

CCID Consulting

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: 8235

思維創造世界

政府決策第一智庫
企業戰略第一顧問
信息化諮詢第一品牌

FIRST QUARTERLY REPORT

2012

282.80	2.17	83.68	80.25	▲	132.10	1.20%
256.36	2.78	56.39	74.36	▼	245.3	9.33%
375.69	9.56	24.35	45.23	▼	82.5	6.35%
248.36	4.58	65.36	95.36	▼	61.4	4.25%
896.33	3.54	32.23	5.33	▲	3.35	5.36%
896.33	7.63	44.45	2.55	▼	6.35	8.35%

323.24	2.33	42.36	56.35	▼	234.6	2.56%
236.58	6.35	78.96	24.36	▼	96.3	10.23%
596.33	7.98	33.33	72.65	▲	25.3	5.69%
313.63	4.58	65.36	54.36	▲	22.3	6.36%

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Perspective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristic of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report, in both English and Chinese versions, is available on the Company’s website at www.ccidconsulting.com (the “Company Website”).

Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the “Corporate Communications”) via the Company Website and who for any reason have difficulty in receiving or gaining access to this report posted on the Company Website will promptly upon request be sent this report in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language(s) (either English only or Chinese only or both languages) of Corporate Communications. Shareholders may send their request to receive this report in printed form, and/or to change their choice of the means of receipt and/or language(s) of Corporate Communications by notice in writing to the Hong Kong Share Registrar of the Company, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong or by sending an email to the Hong Kong Share Registrar of the Company at is-ecom@hk.tricorglobal.com.

HIGHLIGHTS

- For the three months ended 31 March 2012, the unaudited revenue of the Group was approximately RMB29.63 million, representing an increase of approximately 13% over the corresponding period in the previous year;
- For the three months ended 31 March 2012, gross profit of the Group was approximately RMB14.82 million. Gross profit margin was approximately 50%. Gross profit has an increase of approximately 11% over the corresponding period in the previous year;
- For the three months ended 31 March 2012, the net profits from ordinary activities attributable to shareholders of the Group was approximately RMB0.73 million, representing a decrease of approximately 15% over the corresponding period in the previous year;
- For the three months ended 31 March 2012, the basic earnings per share of the Group were about RMB0.1 cents;
- The board of directors does not recommend the payment of any interim dividend for the three months ended 31 March 2012.

2012 FIRST QUARTERLY RESULT

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 ended 31 March 2012, together with the comparative unaudited figures for the corresponding period of last year as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		Unaudited For the three months ended 31 March	
	<i>Note</i>	2012 RMB'000	2011 <i>RMB'000</i>
Turnover	2	29,625	26,252
Cost of sales		(14,803)	(12,849)
Gross profits		14,822	13,403
Other revenue		89	95
Selling and distribution costs		(4,073)	(3,831)
Administrative expenses		(9,284)	(8,328)
Profits before tax		1,554	1,339
Tax	3	(1,167)	(876)
Profits before minority interests		387	463
Minority interests		341	397
Net profits from ordinary activities attributable to shareholders		728	860
Earnings per share			
– Basic (<i>RMB cents</i>)	4	0.10	0.12
Dividend	6	–	–

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 September 2001 as a company with limited liability. 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 September 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 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 (the "GEM Listing Rules").

The major accounting policies used in the preparation of the accounts are consistent with those used in the annual financial statements for the year ended 31 December 2011.

Impact of the newly issued accounting policies

HKICPA has issued the following HKFRSs, HKASs, HK(IFRIC)-Ints, newly issued and revised as indicated, and their amendments (the "Standards and Amendments") that would become effective from the accounting year beginning on or after the date set out below, viz:-

