



**SHANGHAI JIAODA WITHUB
INFORMATION INDUSTRIAL COMPANY LIMITED***

上海交大慧谷信息產業股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8205)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

**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 announcement, for which the directors (the “Directors”) of SHANGHAI JIAODA WITHUB INFORMATION INDUSTRIAL 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 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 announcement 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 announcement misleading.

** For identification purposes only*

HIGHLIGHTS

- The Group recorded a turnover of approximately RMB51,545,000 for the six months ended 30 June 2014 (2013: approximately RMB48,477,000), representing an increase of approximately 6.33% as compared with that of the corresponding period in 2013.
- The Group recorded a loss attributable to owners of the parent of approximately RMB10,055,000 for the six months ended 30 June 2014 (2013: loss of approximately RMB5,367,000), representing an increase of approximately 87.35% as compared with that of the corresponding period in 2013.
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013 : Nil).

INTERIM RESULTS

The board of directors (the “Board”) of Shanghai Jiaoda Withub Information Industrial Company Limited (the “Company”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months and three months ended 30 June 2014, together with the unaudited comparative figures for the corresponding periods in 2013 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

		For the three months ended		For the six months ended	
		30 June		30 June	
		2014	2013	2014	2013
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Turnover	2	23,200	20,914	51,545	48,477
Cost of sales		(21,817)	(19,427)	(51,144)	(46,036)
Gross profit		1,383	1,487	401	2,441
Other revenue		44	43	118	862
Distribution expenses		(1,436)	(1,681)	(3,308)	(3,687)
Research and development expenses		(1,618)	(1,129)	(3,333)	(2,167)
Administrative expenses		(2,356)	(1,029)	(4,002)	(2,922)
Loss before tax	4	(3,983)	(2,309)	(10,124)	(5,473)
Share of losses of associates		1,099	570	69	106
Loss before taxation		(2,884)	(1,739)	(10,055)	(5,367)
Tax expenses	5	-	-	-	-
Loss for the period		(2,884)	(1,739)	(10,055)	(5,367)
Attributable to:					
- Owners of the parent		(2,884)	(1,739)	(10,055)	(5,367)
- Non-controlling interests		-	-	-	-
		(2,884)	(1,739)	(10,055)	(5,367)
Dividends	6	-	-	-	-
Loss per share (in RMB)	7				
- Basic		(0.00605)	(0.00358)	(0.02095)	(0.01118)
- Diluted		N/A	N/A	N/A	N/A

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

	For the three months ended		For the six months ended	
	30 June		30 June	
	2014	2013	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(2,884)	(1,739)	(10,055)	(5,367)
Other comprehensive income:				
Exchange difference arising on				
translation of foreign operations	-	(3,947)	-	(3,947)
Total comprehensive				
income for the period	(2,884)	(5,686)	(10,055)	(9,314)
Attributable to:				
Owners of the parent	(2,884)	(5,686)	(10,055)	(9,314)
Non-controlling interests	-	-	(12)	(9)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

