

**China Petrotech Holdings Limited**

**Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2004**

**1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	Group		
		Year ended 31 December	Year ended 31 December	
		2004	2003	+ / (-)
		(Unaudited) Rmb'000	(Unaudited) Rmb'000	Change (%)
<b>REVENUE</b>		<b>61,317</b>	<b>41,728</b>	47
Cost of sales		(8,058)	(7,414)	9
<b>GROSS PROFIT</b>	1	<b>53,259</b>	<b>34,314</b>	55
Other income	2	7,126	4,741	50
Research and development costs	3	(5,322)	(4,006)	33
Selling and distribution costs	4	(3,322)	(1,461)	127
Administrative expenses	5	(9,314)	(2,917)	219
Other operating expenses	6	(897)	(500)	79
<b>PROFIT FROM OPERATING ACTIVITIES</b>		<b>41,530</b>	<b>30,171</b>	<b>38</b>
Net finance income/(costs)		30	(111)	n.m.
<b>PROFIT BEFORE TAX</b>		<b>41,560</b>	<b>30,060</b>	<b>38</b>
Income tax		-	-	-
<b>NET PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS</b>		<b>41,560</b>	<b>30,060</b>	<b>38</b>

n.m. = not meaningful

Explanatory notes:

1. Gross profit margin was 87% for FY2004 compared with 82% achieved in FY2003. The relatively high gross margin enjoyed by the Group is mainly attributable to high percentage of sales from standard software products and software upgrades.
2. Other Income:-

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 December 2004</b>	<b>31 December 2003</b>
	Rmb'000	Rmb'000
V A T refund *	6,576	4,248
Government grant and loan waived	175	480
Net foreign exchange gain	357	-
Others	18	13
	7,126	4,741

\* The Group is entitled to a refund of value added taxes ("VAT") on the sales of self-developed software. The VAT refund represents the amount of VAT paid in excess of 3% of software sales. The amount of VAT refund is calculated on a monthly basis and recognized as other revenue when the relevant tax authorities approve the refund.

3. The research and development costs increased by 33% in FY2004, which is in line with the 47% increase in revenue. This is mainly due to the increase in amortization charges.
4. The 127% increase in selling and distribution expenses in FY2004 is due to the higher sales activities for the year and promotion of new products and services. In FY2004, the Group launched several large promotional conferences and exhibitions in hotels and advertised aggressively in related industrial magazines, resulting in increase in advertising and promotional expenses of Rmb 1.6 million.

5. The administrative expenses increased by 219% in FY2004 as compared to FY2003. This was mainly due to additional directors' remuneration and staff costs of Rmb 2.4 million, rental expenses and training expenses of Rmb 1 million.
6. The other operating expenses increased by 79% in FY2004. The other operating expenses in FY2004 were made up of IPO expenses relating to vendor's shares amounting to Rmb 1.8 million expensed off in 1H FY2004, offset by the write back in allowance for doubtful trade receivables of Rmb 0.9 million. The amount in FY2003 relates to allowance for doubtful trade receivables incurred.

#### Notes to Income Statement

		<b>Group</b>		
		<b>Year ended 31 December</b>	<b>Year ended 31 December</b>	<b>Change</b>
		<b>2004</b>	<b>2003</b>	<b>+ / (-) %</b>
	Note	Rmb'000	Rmb'000	
Other income	1	7,126	4,741	50
Interest income		128	14	814
Finance costs	2	93	-	100
Interest expense		5	122	(96)
Depreciation of property, plant and equipment		307	200	54
Amortization of intangible assets	3	3,893	1,017	283
Foreign exchange gain		357	-	100
Allowance for doubtful trade receivables		-	500	(100)
Reversal of allowance for doubtful trade receivables		926	-	100
Operating lease charges in respect of properties		478	508	(6)
Loss on disposal of plant and equipment		-	4	(100)

Notes :

1. The increase in other income is mainly due to increase in VAT refund as tabled in point 2 above.
2. Finance costs for FY2004 is mainly due to the amortized discount on convertible loan in a subsidiary, Market Wisdom, prior to its conversion on 27 April 2004.
3. The increase in amortization of intangible assets in FY2004 is in line with a corresponding increase in intangible assets which are mainly the intellectual property rights of our IT solutions.