		Effective from
HKFRS 9 (Revised)	Financial instruments	1 January 2013
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interests in other entities	1 January 2013
HKFRS 13	Fair value measurement	1 January 2013
Amendment to HKAS 1 (Revised)	Presentation of financial statements	1 July 2012
HKAS 19 (2011)	Employee benefits	1 January 2013
HKAS 27 (2011)	Separate financial statements	1 January 2013
HKAS 28 (2011)	Investments in associates and joint ventures	1 January 2013
HK(IFRIC) – Int 20	Stripping costs in the production phase of a surface mine	1 January 2013
Amendment to HKAS 32	Financial instruments: Presentation – Offsetting financial assets and financial liabilities	1 January 2014
Amendment to HKFRS 7	Financial instruments: Disclosures – Common disclosure requirements	1 January 2013
Amendment to HKFRS 9	Financial instruments: Deferral of mandatory effective date	1 January 2015

The Group as well as the Company have not early adopted the above New Standards and Amendments in this set of financial statements. The Group and the Company have already commenced an assessment of the impact of the other New Standards and Amendments but not yet in a position to state whether the other New Standards and Amendments would have a significant impact on their operating results and financial positions.

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, enterprise merger consultancy services, strategic consultancy services on enterprise management innovation and municipal economic development and the information supervision consultancy services.

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

3. TAXATION

	Unaudited For the three months ended 31 March	
	2012 RMB'000	2011 RMB'000
PRC corporate income tax	1,167	876

Hong Kong profits tax has not been provided as the Group had no assessable profits arising in Hong Kong during the three months ended 31 March 2012 (three months ended 31 March 2011: 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.

As the Company is a new and high technology enterprise located at Beijing New Technology Enterprise Development Zone, pursuant to the Income Tax Law of the PRC, the Company is subject to a corporate income tax at a rate of 15% (corresponding period of 2011: 15%), and the current provisional tax rate is 25% (corresponding period of 2011: 25%).

Beijing CCID Shiji Information Engineering Consulting Co. Ltd. ("CCID Info"), the Group's subsidiary operated in the PRC. Pursuant to the Income Tax Law of the PRC, CCID Info is subject to a corporate income tax at a rate of 25% (corresponding period of 2011: 25%).

Beijing CCID Strategic Management Consulting Co. Ltd. ("CCID Management") and Beijing CCID Innovation Investment Consulting Co. Ltd. ("CCID Investment") are the Group's other two subsidiaries established and operated in the PRC. Pursuant to the Income Tax Law in the PRC, CCID Management and CCID Investment are subject to a corporate income tax at a rate of 25% (corresponding period of 2011: 25%).

Beijing CCID Information Engineering Supervision Co. Ltd. ("CCID Supervision") is a high technology enterprise registered in the Beijing New Technology Enterprise Development Zone. Pursuant to the Income Tax Law of the PRC, the company is subject to a corporate income tax at a rate of 15% (corresponding period of 2011: 15%).

There was no unprovided substantial deferred tax with respect to the three months ended 31 March 2012 (three months ended 31 March 2011: Nil).

4. EARNINGS PER SHARE

The calculation of basic earnings per share for the three months ended 31 March 2012 was based on the net profits from ordinary activities attributable to shareholders of RMB728,000 (three months ended 31 March 2011: net profits of RMB860,000) and the weighted average of 700,000,000 shares (three months ended 31 March 2011: 700,000,000 shares) in issue during the period.

Diluted earnings per share amounts for the three months ended 31 March 2012 and 2011 have not been calculated because no diluting events existed during these periods.

5. RESERVE

	Issued share capital <i>RMB'000</i>	Statutory reserve funds <i>RMB'000</i>	Interests of shareholders other than the Group <i>RMB'000</i>	Proposed final dividend <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2011	70,000	3,271	10,084	3,010	16,000	102,365
Profits for the period	-	-	-	-	860	860
As at 31 March 2011	70,000	3,271	10,084	3,010	16,860	103,225
As at 1 January 2012	70,000	4,902	11,422	0	26,818	113,142
Profits for the period	-	-	-	-	728	728
As at 31 March 2012	70,000	4,902	11,422	0	27,546	113,870

