



3rd Quarterly Report **2006**

賽迪顧問股份有限公司
CCID Consulting Company Limited

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

(Stock Code : 08235)

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This report, for which the directors of CCID Consulting Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to CCID Consulting Company Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The board of directors (the "Board") of CCID Consulting Company Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiary (the "Group") for the three months and the nine months ended 30 September 2006, together with the comparative unaudited figures for the corresponding period of last year as follows:

		Unaudited For the three months ended 30 September		Unaudited For the nine months ended 30 September	
	Note	2006 <i>RMB</i>	2005 <i>RMB</i>	2006 <i>RMB</i>	2005 <i>RMB</i>
Turnover	2	11,761,645	11,094,678	34,855,651	32,699,560
Cost of sales		<u>(8,942,547)</u>	<u>(7,567,997)</u>	<u>(24,359,046)</u>	<u>(24,149,021)</u>
Gross profit		2,819,098	3,526,681	10,496,605	8,550,539
Other revenue		707,753	32,747	822,657	134,390
Selling and distribution costs		(1,248,329)	(1,178,578)	(3,510,690)	(3,607,362)
Administrative expenses		<u>(1,976,235)</u>	<u>(2,762,541)</u>	<u>(6,525,650)</u>	<u>(7,996,606)</u>
Profit/(loss) before tax		302,287	(381,691)	1,282,922	(2,919,039)
Tax	3	<u>(4,912)</u>	-	<u>(238,281)</u>	<u>(207,249)</u>
Profit/(loss) before minority interests		297,375	(381,691)	1,044,641	(3,126,288)
Minority interests		<u>42,037</u>	<u>71,622</u>	<u>121,570</u>	<u>185,732</u>
Net profit/(loss) from ordinary activities attributable to shareholders		<u>339,412</u>	<u>(310,069)</u>	<u>1,166,211</u>	<u>(2,940,556)</u>
Earnings/(loss) per share - Basic (cents)	4	<u>0.05</u>	<u>(0.04)</u>	<u>0.17</u>	<u>(0.42)</u>
Dividends	6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes:

1. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

CCID Consulting Company Limited (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 14 March 2001 as a company with limited liability pursuant to the Company Law of the PRC. Pursuant to an approval document obtained from 國家經濟貿易委員會 (The State Economic and Trade Commission of the PRC) on 5 March 2002, the Company became a joint stock limited company. The H shares of the Company were successfully listed on GEM on 12 December 2002.

The Group's unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards. Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (The “GEM Listing Rules”)

The accounting policies and basis of preparation of the unaudited consolidated results are consistent with those used in the annual financial statements for the year ended 31 December 2005.

2. TURNOVER

The Company is principally engaged in the provision of market research and management consultancy services. The principal activities of the subsidiaries comprise the provision of data information management services, and marketing consultancy services.

Turnover represents the net invoiced value of services rendered, net of sales surtaxes. All significant intra-group transactions have been eliminated on consolidation.

3. TAXATION

	Unaudited		Unaudited	
	For the three months ended		For the nine months ended	
	30 September	30 September	30 September	30 September
	2006	2005	2006	2005
	RMB	RMB	RMB	RMB
PRC corporate income tax	<u>4,912</u>	<u>-</u>	<u>238,281</u>	<u>207,249</u>

Hong Kong profits tax has not been provided as the Group had no assessable profits arising in Hong Kong during the nine months ended 30 September 2006 (nine months ended 30 September 2005: Nil). Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof during the period.

The Company is registered in the Beijing New Technology Enterprise Development Zone and has been certified by the relevant PRC authorities as a high technology enterprise. Pursuant to the Income Tax Law in the PRC, the Company is subject to corporate income tax at a rate of 15%. However, in accordance with an approval document issued by the relevant tax bureau, the Company has been granted a 50% reduction in corporate income tax for the period between 1 January 2004 and 31 December 2006.

CCID Datasource Co., Ltd. ("CCID Data"), the Company's subsidiary established in the PRC, is registered in the Beijing New Technology Enterprise Development Zone and has been certified by the relevant PRC authorities as a high technology enterprise. Pursuant to the Income Tax Law in the PRC, CCID Data is subject to corporate income tax at a rate of 15%. However, in accordance with an approval document issued by the relevant tax bureau, CCID Data has been granted an income tax exemption for the period between 1 January 2002 and 31 December 2004. By obtaining further approval, the Company has been granted a 50% reduction in corporate income tax for the period between 1 January 2005 and 31 December 2007.

