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 2009

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 2009, together with the comparative audited figures for 2008 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	NOTES	2009 RMB	2008 RMB
Turnover	3	**31,334,168**	23,966,337
Revenue		**13,324,741**	23,966,337
Cost of sales and services		**(12,900,260)**	(18,973,234)
Gross profit		**424,481**	4,993,103
Other income	4	**1,410,393**	859,224
Selling and marketing expenses		**(25,314)**	(320,132)
Administrative expenses		**(38,920,836)**	(16,649,226)
Finance costs		**(16,134)**	(177,249)
Increase (decrease) in fair value of investment properties		**1,301,068**	(6,694,796)
Gain (loss) on disposal of subsidiaries		**8,508**	(15,351,725)
Gain on disposal of financial assets at fair value through profit or loss		**8,978,620**	50,465
Increase (decrease) in fair value of financial assets at fair value through profit or loss		**17,583,331**	(638,677)
Share of result of an associate		**1,556,650**	–

* *For identification purpose only*

	NOTES	2009 RMB	2008 RMB
Loss before tax		**(7,699,233)**	(33,929,013)
Income tax (expense) credit	*5*	**(1,533,466)**	888,560
Loss for the year	*6*	**(9,232,699)**	(33,040,453)
Other comprehensive loss			
Exchange differences arising on translation and other comprehensive loss for the year (net of tax)		**(629,736)**	(5,974,014)
Total comprehensive loss for the year		**(9,862,435)**	(39,014,467)
Loss per share			
– Basic (RMB cents)	*8*	**(2.24)**	(8.19)
– Diluted (RMB cents)	*8*	**(2.18)**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	NOTES	2009 RMB	2008 RMB
Non-current assets			
Property, plant and equipment		**3,918,267**	1,033,548
Investment properties		**7,393,231**	8,871,535
Interest in an associate		**1,556,650**	–
Deposit paid for acquisition of investment	12	**21,098,400**	21,228,000
Receivable in respect of a terminated transaction – long-term portion		**–**	15,479,000
		33,966,548	46,612,083
Current assets			
Amounts due from an associate		**20,259,260**	–
Trade receivables	9	**6,507,243**	7,207,076
Prepayments, deposits and other receivables		**1,902,008**	1,165,638
Receivable in respect of a terminated transaction – current portion		**–**	28,746,000
Financial assets at fair value through profit or loss	11	**35,944,421**	7,986,593
Bank balances and cash		**84,972,644**	3,887,517
		149,585,576	48,992,824
Current liabilities			
Trade payables	10	**4,744,924**	8,493,069
Accrued charges and other payables		**7,624,726**	2,333,035
Tax payable		**1,533,466**	–
		13,903,116	10,826,104
Net current assets		**135,682,460**	38,166,720
		169,649,008	84,778,803
Capital and reserves			
Share capital		**47,748,941**	42,815,665
Reserves		**121,900,067**	41,963,138
		169,649,008	84,778,803

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. 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 ("HK$"). 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.

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

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 inrelation to the amendment to paragraph 80 of HKAS 39
Hong Kong Accounting Standard ("HKAS") 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK (IFRIC) – Interpretation ("Int") 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfers of Assets from Customers

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.

New and revised HKFRSs affecting presentation and disclosure only

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 consolidated 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)	Improvements to HKFRS 5 as part of improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKFRS 1 (Revised)	First-time Adoption of HKFRSs – Limited Exemption from Comparative[6]
HKFRS 7	Disclosures for First-time Adoptors[6]
HKAS 24 (Revised)	Related Party Disclosures[5]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – 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.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognized financial assets that are within the scope of HKAS 39 Financial instruments: Recognition and Measurement to be measured at either amortized cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvement to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leasees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the leasee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

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 consolidated 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, third party software and hardware, 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. Securities trading is derived from the gross proceed for trading of financial assets at fair value through profit and loss.

An analysis of the Group's turnover from operations from its major products and services for the year is as follows:

	2009	2008
	RMB	*RMB*
Sales of self-developed software	**–**	2,729,141
Sales of third party software and hardware	**2,669,491**	4,654,458
Maintenance, training and other services	**10,655,250**	16,540,282
Rental income	**–**	42,456
Gross proceeds from trading of financial assets at fair value through profit or loss *(note)*	**18,009,427**	–
	31,334,168	23,966,337

Note:

Since the Group was actively engaged in trading of financial assets at fair value through profit or loss for the year ended 31 December 2009, this income was therefore classified as turnover in current year. For the year ended 31 December 2008, the net income from the disposal of financial assets at fair value through profit and loss was classified as other income.

Segment Information

(a) Segment turnover and results

The following is an analysis of the Group's turnover and results by reportable segment.

