

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

THIRD 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%

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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. Prospective 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 Reports, 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 Reports 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 will be published on the “Lastest Company Announcement” page of the GEM website at <http://www.hkgem.com> and on the Company’s website at www.ccidconsulting.com (the “Company Website”) for at least 7 days from the date of its publication.

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 Reports in printed form free of charge.

HIGHLIGHTS

- For the nine months ended 30 September 2012, the unaudited revenue of the Group was approximately RMB95.99 million, representing an increase of approximately 10% over the corresponding period in the previous year;
- For the nine months ended 30 September 2012, gross profit was approximately RMB39.92 million. Gross profit margin of the Group was approximately 42%. Gross Profit recorded a decrease of approximately 0.4% over the corresponding period in the previous year;
- For the nine months ended 30 September 2012, profit attributable to equity holder of the Company was approximately RMB6.64 million, representing a decrease of approximately 23% over the corresponding period in the previous year;
- For the nine months ended 30 September 2012, the basic earnings per share of the Group were about RMB0.95 cents;
- The board of directors does not recommend the payment of any dividend for the nine months ended 30 September 2012.

2012 THIRD 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 subsidiaries (the "Group") for the three months and the nine months both ended 30 September 2012, together with the comparative unaudited figures for the corresponding period of 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Note	For the three months ended 30 September		For the nine months ended 30 September	
		2012 RMB'000	2011 RMB'000	2012 RMB'000	2011 RMB'000
Turnover	2	29,567	27,510	95,986	87,510
Cost of sales		(21,590)	(14,130)	(56,067)	(47,420)
Gross profit		7,977	13,380	39,919	40,090
Other revenue		(31)	33	133	117
Selling and distribution costs		(3,230)	(2,868)	(11,001)	(11,267)
Administrative expenses		(5,571)	(3,579)	(19,542)	(15,698)
Profits before tax		(855)	6,966	9,509	13,242
Tax	3	296	(518)	(1,974)	(4,037)
Profit/(loss) for the period		(559)	6,448	7,535	9,205
Attributable to:					
Equity holders of the Company		(995)	5,105	6,642	8,641
Non-controlling interests		436	1,343	893	564
		(559)	6,448	7,535	9,205
Earnings per share					
— Basic (RMB cents)	4	(0.14)	0.73	0.95	1.23
Dividends	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 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 15 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 (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 2011.

Impact of newly issued accounting policies

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (the “new and revised HKFRS”).

The Group as well as the Company have not early adopted the new and revised HKFRS that have been issued but are not effective. The Group and the Company is in the process of assessing the impact of these new and revised HKFRS on the 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 engineering supervision 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. TAX

	Unaudited For the three months ended 30 September		Unaudited For the nine months ended 30 September	
	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
PRC corporate income tax	(296)	518	1,974	4,037

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 2012 (nine months ended 30 September 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.

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 a corporate income tax at a rate of 15% (corresponding period of 2011: 15%) but the Company is still prepaid at a rate of 25% (corresponding period of 2011: 25%).

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

Beijing CCID Strategic Corporation Management Consulting Co., Ltd. ("CCID SC") and Beijing CCID Jingzhi Investment Consulting Co., Ltd. ("CCID JIC"), the Company's two subsidiaries established in the PRC. Pursuant to the Income Tax Law in the PRC, CCID SC and CCID JIC are subjected 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 registered in the Beijing New Technology Enterprise Development Zone, a subsidiary of the Company and has been certified by the relevant PRC authorities as a high technology enterprise. 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%).

Beijing CCID City Strategy Consulting Co., Ltd ("CCID Strategy"), the Company's subsidiary established in Beijing on 26 June 2012 operates in the PRC. Pursuant to the tax regulations of the PRC, it is subject to a corporate income tax at a rate of 25%.

There was no unprovided deferred tax with respect to the nine months ended 30 September 2012 (nine months ended 30 September 2011: nil).