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

		<b>Group</b>		<b>Company</b>	
		<b>31 December 2004</b>	<b>31 December 2003</b>	<b>31 December 2004</b>	<b>31 December 2003</b>
	Note	(Unaudited) Rmb'000	(Unaudited) Rmb'000	(Unaudited) Rmb'000	(Unaudited) Rmb'000
<b>Non-Current Assets</b>					
Investment in subsidiary	1	-	-	38,059	-
Property, plant and equipment		1,266	709	238	-
Intangible assets	2	17,832	3,205	-	-
		<b>19,098</b>	<b>3,914</b>	<b>38,297</b>	<b>-</b>
<b>Current Assets</b>					
Inventories		24	18	-	-
Trade and other receivables	3	12,455	22,089	213	3,628
Amounts due from subsidiaries	4	-	-	62,683	-
Cash and cash equivalents	5	131,685	37,342	5,515	10

		<b>144,164</b>	<b>59,449</b>	<b>68,411</b>	<b>3,638</b>
<b>Current Liabilities</b>					
Short-term loan	6	-	(150)	-	-
Trade and other payables		(6,716)	(7,861)	(2,421)	(3,261)
Amounts due to directors	7	(677)	(294)	(677)	(377)
		<b>(7,393)</b>	<b>(8,305)</b>	<b>(3,098)</b>	<b>(3,638)</b>
<b>NET CURRENT ASSETS</b>		136,771	51,144	65,313	-
		<b>155,869</b>	<b>55,058</b>	<b>103,610</b>	
<b>Non-Current Liability</b>					
Convertible loan	8	-	(10,256)	-	-
<b>NET ASSETS</b>		<b>155,869</b>	<b>44,802</b>	<b>103,610</b>	<b>-</b>
<b>CAPITAL AND RESERVES</b>					
Share capital	9	47,425	10,083	47,425	-
Reserves		108,444	34,719	56,185	-
		<b>155,869</b>	<b>44,802</b>	<b>103,610</b>	<b>-</b>

Notes :

1. On 27 April 2004, the Company entered into a sale and purchase agreement to acquire the entire issued and paid-up capital of Market Wisdom, at the consideration of S\$7,821,414, with all rights and benefits attaching thereto with effect from 27 April 2004. The consideration was satisfied by the allotment and issue of an aggregate of 195,535,350 shares, credited as fully paid.
2. The increase in intangible assets is mainly due to the acquisition of Rmb 15.5 million intellectual property rights of software products developed by third parties. .

3. Trade and other receivables decrease by 44% despite the increase in sales of 47%. This is due in part to normal fluctuations in payment patterns and in part to increased sales of mature software applications for which payment is usually faster.
4. The amounts due from subsidiaries at the Company level represented the fund transferred for working capital purposes and purchases paid on behalf of the subsidiaries during FY2004.
5. Significant increase in cash and cash equivalents is mainly due to the proceeds from the issuance of 49,000,000 new ordinary shares of S\$0.04 each at an issue price of S\$0.34 each pursuant to the public invitation during the current year under review and income derived from FY2004.
6. Short term loan due from the PRC subsidiary has been fully settled during FY2004. An amount of Rmb 75,000, being half the short term loan, was waived from the local government. The waived government loan was recognized as other income of the Group.
7. The increase in amounts due to directors is mainly attributable to the IPO expenses paid by the directors on behalf of the Company.
8. Convertible loan of a subsidiary has been converted into share capital upon completion of the Restructuring Exercise on 27 April 2004.
9. Please refer to the notes under section 1d(i) for details.

**1(b) (ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

<b>31 December 2004</b>		<b>31 December 2003</b>	
Secured	Unsecured	Secured	Unsecured
Rmb'000	Rmb'000	Rmb'000	Rmb'000
Nil	Nil	Nil	150

**Amount repayable after one year**

<b>31 December 2004</b>		<b>31 December 2003</b>	
Secured	Unsecured	Secured	Unsecured
Rmb'000	Rmb'000	Rmb'000	Rmb'000
Nil	Nil	Nil	Nil

The government loan is fully settled during FY2004.

**Details of any collateral :**

Not applicable.