CCID Chuangxin Marketing Co., Ltd. ("CCID Marketing") and CCID Shiji Exhibition Co., Ltd. ("CCID Exhibition"), the Company's two subsidiaries established in the PRC, were in 2004. However, in accordance with an approval document issued by the relevant tax bureau, CCID Marketing has been granted an income tax exemption for the period between 1 January 2005 and 31 December 2006. Pursuant to the Income Tax Law in the PRC, CCID Exhibition is subjected to corporate income tax at a rate of 33%.

There was no unprovided deferred tax with respect to the nine months ended 30 September 2006 (nine months ended 30 September 2005: Nil).

4. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share and the nine months ended 30 September 2006 was based on the net profit/(loss) from ordinary activities attributable to shareholders of RMB 339,412 and profit of RMB 1,166,211 respectively (three months and nine months ended 30 September 2005: (loss) of RMB 310,069 and RMB 2,940,556 respectively) and the weighted average of 700,000,000 (three months and nine months ended 30 September 2005: 700,000,000) ordinary shares in issue during the period.

Diluted earnings/(loss) per share amounts for the nine months ended 30 September 2006 and 2005 have not been calculated because no diluting events existed during these periods.

5. RESERVE

	Capital reserve account <i>RMB</i>	Statutory reserve funds <i>RMB</i>	Discretionary reserve fund <i>RMB</i>	Retained profits <i>RMB</i>	Total <i>RMB</i>
As at 1 January 2005	18,609,965	5,520,820	58,517	23,813,205	48,002,507
(Loss) for the period	-	-	-	(2,940,556)	(2,940,556)
As at 30 September 2005	<u>18,609,965</u>	<u>5,520,820</u>	<u>58,517</u>	<u>20,872,649</u>	<u>45,061,951</u>
As at 1 January 2006	18,609,965	6,850,147	58,517	15,557,035	41,075,664
Profit for the period	-	-	-	1,166,211	1,166,211
As at 30 September 2006	<u>18,609,965</u>	<u>6,850,147</u>	<u>58,517</u>	<u>16,723,246</u>	<u>42,241,875</u>

6. DIVIDEND

The Board does not recommend payment of a dividend for the nine months ended 30 September 2006 (nine months ended 30 September 2005: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover Analysis

For the nine months ended 30 September 2006, the turnover by operations can be classified as follows:

	For the nine months ended 30 September 2006		For the nine months ended 30 September 2005	
	Turnover <i>RMB</i>	Percentage (approximately)	Turnover <i>RMB</i>	Percentage (approximately)
Market Research	21,879,707	63%	21,611,260	66%
Data Information Management	3,753,292	10%	3,113,324	9%
Management Consultancy	3,763,714	11%	4,792,657	15%
Marketing Consultancy	5,458,938	16%	3,182,319	10%
Total	<u>34,855,651</u>	<u>100%</u>	<u>32,699,560</u>	<u>100%</u>

Business Review

For the nine months ended 30 September 2006, the turnover and gross profit of the Group amounted to RMB 34,855,651 and RMB 10,496,605 respectively. They were increased by approximately 6% and 23% respectively, as compared to the corresponding period of last year. The increases were mainly attributable to (1) tightened cost control, (2) the marketing consultancy services had contributed an extra in the Group's turnover. Same as last year, though the Group faced (1) IT market was still depressed, (2) keen competitions existed in the industry, and (3) unsatisfactory results of new products launched during the period, the Group's turnover still increased by 6% and gross profits increased by 23%. The result was due to the passion of our professional consulting talents towards the IT industry.

In terms of market research, for the nine months ended 30 September 2006, the Group had issued 192 annual research reports, 89 trend and feature research reports, and it also had completed 14 monthly monitoring reports and 33 quarterly analysis reports, thus realizing a revenue of RMB21,879,707 for the nine months ended 30 September 2006, which constituted approximately 63% of the Group's turnover. The segment's turnover was increased by approximately 1% as compared to the corresponding period of last year.

In terms of data information management, relying on 35 constantly revising and advanced data-mining technique data banks, the Group had provided membership and data subscription service to over 200 customers for the nine months ended 30 September 2006. On the other hand, based on the rich experience in setting up and developing data banks and the R&D team, it provided data information management solutions to government and enterprise. The revenue in data information management was RMB 3,753,292 for the nine months ended 30 September 2006, which constituted approximately 10% of the Group's turnover. The segment's turnover increased by approximately 20% as compared to the corresponding period of last year.

In terms of management consultancy service, the Group has accumulated many customer resources and possessed established channels and technical support in management consultancy with its understanding and follow-up and recent trends grasp of the IT market since its formal commencement of this kind of business. Therefore, the position of the Group with respect to this kind of business can be enhanced by its strengths to promote management efficiency of enterprises and governments, i.e. enterprise digitalization and e-government, through advanced information techniques. The Group had earned RMB 3,763,714 for the nine months ended 30 September 2006 in management consultancy service, which constituted approximately 11% of the Group's turnover and decreased by approximately 22% as compared to the corresponding period of last year.

