

CCIDConsulting

CCID Consulting Company Limited

(A joint stock limited company incorporated in the People's Republic of China)
Stock Code: 8235

Third Quarterly Report 2014

- 政府決策第一智庫
- 企業戰略第一顧問
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思維創造世界



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

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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 CCID Consulting Company Limited (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 (the “GEM”) of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) 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 will be published on the “Latest Company Announcements” page of the GEM website at 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.

HIGHLIGHTS

- For the nine months ended 30 September 2014, the unaudited turnover of the Group was approximately RMB92.75 million, representing a decrease of approximately 5% over the corresponding period in the previous year;
- For the nine months ended 30 September 2014, gross profit of the Group was approximately RMB45.34 million. The gross profit margin was approximately 49%. The gross profit has an increase of approximately 12% over the corresponding period in the previous year;
- For the nine months ended 30 September 2014, profit attributable to equity holder of the Company was approximately RMB7.14 million, representing a decrease of approximately 12% over the corresponding period in the previous year;
- For the nine months ended 30 September 2014, the basic earnings per share of the Group was approximately RMB1.02 cents;
- The board of directors does not recommend the payment of any dividend for the nine months ended 30 September 2014.

2014 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 2014, together with the comparative unaudited figures for the corresponding period of 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Turnover	2	33,905	31,482	92,748	97,544
Cost of sales		(16,489)	(17,308)	(47,407)	(56,911)
Gross profit		17,416	14,174	45,341	40,633
Other revenue		147	93	145	105
Selling and distribution expenses		(3,142)	(3,230)	(11,237)	(10,207)
Administrative expenses		(9,354)	(5,085)	(25,355)	(20,460)
Profit before taxation		5,067	5,952	8,894	10,071
Taxation	3	(970)	(382)	(1,359)	(848)
Profit/(loss) for the period		4,097	5,570	7,535	9,223
Attributable to:					
Equity holders of the Company		3,583	5,016	7,138	8,067
Non-controlling interests		514	554	397	1,156
		4,097	5,570	7,535	9,223
Earnings per share					
— Basic (RMB cents)	4	0.51	0.72	1.02	1.15
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 an approval obtained from The State Economic and Trade Commission of the PRC (國家經濟貿易委員會) 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 results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and interpretations, Hong Kong Generally Accepted Accounting Principles issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM Listing Rules").

The principle accounting policies for the preparation of the accounts are consistent with those used in the annual financial statements for the year ended 31 December 2013.

Impact of Latest Issued Accounting Policies

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (IFRIC) as well as their amendments (the new standards and amendments).

The Group as well as the Company has not early adopted the new and revised HKFRS that have been issued but are not yet effective. The Group and the Company are in the process of assessing the impact of these new and revised HKFRS on the operation results and financial positions of the Group and the Company, but not yet in a conclusive position.

2. TURNOVER

The Group is principally engaged in the provision of management and strategy consultancy services, market consultancy, data information management and information engineering supervision services.

Turnover represents the sales value of services provided to customers (net of value-added tax), which excludes sales surtaxes. All significant intra-group transactions have been eliminated on consolidation.

3. TAXATION

	Unaudited For the three months ended 30 September		Unaudited For the nine months ended 30 September	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
PRC enterprise income tax	(970)	382	(1,359)	848

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 2014 (nine months ended 30 September 2013: 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.

Pursuant to the tax laws of the PRC, the Company and other members of the Group (except Beijing CCID Information Engineering Supervision Co., Ltd ("CCID Supervision")) are subject to a corporate income tax at a rate of 25% (corresponding period of 2013: 25%).

CCID Supervision is a high and new technology enterprise registered in the Beijing High and New Technology Enterprise Development Zone. Pursuant to the tax laws of the PRC, it is subject to a corporate income tax at a rate of 15% (corresponding period of 2013: 15%).

