

# 期報告書

(limited liability)

### **FINANCIAL HIGHLIGHTS**

The total operating income of the Group for the six months ended 30 June 2016 (the "Period") amounted to RMB1,443,343,275.60, representing a growth of



## Financial Information

### CONSOLIDATED BALANCE SHEET (Continued)

At 30 June 2016

LIABILITIES & SHAREHOLDERS' EQUITY	Note	A 30 June 2016 (Unaudited)	At 31 December 2015 (Audited)
<b>Current liabilities:</b>			
Short-term borrowings		566,553,298.87	508,765,000.00
Notes payable		59,211,627.20	81,521,681.76
Accounts payable		511,394,196.66	526,618,76.08
Advances from customers		120,326,145.02	84,041,416.16
Staff remuneration payables		1,354,193.63	3,137,558.73
Taxes payable		28,659,425.82	38,877,388.22
Interest payable		1,128,983.12	1,060,086.67
Dividends payable		95,047,020.00	-
Other payables		80,519,121.65	4,040,015.3
Non-current liabilities due within 1 year		23,930,000.00	27,860,000.00
<b>Total current liabilities</b>		<b>1,488,124,011.97</b>	<b>1,321,311,106.01</b>
<b>Non-current liabilities:</b>			
Long-term borrowings		128,210,000.00	138,210,000.00
Deferred income		8,391,234.77	1,128,681.17
Deferred income tax liabilities		9,141,731.52	1,111,725.27
<b>Total non-current liabilities</b>		<b>145,742,966.29</b>	<b>156,450,423.44</b>
<b>Total liabilities</b>		<b>1,633,866,978.26</b>	<b>1,477,761,529.45</b>



## Financial Information

### CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 June 2016

ITEMS	Note	Si mon h <sub>2</sub> ended 30 J ne	
		2016	2015
I. Total operating income	2	<b>1,449,343,275.60</b>	413, 14,653.68
II. Total operating cost		<b>1,382,115,864.64</b>	337,2 ,377.65
Operating cost		<b>1,305,079,293.11</b>	271,533,736. 3
Taxes and surcharges		<b>6,649,114.21</b>	6,0 1, 10.41
Selling and distribution expenses		<b>21,235,004.31</b>	10,275, 77.71
Administrative expenses		<b>42,078,190.06</b>	31,160,436. 0
Finance costs	4	<b>8,922,275.58</b>	15,821,286.80
Impairment losses for assets		<b>(1,848,012.63)</b>	2,416,028. 0
Investment income		<b>11,641,458.40</b>	1,065,46 .44
Including. Share of profit of associates and jointly controlled entities			(200,283. 8)
III. Operating profit		<b>78,868,869.36</b>	77,680,745.47
Add. Non-operating income		<b>5,936,303.05</b>	5,252,51 . 2
Less. Non-operating expenses		<b>7,270.99</b>	6,661.56
IV. Total profit		<b>84,797,901.42</b>	82, 26,603.83
Less. Income tax expenses	5	<b>12,561,449.94</b>	12,602,251.06
V. Net profit		<b>72,236,451.48</b>	70,324,352.77
Net profit attributable to the shareholders of the Company		<b>72,787,144.81</b>	6 ,767,800.12
VI. Other comprehensive income		<b>2,942,584.04</b>	37,340,561.35

## Financial Information

### CONSOLIDATED INCOME STATEMENT (UNAUDITED) (Con in ed)

For the six months ended 30 June 2016

ITEMS	Note	Si mon h <sub>2</sub> ended 30 J ne	
		2016	2015
VII. Total comprehensive income		<b>75,179,035.52</b>	107,664, 14.12
Total comprehensive income attributable to the shareholders of the Company		<b>75,729,728.85</b>	107,108,361.47
Total comprehensive income attributable to minority shareholders		<b>(550,693.33)</b>	556,552.65
VIII. Earnings per share,	6		
(1) Basic earnings per share		<b>0.230</b>	0.232
(2) Diluted earnings per share		<b>0.230</b>	0.232
IX. Dividends	7		-