4. EARNINGS PER SHARE

The calculation of basic earnings per share for the nine months ended 30 September 2012 was based on the profit attributable to equity holders of the Company of approximately RMB6,642,000 (nine months ended 30 September 2011: approximately RMB8,641,000) and the weighted average of 700,000,000 (nine months ended 30 September 2011: 700,000,000) ordinary shares in issue during the period.

Diluted earnings per share amounts for the nine months ended 30 September 2012 have not been calculated because no diluting events existed during these periods (nine months ended 30 September 2011: Nil).

5. RESERVE

	Issued share capital	Statutory reserve & others	Non- controlling interest	Proposed final dividend	Retained profits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2011	70,000	3,271	10,084	3,010	16,000	102,365
Change for the period	—	—	(564)	—	9,205	8,641
As at 30 September 2011	70,000	3,271	9,520	3,010	25,205	111,006
As at 1 January 2012	70,000	4,902	11,422	—	26,818	113,142
Change for the period	—	—	893	—	6,642	7,535
As at 30 September 2012	70,000	4,902	12,315	—	33,460	120,677

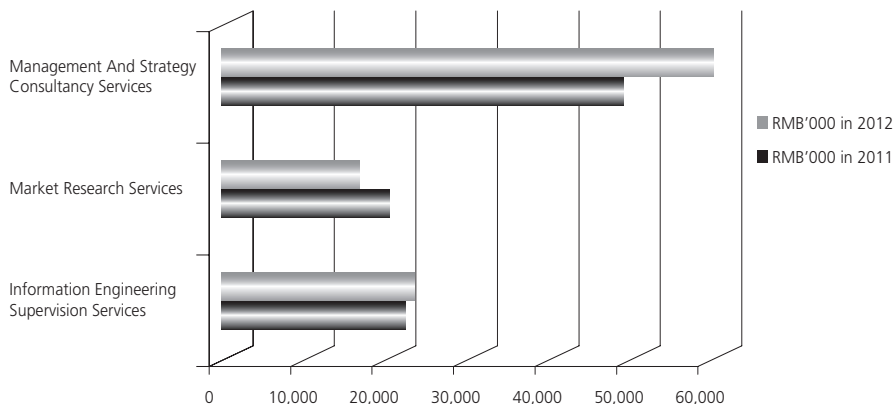
6. DIVIDENDS

The Board does not recommend payment of a dividend for the nine months ended 30 September 2012 (nine months ended 30 September 2011: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover Analysis

For the nine months ended 30 September 2012, the turnover by operations can be analyzed as follows:



	For the nine months ended 30 September 2012		For the nine months ended 30 September 2011	
	Turnover RMB'000	Percentage (approximately)	Turnover RMB'000	Percentage (approximately)
Management And Strategy Consultancy Services	58,780	61%	47,665	54%
Market Research Services	15,222	16%	18,858	22%
Information Engineering Supervision Services	21,984	23%	20,987	24%
Total	95,986	100%	87,510	100%

Business Review

For the nine months ended 30 September 2012, the turnover and gross profit of the Group amounted to approximately RMB95,986,000 and RMB39,919,000 respectively (approximately RMB87,510,000 and RMB40,090,000 during the corresponding period of 2011). The turnover increased by approximately 10% which was mainly attributable to the Group's continuous efforts to promote business reform and the growth brought by management and strategy consultancy service, while the gross profit decreased by approximately 0.4% which was mainly attributable to the increase of development fee as a result of business development, and the increase of salary expense from introducing high-level talents, as compared to the corresponding period of last year.

In terms of management and strategy consultancy service, 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 consultancy, 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 and strategy consultancy service. The Group had earned approximately RMB58,780,000 for the nine months ended 30 September 2012 (approximately RMB47,665,000 during the corresponding period of 2011) in management and strategy consultancy service, which constituted approximately 61% of the Group's turnover. The operation's turnover was increased by approximately 23% 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 market research service, 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. For the nine month ended 30 September 2012, the Group had issued 227 annual reports in total, thus realizing a revenue of approximately RMB15,222,000 for the nine months ended 30 September 2012 (approximately RMB18,858,000 during the corresponding period of 2011), which constituted approximately 16% of the Group's turnover. The operation's turnover was decreased by approximately 19% as compared to the corresponding period of last year, which was mainly due to the fierce competition in the industry.

