

# CCID Consulting

## CCID Consulting Company Limited

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

### Interim Report 2015



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## **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. 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 characteristics 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 (the “Director(s)”) 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 of The Stock Exchange of Hong Kong Limited (the “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 matter 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](http://www.hkgem.com) and the “Investor Relations” page of the Company’s website at [www.ccidconsulting.com](http://www.ccidconsulting.com) for at least 7 days from the date of its publication.*

## HIGHLIGHTS

- For the six months ended 30 June 2015, the unaudited turnover of the Group was approximately RMB53,685,000, representing a decrease of approximately 9% over the corresponding period in the previous year;
- For the six months ended 30 June 2015, the gross profit of the Group was approximately RMB23,339,000, with the gross profit margin of approximately 43%, representing an decrease of approximately 16% over the corresponding period in the previous year;
- For the six months ended 30 June 2015, the Group's profits attributable to equity holders of the Company was approximately RMB4,362,000, representing an increase of approximately 23% over the corresponding period in the previous year;
- For the six months ended 30 June 2015, the basic earnings per share of the Group was approximately RMB0.62 cents;
- The board of Directors does not recommend the payment of interim dividend for the six months ended 30 June 2015.

## INTERIM RESULTS

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 six months and the three months both ended 30 June 2015, together with the unaudited comparative figures for the corresponding period of 2014 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Turnover	2&3	<b>31,154</b>	31,157	<b>53,685</b>	58,843
Cost of sales		<b>(18,373)</b>	(16,731)	<b>(30,346)</b>	(30,918)
Gross profit		<b>12,781</b>	14,426	<b>23,339</b>	27,925
Other revenue		<b>129</b>	(52)	<b>193</b>	(2)
Selling and distribution costs		<b>(3,283)</b>	(3,663)	<b>(6,302)</b>	(8,095)
Administrative expenses		<b>(6,320)</b>	(7,324)	<b>(13,276)</b>	(16,001)
Profits before tax	4	<b>3,307</b>	3,387	<b>3,954</b>	3,827
Tax	5	<b>(242)</b>	(338)	<b>(316)</b>	(389)
Profit for the period		<b>3,065</b>	3,049	<b>3,638</b>	3,438
Attributable to:					
Equity holders of the Company		<b>3,285</b>	2,868	<b>4,362</b>	3,555
Non-controlling interest		<b>(220)</b>	181	<b>(724)</b>	(117)
		<b>3,065</b>	3,049	<b>3,638</b>	3,438
Earnings per share					
— Basic (RMB cents)	6	<b>0.47</b>	0.41	<b>0.62</b>	0.51
Dividends	7	—	—	—	—

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 June 2015 <i>RMB'000</i>	Audited 31 December 2014 <i>RMB'000</i>
	<i>Note</i>		
<b>NON-CURRENT ASSETS</b>			
Fixed assets	8	<b>20,265</b>	20,961
Intangible assets	8	<b>14,603</b>	14,681
Accrued assets	9	<b>9,497</b>	9,497
Long term investments		<b>1,990</b>	1,990
Deferred tax assets		<b>1,412</b>	2,172
		<b>47,767</b>	49,301
<b>CURRENT ASSETS</b>			
Accounts receivables and accrued assets	9	<b>76,654</b>	51,046
Prepayments, deposits and other receivables		<b>8,928</b>	7,084
Cash and bank balances		<b>42,174</b>	71,217
Short-term investments		<b>246</b>	227
		<b>128,002</b>	129,574
<b>CURRENT LIABILITIES</b>			
Accounts payables	10	<b>2,191</b>	2,661
Deferred income		—	6,459
Accruals and other payables		<b>18,849</b>	15,988
Due to the related parties	11	<b>3,091</b>	3,091
Current tax liabilities		<b>(929)</b>	1,747
		<b>23,202</b>	29,946

	<b>Unaudited 30 June 2015 RMB'000</b>	Audited 31 December 2014 RMB'000
<b>NET CURRENT ASSETS</b>	<b>104,800</b>	99,628
<b>Total assets less current liabilities</b>	<b>152,567</b>	148,929
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>887</b>	887
<b>NET ASSETS</b>	<b>151,680</b>	148,042
<b>EQUITY</b>		
Share capital	<b>70,000</b>	70,000
Reserves	<b>63,540</b>	59,178
<b>Total equity attributable to equity holders of the Company</b>	<b>133,540</b>	129,178
Non-controlling interest	<b>18,140</b>	18,864
<b>TOTAL EQUITY</b>	<b>151,680</b>	148,042