There was no material unprovided deferred tax with respect to the nine months ended 30 September 2014 (nine months ended 30 September 2013: Nil).

4. EARNINGS PER SHARE

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB7,138,000 for the nine months ended 30 September 2014 (nine months ended 30 September 2013: approximately RMB8,067,000) and the weighted average of 700,000,000 (nine months ended 30 September 2013: 700,000,000) shares in issue during the period.

Diluted earnings per share for the nine months ended 30 September 2014 have not been calculated because no diluting events existed during the period (nine months ended 30 September 2013: Nil).

5. RESERVES

	Issued Share Capital	Statutory Reserves and Others	Non- Controlling Interest	Retained Profits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2013	70,000	5,785	14,157	34,053	123,995
Change for the period	—	—	1,156	8,067	9,223
As at 30 September 2013	70,000	5,785	15,313	42,120	133,218
As at 1 January 2014	70,000	6,797	17,757	42,801	137,355
Change for the period	—	—	397	7,138	7,535
As at 30 September 2014	70,000	6,797	18,154	49,939	144,890

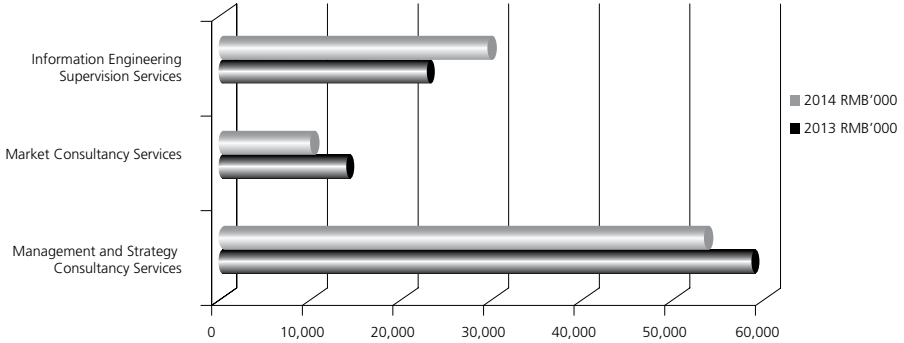
6. DIVIDENDS

The Board does not recommend payment of any dividend for the nine months ended 30 September 2014 (nine months ended 30 September 2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover Analysis

For the nine months ended 30 September 2014, the turnover by operations of the Group was analyzed as follows:



	For the nine months ended 30 September 2014		For the nine months ended 30 September 2013	
	Turnover RMB'000	Approximate Percentage	Turnover RMB'000	Approximate Percentage
Management and Strategy Consultancy Services	54,393	59%	59,433	61%
Market Consultancy Services	9,435	10%	15,059	15%
Information Engineering Supervision Services	28,920	31%	23,052	24%
Total	92,748	100%	97,544	100%

Business Review

For the nine months ended 30 September 2014, the turnover and gross profit of the Group amounted to approximately RMB92,748,000 and RMB45,341,000 respectively (approximately RMB97,544,000 and RMB40,633,000 during the corresponding period of 2013). The turnover decreased by approximately 5% as compared to the corresponding period of last year, which was mainly due to the Company's continuous promotion of business transformation and upgrading, innovation and transformation of consulting services business model. Gross profit increased by approximately 12%, which was mainly due to the effective control of cost.

In terms of Management and Strategy 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 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 services. The Group recorded a revenue of approximately RMB54,393,000 for the nine months ended 30 September 2014 (approximately RMB59,433,000 during the corresponding period of 2013) in management and strategy consultancy services, which constituted approximately 59% of the Group's turnover. The operation's turnover was decreased by approximately 8% as compared to the corresponding period of last year. The decrease was mainly due to the Group's continuing efforts to promote business transformation and upgrading and expand the development of other businesses on the basis of maintaining stable business of management and strategy consultancy services.

