

Interim Results 2017— Steady Progress

Turnover **+1.4%**

2017 H1	691.0
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2016 H1	681.4
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*RMB: Million

- Spurred by the fast growth of banking card credit consumption demand, the Group's credit card shipment surged in the first half of 2017.
- Core competitiveness was further consolidated and market share increased steadily

Gross Profit Margin **Flat**

2017 H1	30.2%
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2016 H1	30.2%
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- Refinement and upgrading of operation system as well as the automatic and digital integration elevated the operational efficiency
- Improve the product portfolio and increase the innovative products proportion continuously
- Diversification of material purchase and bulk purchase to reduce cost

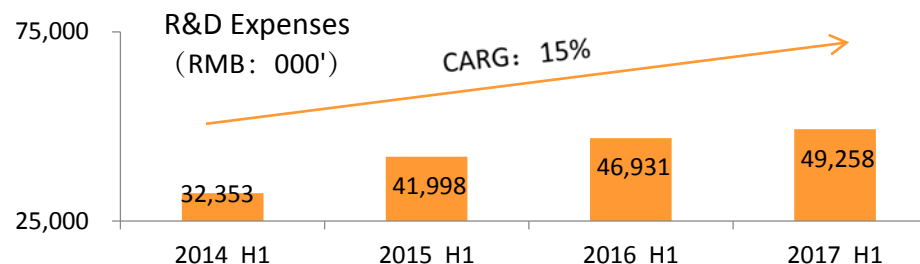
Interim Results 2017— Steady Progress

Operating Profit **+16.3%**

2017 H1	122.0
2016 H1	104.9

*RMB: Million

- Through further control and improvement in cost and expenses, the operating expenses decreased **7.3%** year-on-year
- Continuous increase in R&D expenditure, uplifting 5% year-on-year, with breakthrough in cloud computing and intelligent operation platform.



Net Profit **-15.0%**

2017 H1	81.1
2016 H1	95.4

* RMB: Million

- Due to the exchange loss of approximately RMB20.3 million mainly resulting from the translation of USD fixed deposit to RMB, the net profit decreased year on year.
- Excluding the exchange loss, the net profit for the period would be approximately RMB101.5million, representing an increase of approximately **21.5%** year-on-year

Financial Highlights

Exchange rate : HKD/RMB@0.85358

(RMB'000)	2017 H1	2016 H1	YOY
Turnover	691,005	681,437	+1.4%
Gross profit	208,375	205,564	+1.4%
Gross profit margin (%)	30.2%	30.2%	Flat
Operating Expenses	116,336	125,523	-7.3%
- R&D expenses	49,258	46,931	+5.0%
- Other operating expenses	67,078	78,592	-14.7%
Operating expenses (%))	16.8%	18.4%	-1.6ppts
Operating profit	121,984	104,906	+16.3%
Operating profit margin(%)	17.7%	15.4%	+2.3ppts
Exchange (loss) gain*	-20,347	11,904	-270.9%
Net Profit	81,144	95,412	-15.0%
Net Profit margin(%)	11.7%	14.0%	-2.3ppst
Dividend per share (HK cents)			
- Interim	4.0	4.0	Flat
Dividend payout ratio	34.5%	29.6%	+4.9ppts
EPS (RMB Cents)			
- Basic	9.9	11.5	-13.9%
- Diluted	9.9	11.5	-13.9%

* The exchange loss of approximately RMB20.3 million resulted mainly from depreciation of USD denominated bank deposits against RMB.

Key Financial Indicators

Indicators	As at 30 Jun, 2017	As at 30 Jun, 2016	As at 31 Dec, 2016
Inventories (RMB '000)	172,488	198,135	211,212
Inventory turnover (days)	72	100	100
Account receivable (RMB '000)	613,559	702,909	339,970
A/R turnover (days)	125	160	109
Account payable (RMB '000)	442,898	347,673	515,101
A/P turnover (days)	180	175	203
Cash turnover (days)	17	85	6
Current assets (RMB '000)	1,873,783	1,937,176	2,145,375
Current liabilities (RMB '000)	612,990	552,448	716,142
Current ratio (times)	3.1	3.5	3.0
Debt to assets ratio (Total debt / Total assets)	25.2%	24.1%	27.9%

Cash Flow & Financial Position

Exchange rate : HKD/RMB@0.85358

(RMB '000)	As at 30 Jun, 2017	As at 30 Jun, 2016	As at 31 Dec, 2016
Non-current assets	616,806	181,782	454,207
- Fixed bank deposits	110,000	110,000	110,000
- Pledged bank deposits	100,000	100,000	100,000
Current assets	1,873,783	1,937,176	2,145,375
- Bank balances and cash	281,268	402,624	825,442
- Fixed bank deposits	761,714	603,771	687,988
- Pledged bank deposits	8,355	1,187	39,707
Current liabilities	612,990	552,448	716,142
Net current assets	1,260,793	1,384,728	1,429,233
Non-current liabilities	14,719	21,419	10,111
Net assets	1,862,880	1,807,063	1,873,329
Total Funds Available*	1,261,337	1,217,582	1,763,137
Net assets per share	2.23	2.17	2.25
Net cash per share	1.51	1.46	2.11
Share price (17 Aug 2017)	RMB 2.18 (=HKD 2.56)		

*Total Funds Available: 2017 H1 USD 71% (2016 H1 63%)