

Gold	\$647
Platinum	\$381
Silver	\$774
Copper	\$616
Steel	\$449
Beryllium	\$743
Manganese	\$55
Aluminum	\$23
Chrome	\$6
Nickel	\$42
Bauxite	\$73
Cotton	\$19
Flax	\$17
Textiles	\$24
Wool	\$26
Fur	\$118
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

Third Quarterly Report 2016

思維
創造世界



- 政府決策第一智庫
- 企業戰略第一顧問
- 信息化諮詢第一品牌

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE “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 nine months ended 30 September 2016, the unaudited turnover of the Group was approximately RMB87,784,000, representing an increase of approximately 10% over the corresponding period of last year;
- For the nine months ended 30 September 2016, the gross profit of the Group was approximately RMB39,332,000, with the gross profit margin of approximately 45%, representing an increase of approximately 9% over the corresponding period of last year;
- For the nine months ended 30 September 2016, the profit of the Group was approximately RMB9,599,000, representing an increase of approximately 21% over the corresponding period of last year, of which the Group's profit attributable to equity holders of the Company was approximately RMB8,636,000, representing an increase of approximately 18% over the corresponding period of last year;
- For the nine months ended 30 September 2016, the basic earnings per share of the Group was approximately RMB1.23 cents;
- The board of Directors does not recommend payment of any dividend for the nine months ended 30 September 2016.

2016 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 ended 30 September 2016, together with the unaudited comparative figures for the corresponding period of 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Turnover	2	29,859	26,141	87,784	79,826
Cost of Sales		(11,252)	(13,524)	(48,452)	(43,870)
Gross profit		18,607	12,617	39,332	35,956
Other revenue		177	165	24	358
Selling and distribution expenses		(2,348)	(2,901)	(8,145)	(9,203)
Administrative expenses		(10,972)	(4,884)	(20,299)	(18,160)
Profit before taxation		5,464	4,997	10,912	8,951
Taxation	3	(877)	(714)	(1,313)	(1,030)
Profit/(Loss) for the period		4,587	4,283	9,599	7,921
Attributable to:					
Equity holders of the Company		3,748	2,938	8,636	7,300
Non-controlling interests		839	1,345	963	621
		4,587	4,283	9,599	7,921
Earnings per share					
– Basic (RMB cents)	4	0.54	0.42	1.23	1.04
Dividends	6	–	–	–	–



NOTES:

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 since 12 December 2002. The registered address of the Company in the PRC is Room 311, No. 2 Building, No. 28 Zhen Xing Road, Chang Ping District, Beijing, PRC. 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 Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and its 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 principal 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 intended to 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 is not yet in a position to state whether the initial application of the New Standards and Amendments would have a significant impact on its consolidated financial statements.

2. TURNOVER

The Group is a provider of modern consultancy. The Group principally engages in the provision of management and strategy 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 have been eliminated on consolidation.

3. TAXATION

	Unaudited For the three months ended 30 September		Unaudited For the nine months ended 30 September	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
PRC enterprise income tax	877	714	1,313	1,030

Hong Kong profits tax has not been provided for as the Group had no taxable profits arising in Hong Kong during the nine months ended 30 September 2016 (nine months ended 30 September 2015: Nil). Taxes on taxable profits 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 the PRC, the members of the Group (except Beijing CCID Industry and Information Engineering Supervision Centre Co., Ltd.* (北京賽迪工業和信息化工程監理中心有限公司) (“CCID Supervision”) (formerly known as 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))) are subject to an enterprise income tax rate of 25% (corresponding period of 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 Income Tax Law of the PRC, it is subject to an enterprise income tax rate of 15% (corresponding period of 2015: 15%).

There was no material unprovided deferred tax for the nine months ended 30 September 2016 (nine months ended 30 September 2015: Nil).

4. EARNINGS PER SHARE

The earnings per share was calculated based on the profit attributable to equity holders of the Company of approximately RMB8,636,000 for the nine months ended 30 September 2016 (nine months ended 30 September 2015: approximately RMB7,300,000) and the weighted average number of 700,000,000 shares in issue during the period (nine months ended 30 September 2015: 700,000,000 shares).