For the year ended 31 December 2009

	Sales of self-developed software *RMB*	Sales of third party software and hardware *RMB*	Maintenance, training and other services *RMB*	Property investment *RMB*	Securities trading *RMB*	Total *RMB*
TURNOVER						
External sales	–	2,669,491	10,655,250	–	18,009,427	31,334,168
Segment profit(loss)	–	210,440	374,096	1,708,970	8,978,620	11,272,126
Unallocated corporate expenses						(38,946,150)
Unallocated other income						842,436
Share of result of an associate						1,556,650
Finance costs						(16,134)
Gain on disposal of subsidiaries						8,508
Increase in fair value of financial assets at fair value through profit or loss	–	–	–	–	17,583,331	17,583,331
Loss before tax						(7,699,233)

For the year ended 31 December 2008

	Sales of self-developed software *RMB*	Sales of third party software and hardware *RMB*	Maintenance, training and other services *RMB*	Property investment *RMB*	Total *RMB*
TURNOVER					
External sales	2,729,141	4,654,458	16,540,282	42,456	23,966,337
Segment (loss)profit	(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)

(b) Geographical information

The Group's operations are located in Hong Kong and the PRC.

The following provides the Group's turnover from operations from external customers:

	2009 *RMB*	2008 *RMB*
Hong Kong	**18,009,427**	42,456
PRC	**13,324,741**	23,923,881
	31,334,168	23,966,337

4. OTHER INCOME

	2009 *RMB*	2008 *RMB*
Value-added tax refund income	**160,055**	93,333
Dividend income	**3,516**	80,096
Discount on acquisition of subsidiaries	**–**	232,907
Interest income	**383,650**	146,052
Gain on disposal of investment property	**407,902**	–
Others	**455,270**	306,836
	1,410,393	859,224

5. INCOME TAX (EXPENSE) CREDIT

	2009 *RMB*	2008 *RMB*
Taxation comprises:		
Hong Kong Profits Tax	**(1,533,466)**	–
Deferred tax	**–**	888,560
	(1,533,466)	888,560

The statutory tax rate for ZZNode (Beijing) and ZZNode (Shanghai) is 25% (2008: 25%) and 20% (2008: 18%) respectively.

No provision for PRC Enterprise Income Tax was made for both years since the assessable profit is wholly absorbed by tax losses brought forward.

Hong Kong Profits Tax was made in the consolidated statement of comprehensive income at 16.5% on the estimated assessable profits for the year. No provision for Hong Kong Profits Tax was made in the consolidated statement of comprehensive income for 2008 as the Group did not have any assessable profit arising in Hong Kong for that year.

6. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2009	2008
	RMB	*RMB*
Directors' emoluments	**22,054,892**	2,135,929
Other staff costs	**978,377**	1,322,677
Retirement benefits scheme contributions excluding directors' emoluments	**323,676**	687,299
Total staff costs	**23,356,945**	4,145,905
Auditor's remuneration	**379,771**	430,000
Depreciation of property, plant and equipment	**338,462**	478,291
Loss on disposal of property, plant and equipment		
– included in administrative expense	**350,178**	–
– included in costs of sales and services	**7,369**	–
Net exchange loss	**47,907**	42
Amortisation of intangible assets (included in administrative expenses)	**–**	380,248
Operating lease rentals in respect of rented premises	**2,322,255**	1,912,031
Provision for litigation claims	**1,075,000**	–

7. DIVIDEND

No dividend was paid or proposed during the year nor has any dividend been proposed since the end of the reporting period (2008: Nil).

8. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year of RMB9,232,699 (2008: RMB33,040,453) and weighted average number of ordinary shares of 412,176,406 (2008: 403,661,202).

The calculation of the diluted loss per share attributable to the owners of the Company is based on the weighted average number of ordinary shares and effect of dilutive potential ordinary share options.

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

9. TRADE RECEIVABLES

	2009	2008
	RMB	*RMB*
Trade receivables	**6,507,243**	7,207,076
Less: accumulated impairment loss	**–**	–
	6,507,243	7,207,076

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 presented based on the invoice date at the reporting date:

	2009	2008
	RMB	*RMB*
Within 90 days	**5,977,643**	6,912,287
91-180 days	**529,600**	294,789
	6,507,243	7,207,076

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 91% of the trade receivables were neither past due nor impaired at 31 December 2009 (2008: 95%). 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 RMB529,600 which were past due at 31 December 2009 (2008: RMB294,789) with age between 91 to 180 days 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 2009 is 145 days (2008: 135 days).