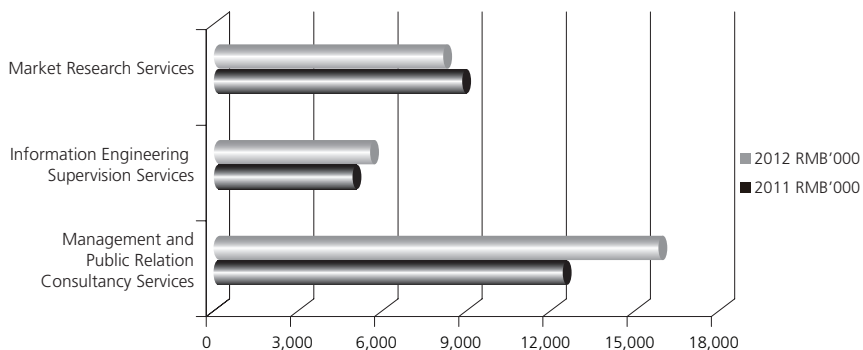
6. DIVIDEND

The Board does not recommend payment of any dividend for the three months ended 31 March 2012 (three months ended 31 March 2011: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover Analysis

For the three months ended 31 March 2012, the turnover of the Group can be analyzed as follows:



	For the three months ended 31 March 2012		For the three months ended 31 March 2011	
	Turnover RMB'000	Percentage (approximately)	Turnover RMB'000	Percentage (approximately)
Management and Public Relation Consultancy Services	15,876	54%	12,458	47%
Information Engineering Supervision Services	5,583	19%	4,941	19%
Market Research Services	8,166	27%	8,853	34%
Total	29,625	100%	26,252	100%

BUSINESS REVIEW

For the three months ended 31 March 2012, the turnover and gross profit of the Group amounted to approximately RMB29,625,000 and approximately RMB14,822,000 respectively (approximately RMB26,252,000 and RMB13,403,000 during the corresponding period of 2011). The turnover and gross profit increased by 13% and 11% respectively. The increase was mainly attributable to the continuous efforts to promote business reform.

In terms of management consultancy services, the Group has committed to capture the development trends of the national policy orientation and IT technology, encompassing the strategic emerging industry, persistently promoting businesses development related to IT consultancy, investment and finance merger and acquisition, corporate management and urban planning and continuously expanding customer resources, so as to enable the Group to acquire more sales channels and technical support in the course of developing management consultancy service. The Group had earned approximately RMB15,876,000 for the three months ended 31 March 2012 (approximately RMB12,458,000 during the corresponding period of 2011) in management consultancy service, which constituted approximately 54% of the Group's turnover an increase of 27% as compared to the corresponding period of last year. The increase was mainly due to the Group's continuous efforts to promote business reform and extend the promotion in management consultancy market on the above business foundation.

In terms of Information Engineering Supervision services, the Group mainly provides supervision services related to projects such as software, networking, communication, information safety to the Government and enterprises. The revenue in information supervision engineering consultancy was approximately RMB5,583,000 for the three months ended 31 March 2012 (approximately RMB4,941,000 during the corresponding period of 2011), which constituted approximately 19% of the Group's turnover, increased by approximately 13% as compared to the corresponding period of last year. The increase was mainly due to the understanding of the Group over the industry information of enterprises and the assessment of customer needs.

In terms of market research services, the Group mainly provides data information, market research and industry research services to businesses to assist the government authorities to develop the market data operation and supervision services of the electronic information product related industries. As at 31 March 2012, the Group had issued 256 market research reports, of which 226 are annual reports and 30 are quarterly analysis reports, thus the Group realizing a operation revenue of approximately RMB8,166,000 for the three months ended 31 March 2012 (approximately RMB8,853,000

during the corresponding period of 2011), which constituted approximately 27% of the Group's turnover a decrease of approximately 8% as compared to the corresponding period of last year, which was mainly due to the extreme industry competition.

MARKET PROMOTIONS AND PUBLICITY

For the three months ended 31 March 2012, the Group hosted a series of market campaigns, including, "2012 China IT Market Annual Conference", "2012 Semi Conductor Market Annual Conference" and "2012 China Consuming Electronic Market Annual Conference" in major cities like Beijing and Shanghai.

FUTURE DEVELOPMENTS

In 2012, the Group will persistently promote businesses related to strategic emerging industries, expand the reporting and execution of major projects and expedite the development of subsidiaries and branches, so as to upgrade the overall competitiveness.