Diluted earnings per share have not been calculated for the nine months ended 30 September 2016 as there was no diluting event for the period (nine months ended 30 September 2015: Nil).

5. RESERVES

	Issued share capital <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2015	70,000	8,550	18,864	50,628	148,042
Change for the period	-	-	621	7,300	7,921
As at 30 September 2015	70,000	8,550	19,485	57,928	155,963
As at 1 January 2016	70,000	10,554	21,679	58,001	160,234
Change for the period	-	-	963	8,636	9,599
As at 30 September 2016	70,000	10,554	22,642	66,637	169,833

6. DIVIDENDS

The distribution of a final dividend of RMB1.52 cents (tax inclusive) per share, which, in aggregate, amounted to approximately RMB10,640,000 (tax inclusive), for the year ended 31 December 2015 was considered and approved at the annual general meeting of the Company held on 7 June 2016.

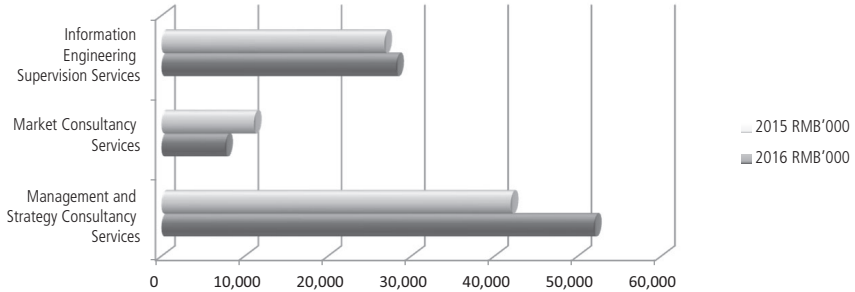
The Board does not recommend the payment of any dividend for the nine months ended 30 September 2016 (nine months ended 30 September 2015: Nil).

254,797.44
25814
3543.68
254,879.744
25814
3543.68

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover Analysis

An analysis of the turnover by operating activities for the nine months ended 30 September 2016 of the Group is as set out below:



	For the nine months ended 30 September 2016		For the nine months ended 30 September 2015	
	Turnover RMB'000	Approximate Percentage	Turnover RMB'000	Approximate Percentage
Management and Strategy Consultancy Services	51,936	59%	41,951	53%
Market Consultancy Services	7,655	9%	11,099	14%
Information Engineering Supervision Services	28,193	32%	26,776	33%
Total	87,784	100%	79,826	100%



Business Review

For the nine months ended 30 September 2016, the turnover and gross profit of the Group amounted to approximately RMB87,784,000 and RMB39,332,000 respectively (approximately RMB79,826,000 and RMB35,956,000 respectively during the corresponding period of 2015). The turnover increased by approximately 10% and the gross profit increased by approximately 9% as compared to the corresponding period of last year, which was mainly due to the stable growth of turnover and gross profit resulting from the established operational strategies and objectives maintained by the Group to strengthen the reasonable control over costs under current economic conditions of the market.

In respect of management and strategy consultancy services, the Group has always focused on strategic emerging industries to continuously foster our business development of informatization consultation, investment and merger and acquisition consultation, corporate management and urban planning with our committed efforts in capturing the national policy directives and the development trend in information technology. In addition, we continued to enrich our customer sources which enabled broadened sales channels and increased technological support in the course of our expansion of management and strategy consultancy services. The Group recorded revenue of approximately RMB51,936,000 for the nine months ended 30 September 2016 (approximately RMB41,951,000 for the corresponding period of 2015) from the management and strategy consultancy services, accounted for approximately 59% of the Group's turnover, representing an increase of approximately 24% as compared to the corresponding period of last year, which was mainly due to the stable growth of turnover resulting from the further strengthening of the management and strategy consultancy services by the Group in terms of depth and breadth as well as the enhanced quality of the research content.