In terms of marketing consultancy, relying on CCID Group's networking in media: the Group has build up a team of experienced staff and provided consultancy services on marketing, brand name promotion, public relationship and advertising. The revenue in marketing consultancy was RMB 5,458,938 for the nine months ended 30 September 2006 which constituted approximately 16% of the Group's turnover.

Market Promotions and Publicity

For the nine months ended 30 September 2006, the Group enhanced efforts in market promotions and publicity. During the period the Group hosted or co-sponsored research meetings, including "2006 China Governmental Internet Performance Appraisal Conference", "2006 China's IT Market Annual Conference", "2006 China's Consuming Electronic Market Annual Conference", "2006 China's Semiconductor Market Annual Conference", "IC Market China 2006", "Annual Conference of Internet & E-commerce Market in China", "SME E-commerce Application Conference", "China International E-commerce Summit Forum", "2006 Annual Economic Conference of China Development Zone" and "2006 IT Application Benchmark Selection Among Power Enterprise & Release Conference" in Beijing and Shanghai.

Prospect

The Group will strengthen and improve the present product mix, enhance understanding of customers' needs, increase flexibility of the services pattern, start the new technology product research and service, through establishing and improving the professional subdivided market research data banks, to actively promote its market research services and data information management services. The Group will also keep on bringing in professional consulting talents and to provide quality management consultancy services to our customers. The Group will continue to build on the brand name image of CCID Consulting as an international consultancy company with emphasis on both management and market consultancy as well as actively promote the marketing consultancy services to establish a new well-known brand name.

DIRECTORS' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2006, the interests and short positions of the directors in the shares, capital and warrants of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by Company pursuant Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers Rule 5.40 of the GEM Listing Rules were as follows:

Name of director	Company/associated corporations	Nature of interests	Number and class of shares	Approximate percentage of issued share capital
Luo Wen	The Company	Personal	1,020,000 domestic shares	0.15%

Save as disclosed above, none of the directors, supervisors, or their associates had registered interest or short positions in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers Rule 5.46 of the Gem Listing Rules.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the heading "Directors' and supervisors' interests and short positions in shares and underlying shares" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director and supervisor or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiary or fellow subsidiaries a party to any arrangement to enable the directors and supervisors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 20 November 2002. A summary of principle terms and conditions of the share option scheme are set out in the section headed “Summary of principle terms of the share option scheme” in Appendix IV of the prospectus of the Company dated 29 November 2002. Up to 30 September 2006, no option has been granted pursuant to such share option scheme.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2006, the following persons (other than the directors and supervisors of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in shares

Name	Capacity	Nature of interest	Number and class of shares	Approximate percentage in the same class of shares	Approximate percentage of issued share capital
China Center of Information Industry Development (“CCID”) <i>(note 1)</i>	Interest of controlled corporation	Corporate	485,900,000 domestic shares	98.96%	69.41%
Research Centre of Computer and Microelectronics Development, MII (“Research Centre”) <i>(note 1)</i>	Beneficial owner	Corporate	392,610,000 domestic shares	79.96%	56.09%
Beijing CCID Riyue Investment Co., Ltd. <i>(note 1)</i>	Beneficial owner	Corporate	93,290,000 domestic shares	19.00%	13.32%
Employees' Shareholding Society of Legend Holdings Ltd. <i>(note 2)</i>	Interest of controlled corporation	Corporate	20,000,000 H shares	9.57%	2.86%

Name	Capacity	Nature of interest	Number and class of shares	Approximate percentage in the same class of shares	Approximate percentage of issued share capital
Legend Holdings Limited <i>(note 2)</i>	Interest of controlled corporation	Corporate	20,000,000 H shares	9.57%	2.86%
Legend Group Limited <i>(note 2)</i>	Interest of controlled corporation	Corporate	20,000,000 H shares	9.57%	2.86%
Legend Holdings (BVI) Limited <i>(note 2)</i>	Interest of controlled corporation	Corporate	20,000,000 H shares	9.57%	2.86%
Legend Express Agency & Services Limited <i>(note 2)</i>	Interest of controlled corporation	Corporate	20,000,000 H shares	9.57%	2.86%
Grade Win International Limited <i>(note 2)</i>	Beneficial owner	Corporate	20,000,000 H shares	9.57%	2.86%
Deutsche Bank Aktiengesellschaft	Investment manager and other	Corporate	14,070,000 H shares	6.73%	2.01%
Choi Koon Shum Jonathan <i>(note 3)</i>	Interest of controlled corporation	Personal	12,510,000 H shares	5.99%	1.79%
Lam William Ka Chung <i>(note 3)</i>	Interest of controlled corporation	Personal	14,600,000 H shares	6.99%	2.09%
Lam Wong Yuk Sin Mary <i>(note 3)</i>	Interest of controlled corporation	Personal	12,510,000 H shares	5.99%	1.79%
Kingsway International Holdings Limited <i>(note 3)</i>	Interest of controlled corporation	Corporate	12,510,000 H shares	5.99%	1.79%
Kingsway Securities Holdings Limited <i>(note 3)</i>	Interest of controlled corporation	Corporate	12,510,000 H shares	5.99%	1.79%
Kingsway Financial Services Limited <i>(note 3)</i>	Beneficial owner	Corporate	12,510,000 H shares	5.99%	1.79%