**1(c) A cash flow statement (for the group) , together with a comparative statement for the corresponding period of the immediately preceding financial year.**

		<b>Group</b>	
		<b>Year ended 31 December 2004</b>	<b>Year ended 31 December 2003</b>
	Note	Rmb'000	Rmb'000
<b>Operating activities</b>			
<b>Profit from ordinary activities before taxation</b>		<b>41,560</b>	<b>30,060</b>
<b>Adjustments for :</b>			
Depreciation of property, plant and equipment		307	200
Amortization of intangible assets		3,893	1,017
IPO expenses relating to the offer of vendor shares		1,824	-

(Reversal of) / allowance for doubtful trade receivables		(926)	500
Interest expenses		5	122
Finance costs		93	-
Interest income		(128)	(14)
Government loan waived		(75)	-
Loss on disposal of plant and equipment		-	4
<b>Operating profit before changes in working capital</b>		<b>46,553</b>	<b>31,889</b>
<b>Changes in working capital</b>			
Inventories		(6)	11
Trade and other receivables		11,154	(7,059)
Balances with directors		89	285
Amount due from related parties		-	100
Trade and other payables		(1,438)	4,480
<b>Cash generated from operations</b>		<b>56,352</b>	<b>29,706</b>
Interest received		128	14
Interest paid		(5)	(122)
Income tax paid		(787)	-
<b>Net cash from operating activities</b>		<b>55,688</b>	<b>29,598</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(864)	(82)
Acquisition of XCTC's undertakings	1	(12,037)	-
Addition of intangible assets		(18,520)	(2,346)
<b>Net cash used in investing activities</b>		<b>(31,421)</b>	<b>(2,428)</b>
<b>Financing activities</b>			
Proceeds from bank loans		-	-
Repayment of bank loans		-	(3,000)



Repayment of government loan		(75)	-
Proceeds from issuance of convertible loan		-	10,689
Proceeds from issue of new shares, net of IPO expenses		70,151	-
<b>Net cash generated from financing activities</b>		<b>70,076</b>	<b>7,689</b>
<b>Net increase in cash and cash equivalents</b>		<b>94,343</b>	<b>34,859</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>37,342</b>	<b>2,483</b>
<b>Cash and cash equivalents at end of the year</b>		<b>131,685</b>	<b>37,342</b>

Note 1: This relates to the acquisition of XCTC's undertakings on 30 January 2004 as part of the Group's Restructuring Exercise for the IPO.

**1d(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) Change in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

#### Statement of Changes in Equity

<b>The Group</b>	<b>Share Capital</b>	<b>Share Premium</b>	<b>Convertible Loan Reserve</b>	<b>Merger Reserve</b>	<b>Statutory Reserves</b>	<b>Accumulated Profits</b>	<b>Foreign Exchange Reserve</b>	<b>Total</b>
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
<b>At 1 January 2004</b>	<b>10,083</b>	<b>-</b>	<b>433</b>	<b>-</b>	<b>4,962</b>	<b>29,324</b>	<b>-</b>	<b>44,802</b>
Acquisition of XCTC's undertakings	(10,000)	-	-	32,249	(4,962)	(29,324)	-	(12,037)
Conversion of convertible loan	19	10,763	(433)	-	-	-	-	10,349
New shares issued pursuant to the Restructuring Exercise	37,884	(10,763)	-	(27,194)	-	-	73	-

New shares issued pursuant to the IPO	9,439	70,786	-	-	-	-	-	80,225
IPO expenses	-	(8,881)	-	-	-	-	-	(8,881)
Profit for the year	-	-	-	-	-	41,560	-	41,560
Exchange differences arising from translation of an overseas subsidiary	-	-	-	-	-	-	(149)	(149)
Appropriation to reserve	-	-	-	-	5,788	(5,788)	-	-
<b>At 31 December 2004</b>	<b>47,425</b>	<b>61,905</b>	<b>-</b>	<b>5,055</b>	<b>5,788</b>	<b>35,772</b>	<b>(76)</b>	<b>155,869</b>

<b>The Group</b>	<b>Share Capital</b>	<b>Share Premium</b>	<b>Convertible Loan Reserve</b>	<b>Merger Reserve</b>	<b>Statutory Reserve</b>	<b>Accumulated Profits</b>	<b>Foreign Exchange Reserve</b>	<b>Total</b>
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
<b>At 1 January 2003</b>	<b>10,083</b>	-	-	-	<b>681</b>	<b>3,545</b>	-	<b>14,309</b>
Profit for the year	-	-	-	-	-	30,060	-	30,060
Transfer to reserve	-	-	-	-	4,281	(4,281)	-	-
Issue of convertible loan	-	-	433	-	-	-	-	433
<b>At 31 December 2003</b>	<b>10,083</b>	-	<b>433</b>	-	<b>4,962</b>	<b>29,324</b>	-	<b>44,802</b>