		30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
	Notes		
Non-current assets			
Plant and equipment		973	440
Interests in associates		7,958	7,920
Intangible assets		3,866	3,934
Available-for-sale investments		2,416	2,416
Restricted bank deposits		-	-
		<u>15,213</u>	<u>14,710</u>
Current assets			
Inventories		2,596	7,316
Amounts due from customers for contract works		13,292	4,570
Trade receivables	8	15,298	17,941
Deposits, prepayments and other receivables		6,337	7,235
Amounts due from associates		156	216
Amount due from a shareholder		-	200
Restricted bank deposits	9	330	480
Bank balances and cash		<u>59,127</u>	<u>63,063</u>
		<u>97,136</u>	<u>101,021</u>
Current liabilities			
Trade payables	10	9,513	8,839
Other payables and accrued expenses		28,882	21,793
Amount due to a shareholder		2,258	1,212
Amount due to a related company		<u>122</u>	<u>638</u>
		<u>40,775</u>	<u>32,482</u>
Net current assets		<u>56,361</u>	<u>68,539</u>
Total assets less current liabilities		<u><u>71,574</u></u>	<u><u>83,249</u></u>
Capital and reserves			
Share capital	11	48,000	48,000
Reserves		<u>21,966</u>	<u>33,641</u>
		<u>69,966</u>	<u>81,641</u>
Equity attributable to owners of the Company		<u>(12)</u>	<u>(12)</u>
Non-controlling interest			
Total equity		<u>69,954</u>	<u>81,629</u>
Non-current liability			
Deferred income		<u>1,620</u>	<u>1,620</u>
		<u><u>71,574</u></u>	<u><u>83,249</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Equity attributable to owners of the parent						Non-controlling interests		Total
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserves RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	RMB'000	RMB'000
At 1 January 2013	48,000	61,068	16,000	223	815	(45,448)	80,658	(9)	80,649
Net loss for the period	-	-	-	-	-	(5,367)	(5,367)	-	(5,367)
Exchange difference arising on translation of an overseas subsidiary	-	-	-	-	(3,947)	-	(3,947)	-	(3,947)
At 30 June 2013	<u>48,000</u>	<u>61,068</u>	<u>16,000</u>	<u>223</u>	<u>(3,132)</u>	<u>(50,815)</u>	<u>71,344</u>	<u>(9)</u>	<u>71,335</u>
At 1 January 2014	48,000	61,068	16,000	223	936	(44,586)	81,641	(12)	81,629
Net loss for the period	-	-	-	-	-	(10,055)	(10,055)	-	(10,055)
Exchange difference arising on translation of an overseas subsidiary	-	-	-	-	-	-	-	-	-
At 30 June 2014	<u>48,000</u>	<u>61,068</u>	<u>16,000</u>	<u>223</u>	<u>936</u>	<u>(54,641)</u>	<u>71,586</u>	<u>(12)</u>	<u>71,574</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

	For the six months ended 30 June	
	2014 RMB'000	2013 RMB'000
Net cash used in operating activities	(8,012)	(5,578)
Net cash used in investing activities	(513)	855
Net cash used in financing activities	(271)	(440)
Net decrease in cash and cash equivalents	(8,796)	(5,163)
Cash and cash equivalents as at 1st January	<u>27,393</u>	<u>21,753</u>
Cash and cash equivalents as at 30th June (Note 9)	<u>18,597</u>	<u>16,590</u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances (Note 9)	<u>18,597</u>	<u>16,590</u>
	<u>18,597</u>	<u>16,590</u>

Notes:

1. BASIS OF PRESENTATION

The Group's unaudited condensed consolidated results have been prepared in accordance with the Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants. The unaudited condensed consolidated results have been prepared on the historical cost basis. The accounting policies adopted in preparing the unaudited condensed consolidated results for the six months ended 30 June 2014 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013. The condensed consolidated results are unaudited but have been reviewed by the Company's audit committee.

2. TURNOVER

Turnover represents revenue from the development and provision of business application solutions, application software, installation and maintenance of network and data security products, and the sales and distribution of computers and electrical products and accessories.

An analysis of the Group's revenue for the period is as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Development and provision of:				
- Business application solutions	12,102	7,676	14,570	16,297
- Application software	49	700	329	916
- Installation and maintenance of network and data security products	794	397	1,222	862
Sales and distribution of computer and electrical products and accessories	10,255	12,141	35,424	30,402
	<u>23,200</u>	<u>20,914</u>	<u>51,545</u>	<u>48,477</u>

All of the Group's activities are conducted in the PRC. Turnover as disclosed above is net of applicable PRC tax.

3. SEGMENT INFORMATION

Business segments

For management reporting purpose, business segment information is chosen as the primary reporting format. The principal business segments of the Group comprise the followings:

Business application solutions: Develop and provide business application solutions services which include business solutions development, application software, network and data security products.

Sales of goods: Sales and distribution of computer and electrical products and accessories.

