

Gold	\$647
Platinum	\$381
Silver	\$774
Copper	\$616
Steel	\$449
Beryllium	\$74
Manganese	\$5
Aluminum	\$2
Chrome	\$8
Nickel	\$42
Bauxite	\$23
Cotton	\$16
Flax	\$617
Textiles	\$24
Wool	\$26
Fur	\$116
Sateen	\$20
Silk	\$17
Oil	\$609
Gas	\$516
Electric power	\$578

CCID Consulting

CCID Consulting Company Limited

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

First Quarterly Report 2016

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- 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

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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 GEM (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 matters the omission of which would make any statement herein or this report misleading.*

This report will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the “Investor Relations” page of the Company’s website at www.ccidconsulting.com.



HIGHLIGHTS

- For the three months ended 31 March 2016, the unaudited turnover of the Group amounted to approximately RMB24,948 thousand, representing an increase of approximately 11% over the corresponding period last year;
- For the three months ended 31 March 2016, the gross profit of the Group was approximately RMB11,964 thousand. The gross profit margin was approximately 48%. The gross profit increased by approximately 13% from the corresponding period last year;
- For the three months ended 31 March 2016, profit attributable to equity holders of the Company was approximately RMB429 thousand, representing a decrease of approximately 60% over the corresponding period last year;
- For the three months ended 31 March 2016, the basic earnings per share of the Group was approximately RMB0.06 cents;
- The board of directors does not recommend the payment of any dividend for the three months ended 31 March 2016.

2016 FIRST QUARTERLY RESULT

The board of Directors (the “Board”) of CCID Consulting Company Limited* (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2016, together with the comparative unaudited figures for the corresponding period of 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Notes	For the three months ended 31 March	
		2016 RMB'000	2015 RMB'000
Turnover	2	24,948	22,531
Cost of sales		(12,984)	(11,973)
Gross profit		11,964	10,558
Other revenue		88	64
Selling and distribution expenses		(2,865)	(3,019)
Administrative expenses		(8,510)	(6,956)
Profit before taxation		677	647
Taxation	3	(78)	(74)
Profit/(loss) for the period		599	573
Attributable to:			
Equity holders of the Company		429	1,077
Non-controlling interests		170	(504)
		599	573
Earnings per share			
– Basic (RMB cents)	5	0.06	0.15



NOTES:

1. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The Company is a company registered in the People's Republic of China (the "PRC") as a joint stock company with limited liability and its H shares are listed on GEM since 12 December 2002. The registered office of the Company in PRC is located at Room 311, No. 2 Building, No. 28 Zhen Xing Road, Chang Ping District, Beijing, PRC. Its principal office and 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 located at Level 18, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The Group's unaudited results was 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 GEM Listing Rules.

The principle accounting policies adopted for the preparation of the accounts are consistent with those used by the Group in the annual financial statements for the year ended 31 December 2015.

Impact of the Latest Issued Accounting Standards

The HKICPA has issued a number of new and revised HKFRS, HKAS and HK(IFRIC)-interpretation, as well as their amendments (the new standards and amendments).

The Group has not early adopted the New Standards and Amendments in these consolidated financial statements. The Group is going to initially apply the New Standards and Amendments in the first accounting period beginning on or after their respective mandatory effective dates. The Group has already commenced an assessment of the impact of the New Standards and Amendments but not yet in a position to state whether the New Standards and Amendments would have a significant impact on its consolidated financial statements in the period of initial application.

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2. TURNOVER

The Group is a provider of modern consultancy. The Group principally engages in the provision of management and strategic consultancy, market consultancy, data information management, design consulting 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 had been eliminated on consolidation.

3. TAXATION

Unaudited
For the three months ended
31 March

	2016	2015
	RMB'000	RMB'000
PRC enterprise income tax	78	74

Hong Kong profits tax has not been provided for as the Group had no taxable profits arising in Hong Kong during the three months ended 31 March 2016 (three months ended 31 March 2015: Nil). Taxes on profits taxable elsewhere have been calculated at the effective applicable tax rates based on the prevailing legislation, interpretations and practices during the period in the jurisdiction in which the Group operates.