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Issued share capital	Statutory reserve & other	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 2014	70,000	6,797	17,757	42,801	137,355
Change for the period	—	—	(117)	3,555	3,438
As at 30 June 2014	70,000	6,797	17,640	46,356	140,793
As at 1 January 2015	<b>70,000</b>	<b>8,550</b>	<b>18,864</b>	<b>50,628</b>	<b>148,042</b>
Change for the period	—	—	(724)	4,362	3,638
As at 30 June 2015	<b>70,000</b>	<b>8,550</b>	<b>18,140</b>	<b>54,990</b>	<b>151,680</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	<b>For the six months ended 30 June 2015 RMB'000</b>	For the six months ended 30 June 2014 RMB'000
Net cash (outflow)/inflow arising from operating activities	<b>(29,048)</b>	(17,070)
Net cash (outflow)/inflow arising from investing activities	<b>5</b>	385
Net cash (outflow)/inflow arising from financing activities	<b>—</b>	—
Net (decrease)/increase in cash and cash equivalents	<b>(29,043)</b>	(16,685)
Cash and cash equivalents at beginning of the period	<b>71,217</b>	55,210
Cash and cash equivalents at end of the period	<b>42,174</b>	38,525
Cash at bank and in hand	<b>42,174</b>	38,525



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The Company was incorporated in the People's Republic of China (the "PRC") as a joint stock limited company. The H shares of the Company were listed on the GEM of the Stock Exchange since 12 December 2002. The registered address of the Company in China has been changed to Room 311, No. 2 Building, No. 28 Zhen Xing Road, Chang Ping District, Beijing, PRC from 19 June 2015. Its head office and principal place of business is located at 9th and 10th Floor of CCID Plaza, 66 Zizhuyuan Road, Haidian District, Beijing, PRC. Its principal place of business in Hong Kong is at Level 18, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The Group's unaudited results have been prepared in accordance with Hong Kong Accounting Standards 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The principal accounting policies for preparation of the accounts are consistent with those used in the annual financial statements for the year ended 31 December 2014.

#### **Impact of newly issued accounting standards**

HKICPA has issued certain new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs"), HK (IFRIC) — Ints and their amendments (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 in this financial statement. The Group and the Company are in the process of assessing the impact of these new and revised HKFRSs on the operation results and financial positions of the Group and the Company, but not yet in a conclusive position.

## **2. TURNOVER**

The Company 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. SEGMENT INFORMATION**

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that provides services which are subject to risks and returns that are different from those of other business segments. Summary of the business segments are as follows:

- (a) The management and strategy consultancy segment provides consultancy services involving corporate development strategy and planning, human resources strategy and management, management and control and operation of the group, merger and reorganization, municipal investment and finance, private finance, investment decision, information system design consultancy, IT management system consultancy, corporate information management solution;
- (b) The market consultancy segment provides services involving market customized investigation and research, analysis and forecast, marketing strategy and research, development strategy and planning, value assessment of the business and product portfolio, industry development strategy;
- (c) The information engineering supervision segment provides services involving supervision services to the Government and enterprises for the provision of software, network, communications and information security and IT inspection projects.

For the six months ended 30 June 2015 (unaudited):

	<b>Management and Strategy Consultancy Services RMB'000</b>	<b>Market Consultancy Services RMB'000</b>	<b>Information Engineering Supervision Services RMB'000</b>	<b>Total RMB'000</b>
<b>TURNOVER</b>	<b>29,169</b>	<b>6,999</b>	<b>17,517</b>	<b>53,685</b>
Segment expenses	<b>(16,387)</b>	<b>(3,945)</b>	<b>(10,014)</b>	<b>(30,346)</b>
<b>SEGMENT RESULTS</b>				<b>23,339</b>
Unallocated expenses				<b>(19,578)</b>
Other revenue				<b>193</b>
Profits before tax				<b>3,954</b>
Tax				<b>(316)</b>
Profit for the period				<b>3,638</b>
Non-controlling interest				<b>724</b>
Attributable to equity holders of the Company				<b>4,362</b>

For the six months ended 30 June 2014 (unaudited):