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

	2009	2008
	RMB	*RMB*
Balance at 1 January	**–**	9,680,108
Disposal of subsidiaries	**–**	(9,680,108)
Balance at 31 December	**–**	–

10. TRADE PAYABLES

An aged analysis of trade payables and presented based on the invoice date at end of the reporting period is as follows:

	2009	2008
	RMB	*RMB*
Within 90 days	**4,744,924**	8,493,069

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2009	2008
	RMB	*RMB*
Hong Kong listed equity securities held for trading, at fair value	**35,944,421**	7,986,593

12. DEPOSIT PAID FOR ACQUISITION OF INVESTMENT

The balance represented HK$24,000,000 (approximately RMB21,228,000 with exchange difference of RMB129,600) paid as a deposit for the acquisition of Precious Luck Enterprises Limited ("Precious Luck") to independent third parties. The transaction was completed on 2 January 2010 and the announcement was made on the same date. Details of the transaction are set out in the announcements made by the Company dated 13 May 2008, 3 June 2008, 30 June 2008, 29 July 2008, 4 August 2008, 1 September 2008, 30 September 2008, 29 October 2008, 30 December 2008, 30 January 2009, 26 March 2009, 22 April 2009, 21 May 2009, 11 June 2009, 10 July 2009, 11 September 2009, 23 October 2009, 16 November 2009 and 2 January 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2009, the Group recorded a turnover of RMB31,334,168 (2008: RMB23,966,337), representing an increase of 30.7% as compared to that of last year. Of these, turnover derived from sales of third party software and hardware was decreased from RMB4,654,458 in last year to RMB2,669,491, representing a decrease of 42.6%. Turnover derived from maintenance, training and other services was RMB10,655,250 (2008: RMB16,540,282), representing a decrease of 35.6%. The Group holds listed securities and had a turnover and an realised profits amounted to RMB18,009,427 and RMB8,978,620 respectively during the year.

The Group recorded a gross profit of RMB424,481 (2008: RMB4,993,103). The overall gross margin was decreased from approximately 20.8% of last year to approximately 3.2% of this year.

The increase in administrative expenses by 133.8% from RMB16,649,226 of last year to RMB38,920,836 in this year mainly attributable to the share-based payment expenses amounted to approximately RMB19,000,000.

Loss attributable to the owners of the Company was RMB9,232,699 for the year (2008: RMB33,040,453). Basic loss per share was approximately RMB2.24 cents for the year (2008: RMB8.19 cents).

BUSINESS REVIEW

The Group is principally engaged in i) the provision of operational support system (OSS) software development and mobile communication network optimization services to telecommunication operators in PRC, ii) property investment and iii) securities trading.

In 2009, while having maintained the existing portfolio and size of our network optimization business, the Group also managed to capitalize on opportunities arising from the efforts of various operators in China to carry out the construction of 3G network, which is now in full swing throughout the country, by partnering with prestigious local and overseas communication equipment manufacturers and design institutes in all aspects of the optimization of the TDSCDMA\WCDMA\CDMA EVDO networks. This has laid a sound foundation for the development of the 3G network optimization business in the future. In addition, the Group has aggressively sought to work closely with operators in the network optimization business.

BUSINESS OUTLOOK

OSS Software Development and Network Optimisation

The Group will capitalize on the opportunities arising from the tremendous efforts of operators to increase the number of 3G network users by taking an aggressive approach to expanding the 3G network optimization business in a number of key areas in the country. The Group will also continue to maintain its partnership with well-known local and international communication equipment manufacturers, increase the existing market share and embark on software development for network optimization.

Operation of Outdoor Mega LED Displays

The completion of the very substantial acquisition of the 100% equity interest in Precious Luck Enterprises Limited ("Precious Luck") had taken place shortly after the year end on 2 January 2010. An indirect non-wholly-owned subsidiary of Precious Luck, ChuangZhi LiDe (Beijing) Technology Development Company Limited, has obtained the right to operate outdoor mega LED displays in major cities in the PRC and procure advertisements to be broadcasted through the displays. The Directors expect the acquisition of Precious Luck to generate opportunities to accelerate future revenue growth and the Company will be well placed to benefit from the market growth.

Other Media Business

On 11 February 2010, the Company entered into a sale and purchase agreement with Bold Champion International Limited, which owns 98% shareholding in 北京柯瑞環宇傳媒文化有限公司 ("Kery Media"). Kery Media is principally engaged in the business of provision of sales, packaging and promotion of audio-visual products service, consultancy services relevant to the media industry, as well as advertising, event organizing and artists' management in the PRC. The Directors believe that the media business in the PRC will become considerably more promising in the foreseeable future as the PRC is expected to experience persistent economic growth and more people in the PRC are pursuing a higher standard of living through quality entertainment. Acquisition of the Kery Media will give the Company a greater involvement in the PRC media business and provide an excellent opportunity to generate better revenue and profits.