TO PERSISTENTLY PROMOTE THE BUSINESSES RELATED TO STRATEGIC EMERGING INDUSTRIES

The Group will closely integrate the national development plannings, to itemize, deepen, go through and substantiate the research areas of strategic emerging industries, including the persistent launch of a series of high-end research and books for the strategic emerging industries, and the organization of high-end forums related to the areas of the strategic emerging industries, so as to further enhance the overall competitiveness of the Group in the research and consultation services in the areas of strategic emerging industries.

TO EXPAND THE REPORTING AND EXECUTION OF MAJOR PROJECTS

The Group will establish an authoritative integrated platform encompassing data collection, analysis, announcement and alert in the areas of electronic information industry and strategic emerging industries, and expedite the business transformation and upgrade through the implementation of a number of highly influential, motivating, highly technical and high added value high-end projects in consultation. We will form an informatization project to integrate supervision and service platform, thereby driving the transformation of supervision business from "Supervision Service Provider" into "Overall solution provider of project management".

TO EXPEDITE THE BUSINESS EXPLORATION OF SUBSIDIARIES AND BRANCHES

The Group will fully utilize various resources to proactively create good development environment for the holding subsidiaries, and promote the expansion and enhancement of information consultation, management consultation, investment and financing consultation, and information engineering supervision businesses to establish a fine business synergy with the Group. The strategy of "1 Headquarter 3 Branches" will be implemented further, leveraging the branches in Shanghai, Guangzhou and Shenzhen as the stepping stone to focus on the development of the regional markets in East and South China, and expand the Group's market influence in the key regional markets, so as to fulfill the localization of the exploration and execution of projects.

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES

As at 31 March 2012, the interests and short positions of the Directors, Supervisors, and chief executive in the share capital, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions and short positions in ordinary shares of the Company:

Name of director	Company/name of associated corporations	Nature of interests	Capacity	Number and class of shares	Approximate percentage of issued share capital
Luo Wen	The Company	Long Position	Beneficial owner	1,020,000 domestic shares	0.15%
Lu Shan	The Company	Long Position	Beneficial owner	1,020,000 domestic shares	0.15%

Save as disclosed above, as at 31 March 2012, none of the directors, supervisors or their associates had registered an interest or short position in the shares, underlying shares of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the paragraph "Directors' and supervisors' interests in 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 the directors and supervisors of the Company 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 subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors and supervisors of the Company 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 terms of the share option scheme" in Appendix IV of the prospectus of the Company dated 29 November 2002. As at 31 March 2012, no option had been granted pursuant to such share option scheme.

INTERESTS AND SUBSTANTIAL SHAREHOLDERS TO BE DISCLOSED PURSUANT TO THE SFO

As at 31 March 2012, 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 and short positions in shares

Name	Capacity	Nature of interest	Number and class of shares	Approximate percentage in the same class of securities	Approximate percentage of issued share capital
China Center of Information Industry Development ("CCID") (note 1)	Interest of controlled corporation	Long position	485,900,000 domestic shares	98.96%	69.41%
Research Centre of MII Computer and Microelectronics Development ("Research Centre") (note 1)	Beneficial owner	Long position	392,610,000 domestic shares	79.96%	56.09%
Beijing CCID Riyue Investment Co. Ltd. (note 1)	Beneficial owner	Long position	93,290,000 domestic shares	19.00%	13.32%
Legend Holdings Limited (note 2)	Interest of controlled corporation	Long position	20,000,000 H shares	9.57%	2.86%
Legend Group Limited (note 2)	Interest of controlled corporation	Long position	20,000,000 H shares	9.57%	2.86%
Legend Holdings (BVI) Limited (note 2)	Interest of controlled corporation	Long position	20,000,000 H shares	9.57%	2.86%
Legend Express Agency & Services Limited (note 2)	Interest of controlled corporation	Long position	20,000,000 H shares	9.57%	2.86%
Grade Win International Limited (note 2)	Beneficial owner	Long position	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 securities	Approximate percentage of issued share capital
Liao Shengfang	Interest of controlled corporation	Long position	19,920,000 H shares	9.56%	2.85%
Lam William Ka Chung (note 3)	Interest of controlled corporation	Long position	14,600,000 H shares	6.99%	2.09%
J.P. Morgan Fleming Asset Management Holdings Inc. (note 4)	Investment manager	Long position	15,000,000 H shares	7.18%	2.14%
J.P. Morgan Fleming Asset Management (Asia) Inc. (note 4)	Investment manager	Long position	15,000,000 H shares	7.18%	2.14%
JF Asset Management Limited (note 4)	Investment manager	Long position	10,700,000 H shares	6.12%	1.53%

Note:

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 directly 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, the above corporations are deemed to be interested in 20,000,000 H shares of the Company.