In terms of Information Engineering Supervision service, 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 RMB21,984,000 for the nine months ended 30 September 2012, (approximately RMB20,987,000 during the corresponding period of 2011) which constituted approximately 23% of the Group's turnover, increased by approximately 5% as compared to the corresponding period of last year. The increase was mainly due to the increase in the market demand during the period.

Market Promotions and Publicity

For the nine months ended 30 September 2012, the Group hosted a series of market campaigns, including, "2012 China IT Market Annual Conference", "2012 China Consuming Electronic Market Annual Conference", "2012 China Telecommunication Market Annual Conference" and "2012 China Cloud Computing Practical Application Tour" in major cities like Beijing and Xi'an.

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 business 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 AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 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 are 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 are taken or deemed to have under such provisions of the SFO) or which are 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/ associated corporations	Capacity	Nature of interests	Number and class of shares	Approximate percentage of issued share capital
Luo Wen	The Company	Beneficial owner	Long position	1,020,000 domestic shares	0.15%
Lu Shan	The Company	Beneficial owner	Long position	1,020,000 domestic shares	0.15%

Save as disclosed above, as at 30 September 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 of its associated corporations (within the meaning of Part XV of the SFO), which are 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 are taken or deemed to have under such provisions of the SFO) or which are 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 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 subsidiaries 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 2012, 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 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 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") (note 1)	Interest of controlled corporation	Long position	485,900,000 domestic shares	98.96%	69.41%
Research Centre of Ministry of Industry and Information Technology Computer and Microelectronics Industry Development ("Research Centre") (note 1)	Beneficial owner	Long position	392,610,000 domestic shares	79.96%	56.09%
Beijing CCID Riyue Investment Co., Ltd. ("CCID Riyue") (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%
Lenovo 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%

Name	Capacity	Nature of interest	Number and class of shares	Approximate percentage in the same class of shares	Approximate percentage of issued share capital
Grade Win International Limited (note 2)	Beneficial owner	Long position	20,000,000 H shares	9.57%	2.86%
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 CCID Riyue (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 CCID Riyue.
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 Lenovo Group Limited; Legend Holdings Limited holds 57.76% equity interests in Lenovo Group Limited, the above corporations are deemed to be interested in 20,000,000 H shares of the Company.

3. Kingsway Financial Services Limited directly 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 30 September 2012, 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 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 nine months ended 30 September 2012.

AUDIT COMMITTEE

The Company has established 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 comprises three members, Ms. Li Xuemei, Mr. Guo Xinping and Mr. Han Fuling. All of them are independent non-executive directors. Li Xuemei is the Chairman of the audit committee. The Audit Committee has reviewed the Group's financial statements for the nine months ended 30 September 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 Corporate Governance Code (“the Code”) contained in Appendix 15 of the GEM Listing Rules during the nine months ended 30 September 2012.

FUTURE PLANS FOR MATERIAL INVESTMENTS

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 disclosure, reporting (if applicable) and/or shareholders’ approval requirements under the GEM Listing Rules.

INTERNAL CONTROL

The Board reviews the internal monitoring system regularly to guarantee that related systems are effective and appropriate. The Board of directors holds meetings regularly to discuss matters concerning finance, operation and risk management and monitoring.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this Reports, based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has complied with the sufficiency of public float requirement as prescribed by the GEM Listing Rules.

ACKNOWLEDGEMENT

Hereby, I avail myself of this opportunity to thank all directors, management of the Group and all the employees for their dedication and commitment and all customers, bankers and shareholders for their continued support.

On behalf of the Board
CCID CONSULTING COMPANY LIMITED*
Mr. Luo Wen
Chairman

Beijing, The People's Republic of China
12 November 2012

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

* *For identification purpose only*