued to conduct iterative development, management of the assembly techniques and technological implementation. It reviewed and optimized the development of management flow of the organizations on an ongoing basis to enhance the efficiency and to mitigate the risks in product research and development.

In addition, the Group placed more emphasis on the research and development of public assembly modules, which provided strong support to the rapid development of the management software of the valued-added business.

Engineering Service

After years of effort, the Group achieved remarkable improvement in its project management as well as the quality of its staff. The expansion of the 2G mobile communication network and increased efforts put into establishing the 3G mobile communication network resulted in certain improvement in the network optimization business.

BUSINESS OUTLOOK

OSS Software Development and Network Optimization

The Group will step up its efforts in the area of mobile communication network optimization, maintaining its business partnerships with prestigious local and overseas communication equipment manufacturers, preserving its market share in certain provinces of China, and grasp any viable opportunity that arises from network optimization in connection with the building of 3G networks. At the same time, it shall take part in the development of certain software regarding network optimization business and telecommunication value-added businesses.

Material Acquisition and Disposals/Future Plans for Material Investment

On 13 May 2008, the Company announced a very substantial acquisition of the 100% equity interest in Precious Luck Enterprises Limited. The Directors expect that, through this acquisition, the Company will take part in the operation and broadcasting across a network of outdoor mega LED displays throughout the PRC's major cities and it will generate revenue from broadcasting and advertisements placed and will general stable income to the Group. As at the date of this announcement, this acquisition is not yet completed.

Reference is made to the Annual Report 2007, the Company entered disposal agreement to sell Modern Age Investments Limited and its subsidiary Beijing Zhizhen Node Technology Development Co., Ltd. for a cash consideration of HK$110,000,000 (the "Disposal"). The Disposal was approved at the special general meeting of the Company held on 10 January 2008 and completed on 21 January 2008.

Save as disclosed in this announcement, the Company does not have other material acquisitions and disposals or future plans for material investments

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and the bank balance.

As at 31 December 2008, the Group had bank balances and cash of approximately RMB3,887,517 as compared to the bank balances and cash of RMB40,715,159 and bank deposits of RMB37,003,227 as at 31 December 2007.

The Group's net current assets totalled approximately RMB38,166,720 as at 31 December 2008, against approximately RMB94,285,023 as at the end of the previous financial year. The Group's current ratio was approximately 4.53 as at 31 December 2008 as compared with 3.86 as at 31 December 2007.

Gearing Ratio

As at 31 December 2008, the Group did not have any long-term debts while its shareholders' funds amounted to approximately RMB84,778,803. In this regard, the Group holds a net cash position with nil gearing ratio (net debt to shareholders' funds) as at 31 December 2008 (2007: Nil).

Capital Structure

For the year ended 31 December 2008, there was no change in the capital structure and issued share capital of the Company.

Significant Investment

At 31 December 2008, the Group held investment properties and investment in listed securities amounted to approximately RMB8.9 million and approximately RMB8.0 million respectively. During the year, the Group recorded a decrease in fair value of investment properties of approximately RMB6.7 million and a decrease in fair value of investment in listed securities of approximately RMB0.6 million. The Board expected that the values of the investment properties and the listed securities will be increased in 2009 in accordance with the recovery of the property market and stock market in Hong Kong.

The Group had no significant investment for the year ended 31 December 2007.

Foreign Exchange Exposure

Substantially all of the business transactions of the Group are denominated in Renminbi and Hong Kong dollars. The Group adopts a conservative financial policy. As at 31 December 2008, the Group did not have any bank liabilities, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group is not exposed to any material interest and exchange risks.

Charges on Group Assets

As at 31 December 2008, the Group did not have any charges on its assets (2007: Nil).

Contingent Liabilities

As at 31 December 2008, the Group did not have any significant contingent liabilities (2007: Nil).

Employee Information and Remuneration Policy

As at 31 December 2008, the Group has 37 employees (2007: 420). The emoluments of the directors of the Company are recommended by the remuneration committee, and approved by the Board, as authorized by shareholders of the Company in the annual general meeting of the Company, having regard to their skills, knowledge and involvement in the Company's affairs. No directors are involved in deciding their own remuneration.

We offer competitive remuneration package, including medical and retirement benefits, to eligible employees. Apart from basic salary, employees are eligible to receive a discretionary bonus taking into account factors such as market conditions as well as corporate and individual's performance during the year. We are confident that our employees will continue to provide a firm foundation for the success of the Group and will maintain high standard of service to our clients.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2008.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the year ended 31 December 2008, applied and complied with the code provisions in the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

During the year ended 31 December 2008 and up to the date of this announcement, there are the following deviations according to the CG Code:

(i) According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. While after the resignation of chairman and chief executive officer of the Company on 20 February 2008, the Company does not have any officer with the title "chairman" and "chief executive officer". Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make necessary arrangements; and

(ii) According to the code provision A.4.1 of the CG Code, all non-executive directors should be appointed for a specific term of service. While three independent non-executive directors of the Company appointed in January 2008, namely Mr. Chow Shiu Ki, Mr. Lam Raymond Shiu Cheung and Mr. Lam Ka Wai, Graham, are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company.

COMPLIANCE WITH MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by its directors on terms no less exactly than the required standard in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). The Company had made specific enquiries on all Directors, and the Company was not aware of any non-compliance with the required standard in the Model Code during the financial year ended 31 December 2008.

AUDIT COMMITTEE

The audit committee currently consists of all the independent non-executive directors of the Company, namely, Mr. Lam Ka Wai, Graham, Mr. Lam Raymond Shiu Cheung and Mr. Chow Shiu Ki. The audit committee has reviewed the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the financial statements for the year ended 31 December 2008 of the Company.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the website of the Stock Exchange at www.hkex.com.hk and on the Company's website at www.zznode.com. The Annual Report 2008 of the Company will also be published on the aforesaid websites in due course.

On behalf of the Board
ZZNode Technologies Company Limited
Tin Ka Pak
Executive Director

Hong Kong, 16 April 2009

As at the date of this announcement, the Board comprises Ms. Chan Shui Sheung, Ivy, Ms. So Wai Lam, Mr. Liu Yong Fei and Mr. Tin Ka Pak as executive directors; Mr. Chow Shiu Ki, Mr. Lam Raymond Shiu Cheung and Mr. Lam Ka Wai, Graham as independent non-executive directors.