Notes:

1. CCID, through Research Centre (which is controlled by, and under the supervision of, CCID) and Beijing CCID Riyue Investment Co., Ltd. (which is, directly and indirectly, wholly-owned by CCID) have effective interests in the Company comprising the 392,610,000 domestic shares held directly by Research Centre and the 93,290,000 domestic shares held directly by Beijing CCID Riyue Investment Co., Ltd.
2. Grade Win International Limited holds 20,000,000 H shares of the company. Grade Win International Limited is a wholly-owned subsidiary of Legend Express Agency & Services Limited; Legend Express Agency & Services Limited is a wholly-owned subsidiary of Legend Holdings (BVI) Limited; Legend Holdings (BVI) Limited is a wholly-owned subsidiary of Legend Group Limited; Legend Holdings Limited holds 57.76% equity interests in Legend Group Limited; Employees' Shareholding Society of Legend Holdings Limited holds 35.00% equity interests in Legend Holdings Limited, the above corporations are deemed to be interested in 20,000,000 H shares of the Company.
3. Kingsway Financial Services Limited holds 12,510,000 H shares of the Company. Kingsway Financial Services Limited is a wholly-owned subsidiary of Kingsway Securities Holdings Limited. Kingsway Securities Holdings Limited is a wholly-owned subsidiary of Kingsway International Holdings Limited. Kingsway Lion Spur Technology Limited holds 1,090,000 H shares of the Company. Kingsway Lion Spur Technology Limited is a wholly-owned subsidiary of Festival Developments Limited. Festival Developments Limited is a wholly-owned subsidiary of SW Kingsway Capital Holdings Limited. World Developments Limited holds 74% equity interest in SW Kingsway Capital Holdings Limited. World Developments Limited is a wholly-owned subsidiary of Innovation Assets Limited. Innovation Assets Limited is a wholly-owned subsidiary of Kingsway International Holdings Limited. Mr. Choi Koon Shum Jonathan beneficially owns or control approximately 46% equity interest in Kingsway International Holdings Limited. Mr. Lam William Ka Chung and his spouse, Lam Wong Yuk Sin beneficially own or control approximately 40% equity interests in Kingsway International Holdings Limited. Mr. Choi Koon Shum Jonathan and Lam Wong Yuk Sin are deemed to be interested in 12,510,000 H shares of the Company and Mr. Lam William Ka Chung is deemed to be interested in 14,600,000 H shares of the Company.

Save as disclosed above, as at 30 September 2006, no person, other than the directors of the Company, whose interests are set out in the section "Directors and supervisors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor its subsidiary purchased, redeemed or sold any of the Company's listed securities during the period.

COMPETING INTEREST

None of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company and their respective associates had an interest in a business which competes with the Group or may compete with the business of the Group.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rules 5.28 of the GEM Listing rules, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee has three members comprising the three independent non-executive directors of the Company, namely Guo Xiping, Lu Mai and Han Fuling. Guo Xiping is the chairman of the audit committee. The audit committee has reviewed the Group's unaudited consolidated results for the nine months ended 30 September 2006 and was of the view that the preparation of the results has complied with all applicable accounting standards and relevant regulations and laws, and made sufficient disclosure.

By order of the Board
Zhuang Xingfang
Chairman

The Board comprises:

Mr. Zhuang Xingfang	(Executive Director and Chairman)
Mr. Luo Wen	(Executive Director)
Mr. Huang Yong	(Executive Director) (Resigned on 31 October 2006)
Ms. Li Ying	(Non-executive Director)
Mr. Liu Liehong	(Non-executive Director)
Mr. Guo Xiping	(Independent non-executive Director)
Mr. Lu Mai	(Independent non-executive Director)
Mr. Han Fuling	(Independent non-executive Director)

Beijing, The People's Republic of China
10 November 2006