3. Kingsway Financial Services Limited holds 13,510,000 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 directly 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 directly 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. Lam William Ka Chung directly and indirectly owns approximately 40% equity interests in Kingsway International Holdings Limited. Mr. Lam William Ka Chung is deemed to be interested in 14,600,000 H Shares of the Company.
4. JF Asset Management Limited directly holds 10,700,000 H shares of the Company. JF International Management Inc. directly holds 4,300,000 H shares of the Company. J.P. Morgan Fleming Asset Management (Asia) Inc. holds 99.99% and 100% equity interests in JF Asset Management Limited and JF International Management Inc. respectively. J.P. Morgan Fleming Asset Management (Asia) Inc. is a wholly-owned subsidiary of J.P. Morgan Fleming Asset Management Holdings Inc. J.P. Morgan Fleming Asset Management (Asia) Inc. and J.P. Morgan Fleming Asset Management Holdings Inc. are deemed to be interested in 15,000,000 H shares of the Company.

Save as disclosed above, as at 31 March 2012, no person, other than the shareholders disclosed in the section "Directors and supervisors' interests in shares" above, had registered an interest and short position in the shares and 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 any of its subsidiaries 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.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has complied with the requirements of the “Required Standard of Dealing” as set out in Rule 5.48 to 5.67 of the GEM Listing Rules in standardizing the transactions of the securities by the directors. The Company has made specific enquiry of all directors and all of them have confirmed to have stuck to the “Required Standard of Dealing” throughout the three months ended 31 March 2012.

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 control system. The audit committee comprises the three independent non-executive directors of the Company, namely Ms. Li Xuemei, Mr. Guo Xinping and Mr. Han Fuling. Li Xuemei is the chairman of the audit committee. The audit committee had reviewed the Group’s unaudited consolidated results for the three months ended 31 March 2012 and was of the view that the preparation of the results had complied with all applicable accounting standards and relevant regulations and laws.

CORPORATE GOVERNANCE

The Company was in compliance with the code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 15 of the GEM Listing Rules during the three months ended 31 March 2012.

FUTURE PLANS FOR MATERIAL ACQUISITIONS AND DISPOSALS

The Board of the Company was authorized at the general meeting held on 25 November 2011 to evaluate the feasibilities of a possible issue of new H shares and related possible acquisitions. Should the Group proceed with the aforesaid transactions, the Group will strictly comply with the relevant reporting/disclosure and/or shareholders’ approval requirements under the GEM Listing Rules.

INTERNAL CONTROL

The Board has reviewed the internal monitoring system regularly to guarantee that related systems are effective and appropriate. The Board has held meetings regularly to discuss matters concerning finance, operation and risk management and monitoring.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the Company has complied with the public float requirement under Rule 11.23 of the GEM Listing Rules of the Stock Exchange.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the management and staff for their dedication and commitment throughout the year. Besides, I would like to thank all shareholders, business partners, customers and vendors for their support and encouragement given to the Group in the past. My thanks are also extended to the lawyers, auditors, consultants and relevant enterprises who always give us help and support.

By order of the Board
CCID Consulting Company Limited*
Mr. Luo Wen
Chairman

Beijing, The People's Republic of China
14 May 2012

As at the date of this report, the Board comprises Mr. Luo Wen and Mr. Li Jun, executive Directors, Mr. Lu Shan and Mr. Wang Peng, the non-executive Directors, Mr. Guo Xinping, Mr. Han Fuling and Ms. Li Xuemei, the independent non-executive Directors.

This report will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and the Company's website at www.ccidconsulting.com.

* For identification only