Pursuant to the Income Tax Law of PRC, the members in the Group (except Beijing CCID Industry and Information Engineering Supervision Center Co., Ltd. (formerly known as Beijing CCID Industry and Information Engineering Supervision Co., Ltd.) ("CCID Supervision")) are subject to a corporate income tax at a rate of 25% (corresponding period in 2015: 25%).

CCID Supervision is a high and new technology enterprise located in the Beijing Development and Experimental Zone for High and New Technology Enterprise. Pursuant to the national tax laws and regulations, it is subject to an enterprise income tax rate of 15% (corresponding period in 2015: 15%).

There was no material unprovided deferred tax for the three months ended 31 March 2016 (three months ended 31 March 2015: Nil).

4. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 31 March 2016 (three months ended 31 March 2015: Nil).

5. EARNINGS PER SHARE

The earnings per share was calculated by dividing the profit attributable to equity holders of the Company of approximately RMB429 thousand for the three months ended 31 March 2016 (three months ended 31 March 2015: approximately RMB1,077 thousand) by the weighted average number of 700,000,000 shares in issue during the period (three months ended 31 March 2015: 700,000,000 shares).

Diluted earnings per share have not been calculated for the three months ended 31 March 2016 as there is no diluting event for the period (three months ended 31 March 2015: Nil).

6. MOVEMENT IN RESERVES OF THE COMPANY

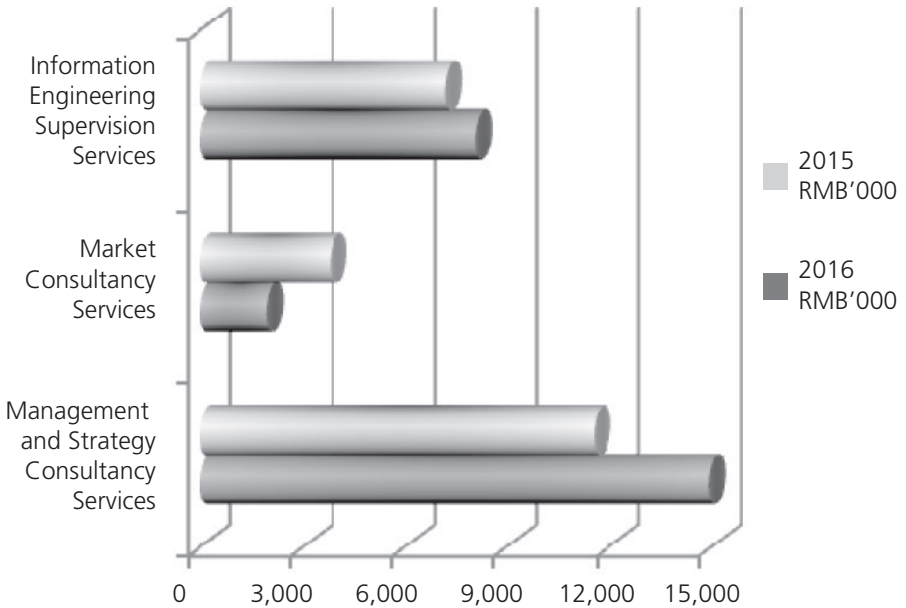
	Capital reserve <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Discretionary reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2015	18,100	10,760	59	38,942	67,861
Profit for the period	-	-	-	573	573
As at 31 March 2015	18,100	10,760	59	39,515	68,434
As at 1 January 2016	18,100	11,095	59	46,915	76,169
Profit for the period	-	-	-	599	599
As at 31 March 2016	18,100	11,095	59	47,514	76,768

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MANAGEMENT DISCUSSION AND ANALYSIS

Performance Analysis

An analysis on the turnover by operating activity for the three months ended 31 March 2016 is as set out below:



	For the three months ended 31 March 2016		For the three months ended 31 March 2015	
	Turnover RMB'000	Approximate Percentage	Turnover RMB'000	Approximate Percentage
Management and Strategy Consultancy Services	14,916	60%	11,558	51%
Market Consultancy Services	1,935	8%	3,805	17%
Information Engineering Supervision Services	8,097	32%	7,168	32%
Total	24,948	100%	22,531	100%



Business Review

For the three months ended 31 March 2016, the turnover and gross profit of the Group amounted to approximately RMB24,948 thousand and RMB11,964 thousand respectively (approximately RMB22,531 thousand and RMB10,558 thousand respectively during the corresponding period of 2015). The turnover increased by approximately 11% and the gross profit increased by approximately 13% as compared to the corresponding period of last year. In the current market position and with the help of operation strategy, the control of the Group's cost of sales for this quarter was reasonable, the turnover and the gross profit increased steadily.