In terms of Market Consultancy 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. For the nine months ended 30 September 2014, realizing a turnover of approximately RMB9,435,000 (approximately RMB15,059,000 during the corresponding period of 2013), which constituted approximately 10% of the Group's turnover, representing a decrease of approximately 37% as compared to the corresponding period of last year, which was mainly due to the Company's continuous efforts on promoting the transformation of brand image and shifting the business model of market consultancy service.

In terms of Information Engineering Supervision Services, the Group mainly provides supervision services related to projects such as software, networking, communication and information safety to the government and enterprises. For the nine months ended 30 September 2014, the Group's turnover of information supervision engineering supervision services was approximately RMB28,920,000 (approximately RMB23,052,000 during the corresponding period of 2013), which constituted approximately 31% of the Group's turnover, representing an increase of approximately 25% as compared to the corresponding period of last year. The increase was mainly due to the deep understanding of the Group over the industry information of enterprises and the accurate assessment of customer demands.

Market Promotions and Publicity

For the nine months ended 30 September 2014, the Group hosted a series of marketing campaigns, including, "2014 China IT Market Annual Conference", "2014 China Semiconductor Market Annual Conference" and "Cloud-Guizho, Big Data World Forum" in major cities such as Beijing, Wuxi and Guiyang.

Future Developments

In 2014, the Group will place emphasis on improving the decision-making and consultancy services level among the senior government officials, generally enhancing the level of strategy consultancy services, paying effort to expand consultancy businesses in relation to investment, merger and acquisition, meanwhile promoting the establishment of industry chain for design and supervision businesses as well as enhancing the construction of comprehensive management system, so as to improve the overall competitiveness of the Group.

To Improve the Decision and Consultancy Services for the Senior Government Officials

In order to provide more professional, personalized services, and meanwhile enhance the strategic and prospective research, the service system, which is to support all levels of government, should be further improved. For the local government and industrial park, to plan or even get some major projects worthy of millions, on one hand, to establish sub-industry research team, marketing services team and brand marketing team, and on the other hand, to perfect key production lines, including planning of industry, feasibility of project as well as design. Besides, to improve the depth and level of specified reports and prospective studies, more attention should be paid to the topics to be planned, and carry out the advanced and countermeasures research specifically. What's more, to perfect the methodology system and research tools of soft science; to set up the management and control system of quality and to enhance the decision-making levels in consultancy services.

To Improve Overall Enterprise Strategy Consultancy Services

We will integrate our internal research departments and set up an IT group by concentrating superior IT resources. In order to perfect the business composition of the Company, integrating other departments, like raw material department, into non-IT group is quite necessary. Apart from that, consolidation of the marketing consulting business is necessary either. To achieve this, we should actively expand our corporate strategy planning, and improve our group control and governance of corporation, including the market planning and integration of business between marketing, corporation's culture and brand building, human resources, organizing structure, business model as well as listed consultation etc. We should devote to the establishment of analysis-based teams, which majors in the market research and industrial analysis. Others like, optimizing counseling tools, as well as the management of knowledge and sharing mechanism, strengthening the capacity of response and improving the development of branded corporate clients and high value-added business should be carried out either.

To Expand the Consultancy Business of Investment, Merger and Acquisition

Establish important products line of corporate merger and reorganization, corporate financing and government investment and financing for enterprises, industrial parks and local government; set up information base for corporate projects and data base for investment institutions, covering high quality projects in critical industries and most reputable investment institutions and providing transactions information and services for both parties; build up China Innovative Investment and Financing Platform and create a bridge for enterprises, investment and financing institutions, government and industrial parks. Try to obtain the government policies and funding support by way of making the China Innovative Investment and Financing Platform become the national public services platform, and at the same time actively cooperate with local government and industrial parks to set up divisions in major cities of the countries, making them become the local public services platforms. With respect to the registered capital, professional talents, internal control and projects items etc., try to obtain relevant business qualification under relevant qualification requirements of competent departments.