<b>The Company</b>	<b>Share Capital</b>	<b>Share Premium</b>	<b>Convertible Loan Reserve</b>	<b>Capital Reserve</b>	<b>Statutory Reserve</b>	<b>Accumulated Profits</b>	<b>Foreign Exchange Reserve</b>	<b>Total</b>
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
<b>At 1 January 2004</b>	-	-	-	-	-	-	-	-
New shares issued pursuant to the Restructuring Exercise (note 1)	37,986	-	-	-	-	-	-	37,986
New shares issued pursuant to the IPO (note 2)	9,439	70,786	-	-	-	-	-	80,225
IPO expenses	-	(8,881)	-	-	-	-	-	(8,881)
Loss for the year	-	-	-	-	-	(5,720)	-	(5,720)
<b>At 31 December 2004</b>	<b>47,425</b>	<b>61,905</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,720)</b>	<b>-</b>	<b>103,610</b>

- Note 1: Upon completion of the Restructuring Exercise on 27 April 2004, the Company issued 195,535,400 ordinary shares at par of S\$0.04 each in exchange for the entire share capital of Market Wisdom and its subsidiary.
- Note 2: The Company issued 49,000,000 new ordinary shares of S\$0.04 each pursuant to the initial public offering at an issue price of S\$0.34 on 9 June 2004.
- Note 3: China Petrotech Holdings Limited was incorporated in Singapore on 11 June 2003 (formerly known as Cenozoic Holdings Pte Ltd ) for acquiring the shares in the existing companies of Market Wisdom and its subsidiary on 27 April 2004. The Company remained dormant till the end of FY2003 and no significant financial information could be presented for the statement of changes in equity for FY2003. Hence, the Company only presented the financial information for FY2004.

#### **Basis of Preparation of Financial Information**

The consolidated financial statements of China Petrotech Holdings Limited (the “Company”) and its subsidiaries (collectively known as the “Group”) for the year ended 31 December 2004 which combined the financial results of its subsidiaries acquired upon the completion of the Restructuring Exercise on 27 April 2004. Details of the Restructuring Exercise are described in the Company’s prospectus dated 31 May 2004.

The Company was incorporated in Singapore on 11 June 2003 (formerly known as Cenozoic Holdings Pte. Ltd.). On 27 April 2004, the Company completed the acquisition of the entire share capital in Market Wisdom International Limited (“Market Wisdom”) and its subsidiary, Xi’an Cenozoic Petro Tech Co., Ltd (“XCPT”), which are principally engaged in the provision of information technology solutions, design, development and sale of standardized software solutions. The Company was admitted to the Official list of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 9 June 2004.

For the purpose of inclusion in the prospectus of the Company, the combined financial statements of the Group for the period from 6 August 2001 to 31 December 2001 and the two years ended 31 December 2002 and 2003 (the “relevant period”) were prepared in a manner similar to the “pooling of interest” method as if the Restructuring Exercise and the transfer of all the assets, liabilities and undertakings of Xi’an Cenozoic Technology Co., Ltd (“XCTC”) (the “Transfer”) had been completed on 6 August 2001. Such manner of presentation reflects the economic substance of

the combining companies (namely XCTC, XCPT, Market Wisdom and the Company), which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsi-dary relationships were not established until 27 April 2004.

The consolidated financial statements for the year ended 31 December 2003 principally reflected the results and financial status of XCTC. However, it does not form part of the listing group pursuant to the Transfer on 30 January 2004.

As the Group's acquisitions of the undertakings of XCTC and Market Wisdom on 30 January 2004 and 27 April 2004 constitute common control transactions, the consolidated financial statements of the Group for the financial year ending 31 December 2004 will be prepared in a manner similar to the "pooling of interest" method.

All intra-group transactions and balances among the companies comprising the Group are eliminated in the preparation of the consolidated financial statements.

**1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. Stated also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Cenozoic Holdings Pte. Ltd. was incorporated in Singapore on 11 June 2003 as a private company limited by shares. It has authorised share capital of S\$100,000 divided into 100,000 ordinary shares of S\$1 each and the issued and fully paid share capital of the Company was S\$2 divided into 2 ordinary shares of S\$1 each. On the completion of the Restructuring Exercise on 27 April 2004 the Company changed its name to China Petrotech Holdings Limited.