In respect of management and strategy consultancy, the Group has always focused on strategic emerging industries to continuously foster our businesses of informationization consultation, investment and merger and acquisition consulting, corporate management and urban planning by our committed efforts in capturing the national policy directives and the development trend in information technology. Also, we kept diversifying our customer sources, which enabling broadened sales channels and increased technological support in the course of our expansion of management and strategy consulting services. For the three months ended 31 March 2016, the Group recorded a revenue of approximately RMB14,916 thousand (approximately RMB11,558 thousand for the corresponding period in 2015), accounted for approximately 60% of the Group's turnover, representing an increase of approximately 29% as compared to the corresponding period of last year. The Group further strengthens the services of management and strategy consultancy, increases the quality of research content and maintains a steady increase of the turnover.

In respect of market consultancy, the Group mainly provides data information, market research and study and industry research services for the private sector, while assisting the government authorities in conducting the electronic information product related industrial market data operational monitoring services. For the three months ended 31 March 2016, the Group realized a turnover of approximately RMB1,935 thousand (approximately RMB3,805 thousand for the corresponding period in 2015), accounted for approximately 8% of the Group's turnover, representing a decrease of approximately 49% as compared to the corresponding period last year. Currently, the frequency of the Group's market consultancy services is relatively high but such amount is relatively low, which lead to a decrease in the turnover of the division.

In respect of Information Engineering Supervision, the Group mainly provides supervision services related to projects such as software, network, communication and information security to the government and the private sector. For the three months ended 31 March 2016, the Group's turnover from Information Engineering Supervision was approximately RMB8,097 thousand (approximated RMB7,168 thousand for the corresponding period in 2015), accounted for approximately 32% of the Group's turnover, representing the same proportion as compared to the corresponding period last year. The Information Engineering Supervision services of the Group have always been maintained to a satisfactory operational level, the turnover for this quarter increased steadily.

Marketing and Promotion

During the three months ended 31 March 2016, the Group hosted marketing events such as "2016 China IT Market Annual Conference" and "2016 China Semiconductor Market Annual Conference" in Beijing.

Strengthening Basic Research

We will improve our data research capacity to establish a basic research system mainly based on industrial big data. Besides, we will improve the depth and level of specified reports and prospective studies, perfect the research tools and methodology system of soft science, establish the quality management and control system of industrial and market research, and improve the industrial decision consultancy services.

Stepping up Efforts in Branding

We will step up our efforts in optimization and innovation of brand communication, focus on complementary effectiveness between our product mix and brand communication model, and further spread the influence of research content to achieve synergetic competitiveness.

Further Nurturing a Team of Talents

We will develop a motivation mechanism of associating responsibilities with powers and rights and an emolument distribution mechanism for the purpose of motivating and retaining talents with the aims of focusing on nurturing core business personnel and business leaders, training up top talents with innovative spirits for new areas and developing a team of high-quality professionals.



Stepped-up Efforts in Delicacy Management

Delicacy management is a matter of system building, which aims at fundamentals management in the areas of project management, performance management and knowledge management. And it aims at overall management perfection in the areas of fundamentals management, proactive service system, customer development, competitiveness improvement, cultivation of learning oriented organizational culture as well as cultivation of harmony organizational culture. It further aims at talents management perfection in the areas of research and development and innovation fund, employee incentive fund and outstanding performance processes, thus meeting progressive goals in an orderly manner.