To Promote the Establishment of Industry Chain between Design and Supervision Businesses

We need to promote the extension from the business of design to the business of preliminary and detailed design. Construction of the system in the business of three-dimensional engineering consulting and management services is based on the acquisition of new qualification. This would enable to achieve the expansion from the systematic information engineering supervision and consultation services to the fields of communications and military etc. During the vertical expansion in business, continuous development should be promoted from supervision in construction and consulting services to the stage of engineering design and maintenance. This will contribute to the formation of omnibearing business chains in the project engineering, which will cover the whole life cycle, consulting management and the business of engineering supervision, including the gradual formation of a comprehensive multi-disciplinary and cross-sectoral business structure.

To Strengthen the Construction of Comprehensive Management Systems

To ensure the quality of research, we should, on one hand, enhance the construction of quality assurance system and in-depth explore a professional research methodology, "The three methods and one disciplinary" — system of overall induction, analysis of core problem, study of comparative benchmark and the law of formation of abstract view, on the other hand, establish the system of quality assurance and the process of research and review. In addition to above strategies, we have to strengthen the construction of comprehensive management system. Firstly, we should focus on policies implement in management of project, performance and knowledge; secondly, we should pay attention to the system supervision in proactive service system, customer management, competence improvement, construction of learning organization and construction of harmonious culture; thirdly, we have to perfect systems in innovation-driven research and development fund, employee incentive fund and high-performance process.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2014, the interests and short positions of the directors, supervisors, and chief executive in shares, 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 the interests in shares 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 standards of dealings by the Directors mentioned to in Rules 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 2014, 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 in shares 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 standards of dealings by the Directors mentioned to in Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the paragraph under the heading "directors', supervisors' and chief executives' 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 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 conditionally adopted a Share Option Scheme as at 20 November 2002. The major terms and conditions of the Share Option Scheme set out in the section "Summary of the Terms of Share Option Scheme" under Appendix IV of the IPO as published on 29 November 2002. However, employees who are Chinese nationals in Mainland China shall not be entitled to exercise the option until the current restrictions on these persons for subscribing or dealing in H shares imposed by the laws and regulations in Mainland China have been amended or removed. As at the date of this report, the Share Option Scheme is not yet effective. No Share Option was granted under the Share Option Scheme as of 30 September 2014.

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2014, 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.

Name	Capacity	Nature of interests	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 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%
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	5.12%	1.53%

Notes:

1. CCID, through Research Centre (controlled and supervised by CCID) and CCID Riyue (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 and other than the shareholders set out in the section of "directors', supervisors' and chief executives' interests and short positions in shares and underlying shares", as at 30 September 2014, there is no person had an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register 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 Rules 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 been complied with the "Required Standard of Dealing" throughout the nine months ended 30 September 2014.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") which was established in compliance with Rule 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 systems. The Audit Committee comprises three members, Ms. Li Xuemei, Mr. Guo Xiping 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 unaudited consolidated results for the nine months ended 30 September 2014 and considered that the preparation of those results are complied with appropriate 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 ("Code") contained in Appendix 15 of the GEM Listing Rules during the nine months ended 30 September 2014.

FUTURE PLANS FOR MATERIAL ACQUISITION AND DISPOSALS

Currently, the Group has no major acquisition and disposal plan.

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 report, 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 suppliers, customers, bankers and shareholders for their continued support.

By order of the Board
CCID CONSULTING COMPANY LIMITED*
Mr. Luo Wen
Chairman

Beijing, The People's Republic of China
6 November 2014

As at the date of this report, the Board comprises two executive directors namely Mr. Luo Wen and Mr. Li Shuchong; three non-executive directors namely Mr. Song Xianzhu, Mr. Lu Shan and Mr. Wang Peng; and three independent non-executive directors namely Mr. Guo Xinping, Mr. Han Fuling and Ms. Li Xuemei.

* For identification purpose only