## Financial Information

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30 June 2016

(All amounts in Renminbi yuan unless otherwise stated)

ITEMS	Six months ended 30 June	
	2016	2015
I. Cash flow from operating activities Net cash flow from operating activities	(139,847,685.66)	(64,117,788.45)
II. Cash flow from investing activities Net cash flow from investing activities	37,755,226.94	(462,757,752.74)
III. Cash flow from financing activities Net cash flow from financing activities	54,236,056.69	40,483,376.07
IV. Effect of foreign exchange rate changes on cash and cash equivalents	1,043,187.38	5,1721.82
V. Net increase in cash and cash equivalents Add: Cash and cash equivalents at beginning of period	(46,813,214.65) 1,188,285,145.50	(116,804,443.30) 782,748,257.4
VI. Cash and cash equivalents at end of period	1,141,471,930.85	665,438,146.4



## Financial Information

---

---

---

---

---

---

## Financial Information

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2016

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

The unaudited interim financial statements have been prepared in accordance with the China Accounting Standards for Business Enterprises, Information Disclosure Rule No. 15 of Public Offerings Company-Financial Reporting General Provisions (2014 Amendments) issued by CSRC and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Companies Ordinance (“Hong Kong Companies Ordinance”).

The accounting policies and methods of computation used in the preparation of the unaudited interim financial statements are consistent with those adopted in the annual financial statements of the Company for the year ended 31 December 2015. During the reporting period, there was no change in accounting policies and accounting estimates. This interim result has not been audited by the auditor of the Company, and has been reviewed by the audit committee of the Company.

#### 2. TOTAL OPERATING INCOME

Operating income represents the Group’s principal operating income, including revenue received and receivable from system integration, intelligent terminal sales, service, cross-border trade and service businesses.

##### (1) Operating income and operating cost

Item	Six months ended 30 June	
	2016 (Unaudited)	2015 (Unaudited)
Principal operating income	<b>1,441,671,994.75</b>	404,304,426.6
Other operating income	<b>7,671,280.85</b>	,605,226.
Total operating income	<b>1,449,343,275.60</b>	413,14,653.68
Principal operating cost	<b>1,304,209,746.21</b>	26,521,302
Other operating cost	<b>869,546.90</b>	1,581,543.1
Total operating cost	<b>1,305,079,293.11</b>	271,533,736.3

## Financial Information

### 2. TOTAL OPERATING INCOME (Continued)

#### (2) Principal operations (by product)

Name of Product	Six months ended 30 June 2016		Six months ended 30 June 2015	
	(Unaudited)		(Unaudited)	
	Operating income	Operating cost	Operating income	Operating cost
System integration	389,120,863.57	301,568,669.27	2,323,741.21	20,183,486.85
Intelligent terminal sales	102,041,181.34	72,245,156.39	70,373,228.51	46,016,445.72
Service	39,150,146.51	24,877,594.57	34,612,456.7	14,752,260.45
Cross-border trade and service	911,359,803.33	905,518,325.98	-	-
<b>Total</b>	<b>1,441,671,994.75</b>	<b>1,304,209,746.21</b>	<b>404,304,226.6</b>	<b>26,521,302.02</b>

### 3. SEGMENTS INFORMATION

Information regarding the Company's reportable operating segments as provided to the Company's chief operating decision makers for the purposes of resources allocation and assessment of segment performance for the Period is only derived from system integration, intelligent terminal sales, service, cross-border trade and service businesses. In addition, the Company's operations are situated in the PRC in which its revenue was derived principally therefrom. Accordingly, no separate segments are presented.