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

As of 31 March 2016, none of the Directors, supervisors of the Company (the "Supervisor(s)") and chief executives or their close 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 (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which are required to inform the Company and the Stock Exchange pursuant to Divisions 7 and 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 inform the Company and the Stock Exchange pursuant to the required standards of dealings by the Directors and Supervisors as mentioned in Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' AND SUPERVISORS' RIGHTS TO PURCHASE SHARES

Save as disclosed above under the paragraph "Directors', Supervisors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares", at no time during the period were rights to obtain benefits by means of purchasing shares or debentures of the Company granted to any Director and Supervisor, their respective spouse or children under 18 years of age, or were any such rights exercised; or was the Company or its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Director and Supervisor to obtain such rights.


SHARE OPTION SCHEME

The Company conditionally adopted a Share Option Scheme on 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 prospectus of the Company 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 31 March 2016.

INTERESTS AND SHORT POSITIONS HELD BY SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 31 March 2016, the following persons (other than the Directors, Supervisors and chief executives 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 interest	Number and class of shares	Approximate percentage in the same class of securities	Approximate percentage of issued share capital
China Centre of Information Industry Development ("CCID") (Note 1)	Interest of controlled corporation	Long position	491,000,000 domestic shares	100%	70.14%
Research Center 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	98,390,000 domestic shares	20.04%	14.06%



Name	Capacity	Nature of interest	Number and class of shares	Approximate percentage in the same class of securities	Approximate percentage of issued share capital
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 under its control and supervision and CCID Riyue directly and indirectly wholly owned by it, have beneficiary interests in the Company comprising the 392,610,000 domestic shares held directly by Research Center and the 98,390,000 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, which is in turn a wholly-owned subsidiary of Legend Holdings (BVI) Limited and Legend Holdings (BVI) Limited is a wholly-owned subsidiary of Lenovo Group Limited; Legend Holdings Limited holds 57.76% equity interests in shares of Lenovo Group Limited; and 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% of the share capital of 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. Lam William Ka Chung directly and indirectly holds approximately 40% equity interests in the share capital of Kingsway International Holdings Limited. 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. respectively holds 99.99% and 100% equity interests in the share capital of JF Asset Management Limited and JF International Management Inc.. 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 under “Directors’, Supervisors’ and Chief Executives’ Interests and Short Positions in Shares and Underlying Shares”, as at 31 March 2016, there is no other person had interests and short position in shares and underlying shares of the Company which were required to be entered into the register required to be kept pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company or its subsidiaries during the three months ended 31 March 2016.

COMPETING INTERESTS

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company and their respective associates has any interests in a business which competes with or may compete with the business of the Company.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Group has adopted the “Required Standard of Dealings” as required by Rules 5.48 to 5.67 of the GEM Listing Rules as the standard of conducts for securities transactions by the Directors and Supervisors, and regulates the securities transactions by the Directors and Supervisors pursuant to the requirements thereof. All Directors and Supervisors have confirmed their compliance with the “Required Standard of Dealings” throughout the three months ended 31 March 2016 upon specific enquiries by the Company.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) in accordance with Rule 5.28 of the GEM Listing Rules, for the purposes of reviewing and supervising the Group’s financial reporting process and internal control systems. The Audit Committee is comprised of three independent non-executive Directors of the Company, namely, Ms. Li Xuemei, Mr. Guo Xinping and Mr. Han Fuling. Ms. Li Xuemei is the chairlady of the Audit Committee. The Audit Committee has reviewed the Group’s unaudited consolidated results for the three months ended 31 March 2016 and considered that the preparation of those results are in compliance with the appropriate accounting standards and relevant regulations and laws.

CORPORATE GOVERNANCE

The Company was in compliance with the provisions set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during the three months ended 31 March 2016.

FUTURE PLANS FOR MATERIAL ACQUISITION AND DISPOSALS

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

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has conducted regular review of the risk management and internal control systems of the Group to ensure that the relevant systems are effective and appropriate. The Board has convened meetings regularly for discussion on the management and monitoring of finance, operation and risk.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, the Company has maintained the sufficiency of public float requirement as specified in the GEM Listing Rules as at the latest practicable date prior to the issue of this report.



ACKNOWLEDGMENT

I hereby 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
5 May 2016

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 Xiping, Mr. Han Fuling and Ms. Li Xuemei.

* *For identification purpose only*