	Management and Strategy Consultancy Services <i>RMB'000</i>	Market Consultancy Services <i>RMB'000</i>	Information Engineering Supervision Services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>TURNOVER</b>	35,908	6,793	16,142	58,843
Segment expenses	(15,768)	(3,710)	(11,440)	(30,918)
<b>SEGMENT RESULTS</b>	20,140	3,083	4,702	27,925
Unallocated expenses				(24,096)
Other expenses				(2)
Profits before tax				3,827
Tax				(389)
Profit for the period				3,438
Non-controlling interest				117
Attributable to equity holders of the Company				3,555

#### 4. PROFITS BEFORE TAX

The Group's profits before tax is arrived at after charging/(crediting):

	Unaudited		Unaudited	
	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Staff costs (excluding directors remuneration)	12,375	16,117	22,390	33,186
Depreciation of fixed assets	485	375	723	761
Other revenue/(expenses)	129	(52)	193	(2)

#### 5. TAXATION

	Unaudited		Unaudited	
	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
PRC corporate income tax	242	338	316	389

Hong Kong profits tax has not been provided as the Group had no assessable profits arising in Hong Kong during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil). Taxes on profits assessable elsewhere have been calculated at the effective and 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 Income Tax Law of PRC, except Beijing CCID Industry and Information Engineering Supervision Co. Ltd. (北京賽迪工業和信息化工程監理有限公司) ("CCID Supervision"), the Company and other members of the Group are subject to a corporate income tax at a rate of 25% (corresponding period of 2014: 25%).

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 2014: 15%).

There was no material unprovided deferred tax with respect to the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

## 6. EARNINGS PER SHARE

The calculation of earnings per share was based on the profits attributable to equity holders of the Company of approximately RMB4,362,000 for the six months ended 30 June 2015 (six months ended 30 June 2014: approximately RMB3,555,000) and the weighted average of 700,000,000 (six months ended 30 June 2014: 700,000,000) shares in issue during the period.

Diluted earnings per share for the six months ended 30 June 2015 have not been calculated as no diluting events existed during the period (six months ended 30 June 2014: Nil).

## 7. DIVIDENDS

The Board does not recommend payment of any dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

## 8. CAPITAL EXPENDITURE

	Unaudited	
	Fixed Assets <i>RMB'000</i>	Intangible Assets <i>RMB'000</i>
Net book value as at 1 January 2015	20,961	14,681
Additions	27	—
Depreciation/amortization expenses	(723)	(78)
Net book value as at 30 June 2015	20,265	14,603

## 9. ACCOUNTS RECEIVABLES AND ACCRUED ASSETS

The ageing of accounts receivable and accrued assets are analyzed as follows:

	<b>Unaudited</b> <b>30 June</b> <b>2015</b> <b>RMB'000</b>	Audited 31 December 2014 <i>RMB'000</i>
Within 60 days	<b>39,596</b>	38,122
Within 61 days–180 days	<b>9,438</b>	3,586
Within 181 days–365 days	<b>19,420</b>	5,583
Over 365 days	<b>17,697</b>	13,252
	<b>86,151</b>	60,543
Current accounts receivables and accrued assets	<b>76,654</b>	51,046
Non-current accounts receivables and accrued assets	<b>9,497</b>	9,497

- (a) The general credit terms of the Group range from 60 to 365 days. The Group may on a case by case basis and after evaluation of the business relationship and credit worthiness, extend the credit period upon customers' request.

Accounts and other receivables are initially recognized at fair value and thereafter stated at amortized cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

(b) Due from related parties

An analysis of the amounts due from related parties is as follows:

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
		<b>2015</b>	2014
	<i>Note</i>	<b>RMB'000</b>	<i>RMB'000</i>
China Centre of Information Industry Development	<i>(i)</i>	<b>1,103</b>	548
Research Centre of Ministry of Industry and Information Technology Computer and Microelectronics Development	<i>(i)</i>	<b>165</b>	657
CCID Net Information Technology Co., Ltd.	<i>(i)</i>	—	194
CCID New Culture Media Co., Ltd.	<i>(i)</i>	—	239
CCID Statecraft Media Investment Co., Ltd.	<i>(i)</i>	—	1,745
CCID Information Physical System Testing Lab Co., Ltd.	<i>(i)</i>	—	902
CCID Information Technology Testing Co., Ltd.	<i>(i)</i>	—	34
CCID IT Company Limited	<i>(i)</i>	<b>451</b>	158
		<b>1,719</b>	4,477

Note:

- (i) The above related parties are controlled by CCID. The amounts receivable is unsecured, interest-free and has no fixed terms of repayment.