### 4. FINANCE COSTS

Item	Six months ended 30 June	
	2016 (Unaudited)	2015 (Unaudited)
Interest expenses	17,647,820.74	20,717,35.05
Less: interest income	6,893,030.08	5,605,55.82
Exchange gain or loss	(2,929,661.77)	35,230.30
Others	1,097,146.69	673,717.27
<b>Total</b>	<b>8,922,275.58</b>	<b>15,821,286.80</b>



## Financial Information



## Financial Information

### 9. TRADE AND OTHER PAYABLES

	<b>A 30 J ne 2016 (Una di ed)</b>	At 31 December 2015 (Audited)
Accounts payables	<b>511,394,196.66</b>	526, 61,876.08
Advances from customers	<b>120,326,145.02</b>	84,041,4 .16
Other payables	<b>80,519,121.65</b>	4 ,0 4,015.3
<b>Total</b>	<b>712,239,463.33</b>	<b>660,0 7,3 0.63</b>

#### The aging anal ʒiʒ of acco n ʒ a ableʒ

	<b>A 30 J ne 2016 (Una di ed)</b>	At 31 December 2015 (Audited)
Within 1 year	<b>444,912,951.09</b>	458,456,832.1
1 to 2 years	<b>23,012,738.85</b>	23,713,284.42
Over 2years	<b>43,468,506.72</b>	44,7 1,75 .47
<b>Total</b>	<b>511,394,196.66</b>	<b>526, 61,876.08</b>



## Management Discussion and Analysis

### Capital Structure

As at 30 June 2016, the total bank borrowings of the Group was RMB718,632,887 (At 31 December 2015, RMB674,835,000.00).

As at 30 June 2016, the registered and issued share capital of the Company was RMB316,823,400 which was divided into 1,800,000 H Shares and 225,023,400 Domestic Shares.

### Pledge of Assets of the Group

As at 30 June 2016, the bank deposits of RMB25,054,483.78 (At 31 December 2015, RMB24,435,812.1 ) are pledged in Jiangsu, Zhejiang and Nanjing

As

## Management Discussion and Analysis

### Future Plans Relating to Material Investment or Capital Asset

As at the date of this report, the Group has not executed any agreement in respect of proposed acquisition and did not have any other future plan of material investment or capital asset.

### Contingent Liabilities

As at 30 June 2016, the Group did not have any material contingent liabilities.

## BUSINESS REVIEW AND PROSPECTS

### Strategic Business

As for the expressway intelligent transportation business, the Group continuously consolidated the improvement of existing business and implemented delicacy

## Management Discussion and Analysis

As for the customs logistic business, the Group further enhanced the transformation and upgrade of business mode during the reporting period. While maintaining the scale of integrated projects, we also developed innovative business to achieve “3 separations and 1 association” of the traditional system integration business and innovative business, namely management separation, culture separation, mode separation and association between business and design, especially focused on the analysis, research and innovation of business, particularly promoting the implementation of “customs clearance”. During the reporting period, while promoting the after-sale service in East China and South China, the Group proactively expanded new projects in Mid West China and Bohai Rim Region.

As for the cross border trade and service business, the Group introduced for the first time the integrated service platform, “Maohd”, for foreign trade during the fourth quarter of 2015. The platform leveraged on the experience of customs logistics of the Group, knowing the disadvantage of traditional foreign trade services issues, such as high intermediary fee, complicated procedure for clearance and slow tax refund, to provide foreign enterprise a fast and low cost service including clearance, settlement, tax refund and logistics by means of internet and internet-of-things. As such, the business grew rapidly during the reporting period.

### Information Service

During the reporting period, the Group successfully introduced the intelligent driving training project, “You You Learn Driving APP”. Through establishing the standard “internet+intelligent driving training platform”, we innovated and upgraded the traditional driving training program.

During the reporting period, the group upgraded the intelligent car parking system of “Chao Xiang Ting” to version 2.0, an all-round upgrade to the front-end, platform, weixin public number and mobile APP, and linked the system to a number of key carparks in Nanjing, which demonstrated the city intelligent car parking project.