During the FY 2004, the following events took place:

- (i) the increase of authorised share capital from S\$100,000 divided into 100,000 ordinary shares of S\$1.00 each to S\$20,000,000 divided into 20,000,000 ordinary shares of S\$1.00 each;
- (ii) the sub-division (the “share split”) of every one ordinary share of S\$1.00 each in the authorised and issued share capital of the Company into 25 ordinary shares of S\$0.04 each;
- (iii) the allotment and issue of an aggregate of 195,535,350 shares to Mag. Andreas Werner, Kim Eng Securities Pte Ltd, Power Century Holdings Limited, Metrolink Technology Limited, Cai Qiang, Li Ming, Li Wo Hing, Zhao Tong, Zhao Ying, Zhou Hong, William Chan and Guidance Limited pursuant to the Restructuring Exercise; and
- (iv) pursuant to the Company’s Initial Public Offering, 49,000,000 new ordinary shares and 13,000,000 vendor shares were offered at an issue price of S\$0.34 each. The net proceeds attributable to the Company (after deducting the issue expenses) arising from the issue of the New shares were approximately S\$14.4 million (Rmb 69.5 million). The Company was listed on the SGX-ST on 9 June 2004.

After the Company was successfully listed on the Main Board of SGX on 9 June 2004, the issued and fully paid share capital of the Company increased to S\$9,781,416 (244,535,400 ordinary shares at par value of S\$0.04 each), due to new ordinary shares issued pursuant to the Initial Public Offering (“IPO”) of S\$1,960,000 (49,000,000 ordinary shares at an issue price of S\$0.34 each) quoted on the Official list of SGX-ST.

Apart from the above, there were no movements in the Company’s share capital at 31 December 2004.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company’s auditors, KPMG.

**3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation in the financial statements have been consistently applied by the Group for the periods presented.

**5. There any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed as well as the reasons for, and the effect of, the change.**

Not applicable

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Year ended 31 December 2004</b>	<b>Year ended 31 December 2003</b>
<b>Earnings per ordinary share for the period based on net profit attributable to shareholders:</b>		
<b>Basic (Rmb cents) (Note 1)</b>	<b>18.62</b>	<b>15.37</b>
<b>Fully diluted (Rmb cents) (Note 1)</b>	<b>18.62</b>	<b>15.37</b>
Note 1:		
Basic and fully diluted earnings per share were based on:		
<b>Net profit for the period (Rmb'000)</b>	<b>41,560</b>	<b>30,060</b>

	<b>No. of shares</b>	<b>No. of shares</b>
Shares outstanding at the beginning of the period (Note 2)	195,535,400	195,535,400
Weighted average number of new shares issued during the period pursuant to the public invitation	27,579,235	-
<b>Weighted average number of shares issued during the period (Basic and diluted)</b>	<b>223,114,635</b>	<b>195,535,400</b>

Note 2. For illustrative purposes, it was assumed that the Restructuring Exercise had been completed on 1 January 2003 and the pre-invitation share capital of 195,535,400 shares had already been in issue on 1 January 2003.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-**

**(a) current financial period reported on ; and (b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2004</b>	<b>31 December 2003</b>	<b>31 December 2004</b>	<b>31 December 2003</b>
Net asset value (Rmb'000)	155,869	44,802	103,610	N/A
Issued and fully paid ordinary shares (actual) (Note 1)	244,535,400	Nil	244,535,400	N/A
(on combined basis) (Note 2)	Nil	195,535,400	Nil	N/A
Net asset value per ordinary shares (Rmb cents)				
(actual) (Note 1)	63.74	Nil	42.37	N/A
(on combined basis) (Note 2)	Nil	22.91	Nil	N/A

Note 1. The net asset value per ordinary share of the Group and of the Company as at 31 December 2004 are calculated based on the issued ordinary shares of 244,535,400.

Note 2. The net asset value per ordinary share of the Group as at 31 December 2003 is calculated based on 195,535,400 ordinary shares on the assumption that the Restructuring Exercise had been completed on 31 December 2003.

**8. A review of the performance for the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for current financial period reported on, including ( where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Review of the Group Performance**

Group revenue in FY2004 rose by 47% to Rmb 61.3 million from Rmb 41.7 million. This is mainly attributable to the following factors:

- 1) Growing adoption of our standard software products. Our standard software for well logging data organization has also been adopted by the Sinopec Group for use by its subsidiaries and operating units;
- 2) Contributions from the sales of new application software products such as exploration information management;
- 3) Contribution from sales of Nuclear Magnetic Resonance (NMR) Spectrometers used for on-site analysis of the geophysical properties of rock fragment from the underground layers; and
- 4) Revenue from software upgrades.