## 10. ACCOUNTS PAYABLES

An ageing analysis of the accounts payables is as follows:

	<b>Unaudited</b> <b>30 June</b> <b>2015</b> <b>RMB'000</b>	Audited 31 December 2014 <i>RMB'000</i>
Within 60 days	<b>1,073</b>	1,487
Within 61 days–180 days	<b>18</b>	—
Within 181 days–365 days	<b>88</b>	22
Over 365 days	<b>1,012</b>	1,152
Current accounts payables	<b>2,191</b>	2,661

Accounts payables is initially recognized at fair value and subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case it is stated at cost.

## 11. DUE TO THE RELATED PARTIES

The amounts due to the related parties are analyzed as follows:

	<b>Unaudited</b> <b>30 June</b> <b>2015</b> <b>RMB'000</b>	Audited 31 December 2014 <i>RMB'000</i>
Immediate holding company	<b>2,091</b>	2,091
Ultimate holding company	<b>1,000</b>	1,000
Other related companies	—	—
	<b>3,091</b>	3,091

Notes:

- (i) The amount due to the Research Centre of Ministry of Industry and Information Technology Computer and Microelectronics Development (“Research Centre”), the immediate holding company, as at 30 June 2015 included the balance of the consideration for the acquisition of the 9th and 10th floors of CCID Plaza (please refer to Notes 14 and 26 to the 2014 Annual Report for details). The amount payable is interest-free and repayable in accordance with the terms of the relevant property purchase agreement.
- (ii) Other amounts due to related companies are unsecured, interest-free and with no fixed term of repayment.

## 12. MATERIAL RELATED PARTIES TRANSACTIONS

The following companies mentioned are within the organization of China Centre of Information Industry Development (“CCID”), the ultimate holding shareholder of the Company, which include its subsidiaries, associates, institutions and agents under its control (the “CCID Group”). In addition to the transactions detailed elsewhere in this Report, the Group had the following material transactions with related parties during the period:

	<b>Unaudited</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Provision for consulting services to (gross revenue earned before sales surtaxes)		
China Centre of Information Industry Development	<b>480</b>	140
CCID Net Information Technology Co., Ltd.	<b>7</b>	117
	<b>487</b>	257

	<b>Unaudited</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	<i>RMB'000</i>
<hr/>		
Expense related		
Promotional expenses charged by CCID Net Information Technology Co., Ltd.	<b>257</b>	—
Translation expenses charged by CCID Translation Company Limited	<b>19</b>	—
Conference expenses charged by CCID Statecraft Media Investment Co., Ltd.	—	120
Consultancy expenses charged by China Centre of Information Industry Development	—	350
Consultancy expenses charged by CCID IT Company Limited	<b>120</b>	—
Property management expenses and IT network expenses charged by Research Centre of Ministry of Industry and Information Technology Computer and Microelectronics Development	<b>409</b>	699
	<hr/> <b>805</b>	1,169

	<b>Unaudited</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	<i>RMB'000</i>
<hr/>		
Others:		
Working capital of CCID (i)	<b>1,000</b>	1,000
	<hr/>	

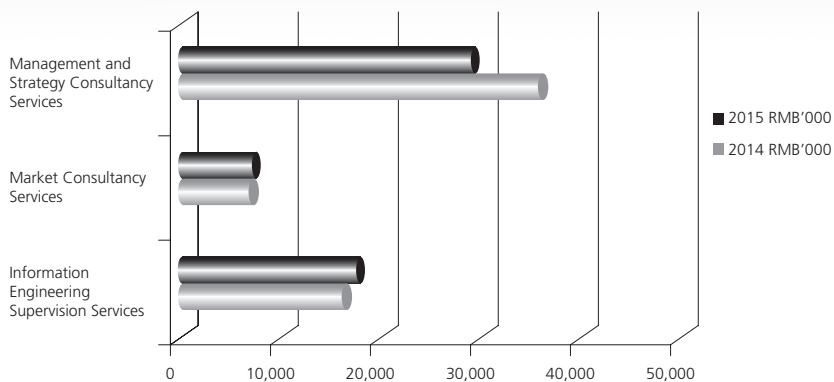
Note:

- (i) The working capital is obtained from CCID by the Company which signed a financial assistance agreement with CCID. Pursuant to the terms of financial assistance agreement, the working capital is interest free, unsecured and with a term of not more than one year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Turnover Analysis

For the six months ended 30 June 2015, the turnover by operations of the Group can be analyzed as follows:



	For the six months ended 30 June 2015		For the six months ended 30 June 2014	
	Turnover RMB'000	Approximate Percentage	Turnover RMB'000	Approximate Percentage
Information Engineering Supervision Services	17,517	33%	16,142	27%
Market Consultancy Services	6,999	13%	6,793	12%
Management and Strategy Consultancy Services	29,169	54%	35,908	61%
<b>Total</b>	<b>53,685</b>	<b>100%</b>	<b>58,843</b>	<b>100%</b>

## Business Review

For the six months ended 30 June 2015, the turnover and gross profit of the Group amounted to approximately RMB53,685,000 and RMB23,339,000 respectively (approximately RMB58,843,000 and RMB27,925,000 respectively during the corresponding period of 2014). The turnover decreased by approximately 9% and the gross profit decreased by approximately 16% as compared to the corresponding period of last year, which was mainly due to the fierce industry competition and the business cost of the Company basically remaining constant.

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 service. The Group recorded a revenue of approximately RMB29,169,000 for the six months ended 30 June 2015 (approximately RMB35,908,000 during the corresponding period of 2014) in management and strategy consultancy service, which constituted approximately 54% of the Group's turnover. The operation's turnover was decreased by approximately 19% as compared to the corresponding period of last year. The decrease was mainly due to the Group's continuing efforts to promote business reform and propel industry chain construction for design and supervision businesses.

In terms of Market Consultancy Services, the Group mainly provides data information, market research and industry research services to enterprises to assist the government authorities to develop the market data operation and supervision services of the electronic information product related industries. For the six months ended 30 June 2015, the Group had realized a turnover of approximately RMB6,999,000 (approximately RMB6,793,000 during the corresponding period of 2014), which constituted approximately 13% of the Group's turnover, representing an increase of approximately 3% 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 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 six months ended 30 June 2015, the turnover of Information Supervision Engineering Services was approximately RMB17,517,000 (approximately RMB16,142,000 during the corresponding

period of 2014), which constituted approximately 33% of the Group's turnover, representing an increase of approximately 9% as compared to the corresponding period of last year. The increase was mainly due to the continuing business reform and relatively stable business level during the period.

### **Market Promotions and Publicity**

As of 30 June 2015, the Group hosted a series of market campaigns, including, "2015 China IT Market Annual Conference", "2015 China Semiconductor Market Annual Conference" and so on in major cities such as Beijing and Hefei.

### **Future Developments**

In 2015, the Group will step up our efforts in product mix formulation, market channels development and delicacy management, with a view to enhance our overall competitiveness.

### **Stepped-up Efforts in Product Mix Formulation**

In light of the "economy's new normal" and new developments under the "Thirteenth Five-year Plan", we will further enhance our efforts in product mix formulation on the back of existing annual, quarterly, monthly and weekly products, so as to respond timely to the governmental, industrial and corporate customers' differentiated requirements. We will select key issues and hot topics in the industrial, information and communication sectors, to formulate our short-term, mid-term and long-term product mix, with a view to satisfy the diversified requirements of the customers by various products and different approaches, while maintaining strict quality control.

### **Stepped-up Efforts in Market Channels Development**

We will step up our efforts in optimization and innovation of market channels, focus on complementary effectiveness between our product mix and the service model to achieve synergetic competitiveness. On the one hand, we will enhance our development of product distribution channels and improve our customer data base, so as to accurately market our products to the right customers, and build up the trust and approval of customers to our Company. On the other hand, we will enhance our development in marketing communication channels, such as website, WeChat, Microblog and APP user terminal, in particular, we will accelerate the promotion and application of the "chanyeton" APP, so as to maintain a continuous and long-term contact with the customers and enhance customer loyalty.