During the reporting period, the Group proactively expanded the “Green Travel” project, undertaking the construction and maintenance of the green travel channel of the APP “My Nanjing”, which accumulated certain scale of users and preliminarily explored the business promoting mode.

## Management Discussion and Analysis

### Research and Development

During the reporting period, the Group proactively developed and promoted the supporting platform for the operation of SmartOSS intelligent city. The platform achieves real time collection and sharing of numerous data, performs standard operation and maintenance to different terminals, equipment and systems to fully demonstrate its edges of real-timeliness, high efficiency, stability, monitorability, maintainability, free from development and low cost. In order to provide data support to the data administrator, we help customers to collect, transmit, integrate and share data from numerous internet-of-things terminal, IT equipment or third party systems.

During the reporting period, the Group obtained approval for 6 patents, completed a number of acceptance inspection for the provincial technological achievements transformation projects, the provincial industry transformation (software) project, and the State "863 Plan" project. Meanwhile, we proactively promoted and established a number of government projects such as provincial prospective industrial academic research joint project, provincial policy guidance planning (international technology co-operation) project, provincial industry transformation fund project. We also participated in the "national internet-of-thing standard working group".

During the reporting period, the Group completed preliminarily the research and development of Guo (Jun) Biao UHF readers and writers and commenced the preparation work for the inspection by third party on the consistency and functionality of national standard readers and writers.

### FUTURE PROSPECT

In the second half of the year, as for the expressway intelligent transportation business, the Group will proactively expands market resources, focus on the four region, namely Jiangsu, Sichuan, Zhejiang and Shandong, seeks market potential and continue delicacy management on every segment of the projects to ensure projects-in-progress are commenced in order healthily. We will analyze the feasibility of the construction of intelligent service area of expressways to seek for the new growth point.

## Management Discussion and Analysis

In the second half of the year, as for the city intelligent transportation business, the Group will uphold a more pragmatic attitude to transform business by encompassing the idea of “creating cash, profit and values” as well as to integrate business to promote supporting platform for the operation of SmartOSS intelligent city. Through “Green Travel” project and intelligent car parking business, business value can be enhanced.

In the second half of the year, as for the customs logistic business, the Group will continue to expand integrated service business, safeguard the scheduled on line and marketing of the key project “Yun Ka Kou platform phase II”, promote the “custom clearance logistics” project and form a starting positioning, framework and business mode design as well as commence the research and development of the product v1.0 based on the preliminary market research and product analysis.

In the second half of the year, as for the cross border trade and service business, the Group will continue to improve the business procedure, enhance the construction of risk control system, put more effort in marketing to establish a core competitiveness with high-end resources.

In the second half of the year, the Group will continue the business direction of solving end users’ need and digging data resources. We continue to improve the business mode according to the market trend, to give priority to the customers’ satisfaction, endlessly optimize the platforms and products to enhance users’ experience so as to increase the influence of the Company in the industry.







### **CHANGE OF DIRECTOR**

On 27 May 2016, Mr. Hu Hanhui has been appointed as an independent non-executive director of the Company to fill the vacancy arising from the retirement of Mr. Xu Suming from his position of independent non-executive director of the Company.

### **SHARE OPTION SCHEME**

On 18 October 2011, the Board passed the resolution to terminate the execution of the share option scheme of the Company which was approved by the shareholders of the Company by way of resolution on 24 April 2004. The resolution was passed at the general meeting on 30 December 2011.

The Company has not granted any option under the share option scheme since the adoption of the scheme.

### **COMPETING BUSINESS AND CONFLICTS OF INTERESTS**

None of the Directors, management shareholders or substantial shareholders of the Company or any of their respective associates (as defined in the Listing Rules) is engaged in any business which competes or is likely to compete with the business of the Group, and none of them has any other conflicts of interests with the Group.

### **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The code of conduct for securities transactions by Directors adopted by the Company is on terms no less exacting than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any circumstances that the Directors did not comply with the required standards of dealings and the code of conduct for securities transactions by Directors throughout the six months ended 30 June 2016.