On 12 February 2010, the Company entered into a memorandum of understanding with five companies related to the potential acquisition of the subsidiary company managing 湖南廣電移動電視有限責任公司 ("Hunan Mobile"). The Directors consider participation in the management of Hunan Mobile would be a significant milestone in the Company's development within the media industry. With the promising business potential in the mainland media industry and the rapid growth of Hunan Mobile, the acquisition will further expand the Company's business and strengthen its market position in the PRC.

The Company has been actively seeking business opportunities in the enormous and promising media business in the PRC with a view to increasing its revenue and profitability. Up to the date of this announcement, the Company has made important progress to achieve this goal.

ADVANCE TO AN ENTITY

On 10 July 2009, Smart Century Investment Limited ("Smart Century"), a wholly-owned subsidiary of the Company, provided financial assistance in the sum of HK$20,000,000 to Apex One Enterprises Limited ("Apex One"), a 49%-owned and affiliated company of the Company. The principal activity of Apex One is securities trading.

For more details, please refer to the Company's announcements dated 10 July 2009 and 13 July 2009.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 31 December 2009, the Group had bank balances and cash of approximately RMB84,972,644 as compared to the bank balances and cash of RMB3,887,517 as at 31 December 2008.

The Group's net current assets totalled approximately RMB135,682,460 as at 31 December 2009, against approximately RMB38,166,720 as at the end of the previous financial year. The Group's current ratio was approximately 10.76 as at 31 December 2009 as compared with 4.53 as at 31 December 2008.

Gearing Ratio

As at 31 December 2009, the Group did not have any long-term debts while its shareholders' funds amounted to approximately RMB169,649,008. In this regard, the Group holds a net cash position with nil gearing ratio (net debt to shareholders' funds) as at 31 December 2009 (2008: Nil).

Capital Structure

For the year ended 31 December 2009, the Company's issued share capital is HK$46,010,400 (approximately RMB47,748,941) and the number of its issued ordinary shares is 461,056,000 shares. During November and December 2009, 1,056,000 share options were exercised by the directors of the Company at a subscription price of HK$1.27 per share, for a total consideration of HK$1,341,120 (approximately RMB1,180,792). In addition, the Company had issued 35,000,000 ordinary shares and 20,000,000 ordinary shares by means of placement to independent private investors to raise approximately HK$45,426,000 and HK$39,200,000 on 19 November 2009 and 16 December 2009 respectively. As a result, the Company had issued 56,056,000 new shares of HK$0.1 each.

All new shares issued during the year ended 31 December 2009 rank pari passu in all respects with other shares in issue.

Significant Investment

At 31 December 2009, the Group held investment properties amounted to approximately RMB7.4 million (2008: approximately RMB8.9 million). During the year, the Group recorded an increase in fair value of investment properties of approximately RMB1.3 million. The Board expected that the values of the investment properties will be increased in 2010 in accordance with the boom of the property market in Hong Kong.

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 2009, 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 2009, the Group did not have any charges on its assets. (2008: Nil).

Contingent Liabilities

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

Capital Commitment

As at 31 December 2009, the Group did not have any material capital commitment.

Subsequent Event

Pursuant to the announcement dated 2 January 2010 made by the Company, the acquisition of Precious Luck Enterprises Limited ("Precious Luck"), was completed on 2 January 2010. The Group is in the process of finalizing the relevant financial information of Precious Luck.

On 11 February 2010, Champ Zone Limited, a wholly owned subsidiary of the Company, entered into the agreement in relation to the acquisition of entire interest in Bold Champion International Limited with its subsidiary principally engaged in provision of management services to the PRC media enterprises. The transaction is still not yet completed at the date of this announcement.

On 12 February 2010, the Company entered into a non-legally binding Memorandum of Understanding with five companies related to the potential acquisition of a company managing Hunan Mobile.

Details are set out in the announcements made by the Company dated 24 February 2010 and 25 February 2010.

Employee Information and Remuneration Policy

As at 31 December 2009, the Group has 58 employees (2008: 37 employees).

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 accounts 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 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the year ended 31 December 2009, 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 2009 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. The three independent non-executive directors of the Company were appointed in January 2008, namely Mr. Chow Shiu Ki, Mr. Lam Raymond Shiu Cheung and Mr. Lam Ka Wai, Graham, were not appointed for a specific term, while the other two independent non-executive directors of the Company namely Mr. Wu Xian and Mr. Leung Siu Kee were appointed on 1 October 2009 and 22 December 2009 respectively for a three-years term of service. All the independent non-executive directors are appointed and 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 2009.

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, Mr. Chow Shiu Ki, Mr. Wu Xian and Mr. Leung Siu Kee. 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 2009 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.hk. The Annual Report 2009 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, 5 March 2010

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