In respect of market consultancy services, the Group mainly provides data information, market research and industry research services to enterprises, while assisting the governmental authorities in conducting the supervision of market data in respect of electronic information products related industries. For the nine months ended 30 September 2016, the Group realized revenue of approximately RMB7,655,000 (approximately RMB11,099,000 for the corresponding period of 2015), accounted for approximately 9% of the Group's turnover, representing a decrease of approximately 31% as compared to the corresponding period of last year. The decrease was mainly attributable to the intense industry competition.

In respect of information engineering supervision services, the Group mainly provides supervision services for projects ranging from software, network, and communication to information security to the government and enterprises. For the nine months ended 30 September 2016, the turnover of information engineering supervision services was approximately RMB28,193,000 (approximately RMB26,776,000 for the corresponding period of 2015), accounted for approximately 32% of the Group's turnover, representing an increase of approximately 5% as compared to the corresponding period of last year. The increase was mainly due to the continuous business transformation and enhancement and a relatively stable business performance.

Marketing and Promotion

For the nine months ended 30 September 2016, the Group hosted marketing events, such as "2016 China IT Market Annual Conference", "2016 China Semiconductor Market Annual Conference" in Beijing.


FUTURE DEVELOPMENTS

Strengthening Basic Research

We will improve our data research capability so as to establish a basic research system which is 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 to associate responsibilities with powers and rights and an emolument distribution mechanism to motivate and retain 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 enhancement, building-up of learning oriented organizational culture and cultivation of harmonious 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.

THIRD QUARTERLY DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2016 (nine months ended 30 September 2015: Nil).

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

As at 30 September 2016, none of the Directors, supervisors of the Company ("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 be notified to 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 notified to the Company and the Stock Exchange pursuant to the required standards of dealings by the Directors and Supervisors as 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 acquisition of shares or debentures of the Company granted to any Directors and Supervisors or their respective spouses or children under 18 years of age, or were any such rights exercised; 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.

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 options 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 September 2016.

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

As at 30 September 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.


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	491,000,000 domestic shares	100%	70.14%
Research Center of Ministry of Industry and Information Technology Computer and Microelectronics Development ("Research Center") (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%
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%

Name	Capacity	Nature of interests	Number and class of shares	Approximate percentage in the same class of shares	Approximate percentage of issued share capital
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 Center (controlled and supervised by CCID) and CCID Riyue (directly and indirectly wholly-owned by CCID) 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; 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. Lam William Ka Chung directly and indirectly holds approximately 40% equity interests in Kingsway International Holdings Limited. Lam William Ka Chung is deemed to be interested in 14,600,000 H shares of the Company.

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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 disclosed in the section of “Directors’, Supervisors’ and Chief Executives’ Interests and Short Positions in Shares and Underlying Shares”, as at 30 September 2016, no other person had any interest and short position in the shares and underlying shares that was required to be recorded in 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 Company’s listed securities during the nine months ended 30 September 2016.

COMPETING INTERESTS

None of the Directors or the controlling shareholders of the Company (as defined under the GEM Listing Rules) and their respective close 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 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 nine months ended 30 September 2016 upon specific enquiries by the Company.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) in compliance with Rule 5.28 of the GEM Listing Rules, for the purposes of providing review and supervision over the Group’s financial reporting process and internal control systems. The Audit Committee comprises three independent non-executive Directors, Ms. Li Xuemei, Mr. Guo Xinping and Mr. Han Fuling. Ms. 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 2016 and considered that the preparation of those results are complied with appropriate accounting standards and relevant regulations and laws.

CORPORATE GOVERNANCE

The Company has been in compliance with the provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules during the nine months ended 30 September 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 on the risk management and internal monitoring systems of the Group to ensure that the systems are effective and appropriate. The Board has commenced meetings regularly to discuss matters concerning management and monitoring of finance, operation and risk.

SUFFICIENCY OF PUBLIC FLOAT

Up to the latest practicable date prior to the publication 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 requirement of sufficiency of public float 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

10 November 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 Xinping, Mr. Han Fuling and Ms. Li Xuemei.

* *For identification purposes only*