## **Stepped-up Efforts in Delicacy Management**

Delicacy management is a matter of system building, which requires the mastering of method, efforts, timing and approach. It aims at fundamentals perfection in the areas such as project management, performance management and knowledge management. And it aims at overall management perfection in the areas such as fundamentals management, proactive service system, customer operation, competitiveness improvement, cultivation of learning oriented organizational culture as well as harmony organizational culture. It further aims at talents management perfection in the areas such as research and development and innovation fund, employee incentive fund and outstanding performance processes. Thus achieving “detailed albeit enriched, specialized albeit generalized” effects by meeting progressive goals in an orderly manner.

## **Liquidity and Financial Resources**

As of 30 June 2015, cash and bank balance of the Group was approximately RMB42,174,000 (as at 31 December 2014: RMB71,217,000). During the period, the Company’s primary source of funds was cash generated from operation activities. Management believes that the Company had adequate operating funds for its present needs.

## **Significant Investment**

The Group has no significant investment as of 30 June 2015.

## **Material Acquisitions and Disposals**

The Group has no material acquisitions and disposals as of 30 June 2015.

## **Human Resources**

As at 30 June 2015, the Group has 349 employees.

The Group adopts a flexible but stable policy. Whenever there is a shortage of staff in a department in the process of business goals expansion, staff of other departments are allocated herein first before hiring someone outside to increase efficiency and lower costs. Wages and salaries are determined based on the market condition, performance of the employee, his or her qualifications and experience.

## Capital Structure

The capital structure of the Group as at 30 June 2015 is summarized below:

	<i>RMB'000</i>	<i>Percentage</i>
Attribute to:		
Total shareholders' equity attributable to Shareholders of the Company	133,540	88%
Non-controlling interest	18,140	12%
Total	151,680	100%

## Contingent Liabilities

As at 30 June 2015, the Group has no contingent liabilities (as at 31 December 2014: Nil).

## Pledge of Assets

As at 30 June 2015, the Group did not have any pledged assets (as at 31 December 2014: Nil).

## Gearing Ratio

As at 30 June 2015, the Group's gearing ratio was about 14% (as at 31 December 2014: about 19%), calculated by dividing total liability (less amount due to the ultimate and immediate holding companies) as of 30 June 2015 by total equity.

## Exchange Risk

The Group has maintained a conservative policy on management of foreign exchange risk and interest with most of its deposits in RMB. It may give rise to foreign currency exposure when translating HK dollar deposits into those in RMB. Taking account of the exchange rate between RMB and HK dollar, the Group considers the relevant foreign currency exposure is normal and makes a timely translation of the foreign currency deposits into those in RMB.

## Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (for the six months ended 30 June 2014: Nil).



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

As at 30 June 2015, none of the Directors, supervisors of the Company ("Supervisor(s)") and chief executives or their associates have any interest or short position in the shares and underlying shares of the Company or any of 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 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 Rule 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 or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or 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 conditionally adopted a Share Option Scheme as at 20 November 2002. The major terms and conditions of the Share Option Scheme were set out in the section "Summary of the Terms of Share Option Scheme" under Appendix IV of the IPO prospectus as published on 29 November 2002. However, employees who are Chinese nationals are not entitled to exercise the option until these persons are allowed to subscribe or deal in H shares under the PRC laws and regulations. As at the date of this report, the Share Option Scheme is not yet effective. No share option has been granted under the Share Option Scheme as of 30 June 2015.

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

As at 30 June 2015, the following persons (other than the Directors, Supervisors and Chief Executives) 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 interests	Number and class of shares	Approximate percentage in the same class of shares	Approximate percentage of issued share capital
China Centre 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 June 2015, there is no other 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 six months ended 30 June 2015.

## **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 AND SUPERVISORS**

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 and the Supervisors. The Company has made specific enquiry of all Directors and Supervisors and all of them have confirmed to have been complied with the "Required Standard of Dealing" throughout the six months ended 30 June 2015.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "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 systems. 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 unaudited consolidated results for the six months ended 30 June 2015 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 (the "Code") contained in Appendix 15 of the GEM Listing Rules during the six months ended 30 June 2015.

## **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 Junrui**  
*Chairman*

Beijing, The People's Republic of China  
6 August 2015

*As at the date of this report, the Board comprises one executive Director namely Mr. Luo Junrui; one non-executive Director namely Mr. An Guangyou; and three independent non-executive Directors namely Mr. Guo Xinping, Mr. Han Fuling and Ms. Li Xuemei.*

\* *For identification purposes only*