In line with the revenue growth, Group gross profit in FY2004 increased 55% from Rmb 34.3 million to Rmb 53.3 million and Group net profit after tax rose 38% from Rmb 30.1 million to Rmb 41.6 million. The growth rate for net profit after tax was dampened by the higher administrative expenses needed to support a growing business and higher amortisation expenses for intellectual property rights for software products.

Group net earnings per share for FY2004 was Rmb 18.6 cents, a 21% improvement over Rmb 15.37 cents achieved in FY2003.



Looking back, the year 2004 has been a very satisfactory year for the Group. Apart from our public listing in Singapore in June 2004, we have completed 16 new software products, successfully launched and deployed specialized equipment NMR spectrometers. We are also pleased that the Sinopec Group has adopted our standard software product for well logging data organization.

Our efforts in developing and promoting use of advanced IT solution for oil and gas exploration in China is also gaining recognition from the China Central government. In December 2004, we received a government approval for a grant of Rmb 3 million to develop an IT application platform for oil exploration geology.

During the year under review, we have recruited a few senior management staff to strengthen our software development work, technical team and product marketing.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The financial performance of the Group in FY2004 is in line with what the commentary made in 3Q FY2004 results announcement dated 9 November 2004.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

With the strong foundation work done in FY2004, the Directors are optimistic of our performance in FY2005. We will focus our efforts to promote the 16 new software products developed in FY 2004 and the use of specialized equipment. We will be introducing more advanced IT applications for oil exploration, including inter-well imaging, vertical seismic survey and 3-D reservoir modeling.

In January 2005, we announced the acquisition of a 70% stake in Shaanxi Long Top Technology Co, Ltd. This is a software company specializing in ERP and business management software for the oil and gas industry in China. Currently, its customers are mainly concentrated in the North West part of China. Following the expected completion of the acquisition in early March 2005, we

intend to leverage on our extensive sales network which covers many of the oil and gas fields in China, to market its products and services.

Building on our enhanced financial strength, strong domain knowledge, software products and pool of experienced staff from the oil and gas industry, the Group intends to explore direct oil development and production opportunities in China and Southeast Asia.

Barring unforeseen circumstances, the Directors expect the Group to achieve further growth in FY2005.

## **11. Dividend**

### **(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on? None**

### **(b) Corresponding Period of the immediately preceding financial year**

**Any dividend declared for the corresponding period of the immediately preceding financial year? No.**

### **(c) Date payable**

Not applicable

### **(d) Book Closure Date**

Not applicable.

**12. If no dividend has been declared/recommend, a statement to that effect.**

There was no dividend declared for the year ended 31 December 2004, however, with a set of good results for the FY2004 and strong cash balances, the Company will consider declaring a special interim dividend on or before the announcement of the Group's Financial Results for the Second Quarter.

**PART II-ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half year Results )**

**13. Segmented revenue and results for business or geographical segments ( of the group ) in the form presented in the issuer 's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The Group's profits are almost entirely attributable to the sale of software solution in the PRC. Accordingly, no segmental analysis is provided.

**14. In review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8.

**15. A breakdown of sales.**

<b>Group</b>	<b>Latest Year 2004</b>	<b>Previous Year 2003</b>	<b>+ / (-) % Change</b>
	Rmb '000	Rmb '000	Rmb '000
(a) Sales reported for first half year	21,104	3,316	536
(b) Profit after tax	13,670	182	7,411
(c ) Sales reported for second half year	40,213	38,412	5
(d) Profit after tax	27,890	29,878	(7)

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

**Total Annual Dividend (refer to Para 16 of appendix 7.2 for the required details)**

	<b>Latest Full Year 2004 (Rmb million)</b>	<b>Previous Full Year 2003 (Rmb million)</b>
<b>Ordinary</b>	<b>Nil</b>	<b>Nil</b>
<b>Preference</b>	<b>Nil</b>	<b>Nil</b>
<b>Total :</b>	<b>Nil</b>	<b>Nil</b>

**By Order of the Board**

**William Chan Shut Li  
Chairman of the Board  
24 February 2005**