Segment information about these businesses is presented below.

	Business application solutions for the six months ended 30 June		Sales of goods for the six months ended 30 June		Consolidated for the six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Segment revenue						
Turnover from external customers	<u>16,121</u>	<u>18,075</u>	<u>35,424</u>	<u>30,402</u>	<u>51,545</u>	<u>48,477</u>
Unallocated other revenue					<u>118</u>	<u>862</u>
					<u>51,663</u>	<u>49,339</u>
Results						
Segment results	<u>(599)</u>	<u>2,580</u>	<u>(2,215)</u>	<u>(1,444)</u>	<u>(2,814)</u>	<u>1,136</u>
Unallocated operating expenses					<u>(7,310)</u>	<u>(6,609)</u>
Loss before tax					<u>(10,124)</u>	<u>(5,473)</u>
Share of losses of associates					<u>69</u>	<u>106</u>
Tax expenses of owners of the parent					<u>-</u>	<u>-</u>
Loss attributable to owners of the parent					<u>(10,055)</u>	<u>(5,367)</u>

Geographical segment

The Group's business and assets are generated from and situated in the PRC. Accordingly, no geographical segment information has been presented.

4. LOSS BEFORE TAX

Loss before tax has been arrived after charging:

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Staff costs (including Directors' emoluments) comprises:				
Salaries, wages and other benefits	2,123	1,661	5,098	4,092
Contributions to retirement benefits scheme	854	827	1,713	1,605
	2,977	2,488	6,811	5,697
Auditors' remuneration	87	83	174	165
Cost of inventories recognised as an expense	21,817	19,427	51,144	46,036

5. TAX EXPENSES

(a) The amount of tax expenses in the consolidated income statement represents:

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax - PRC				
- tax for the period	-	-	-	-
- over-provision in respect of prior years	-	-	-	-
Tax expenses for the period	-	-	-	-

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and its PRC subsidiaries is 25% from 1 January 2008 onwards.

No provision for Enterprise Income Tax has been made for three years ended 31 December 2013 since the assessable profits of the companies within the Group are wholly absorbed by tax losses brought forward.

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in nor is derived from Hong Kong.

(b) There is no significant unprovided deferred tax for the six months ended 30 June 2014 (2013: Nil).

6. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: Nil).

7. LOSS PER SHARE

The calculation of the basic loss per share for the six months ended 30 June 2014 is based on the unaudited net loss of approximately RMB10,055,000 (2013: net loss of approximately RMB5,367,000) and the weighted average number of shares during the six months ended 30 June 2014 was 480,000,000 shares (2013: 480,000,000 shares).

The calculation of the basic loss per share for the three months ended 30 June 2014 is based on the unaudited net loss of approximately RMB2,884,000 (2013: net loss of approximately RMB1,739,000) and the weighted average number of shares during the three months ended 30 June 2014 was 480,000,000 shares (2013: 480,000,000 shares).

Diluted loss per share is not presented for the six months and three months ended 30 June 2014 and 2013 as there were no potential dilutive shares in issue during the relevant periods.

8. TRADE RECEIVABLES

The normal credit terms of the Group are 30-90 days. The aged analysis of trade receivables net of allowance for bad and doubtful debts is as follows:

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Aged:		
0-90 days	2,878	12,815
91-180 days	119	482
181-365 days	10,158	116
Exceeding 365 days	2,143	4,528
	15,298	17,941

9. RESTRICTED BANK DEPOSITS AND BANK BALANCES

Restricted bank deposits

Restricted bank deposits represent guarantee deposits placed to bank for certain subcontracting projects in relation to business solutions development. As at 30 June 2014, the restricted bank deposits carried interest at a market rate of 0.35% (2013: 0.35%) per annum. Deposits of RMB330,000 (corresponding period of 2013: RMB450,000) will be settled 12 months after the end of the reporting period and are therefore classified as current assets (corresponding period of 2013: non-current assets).

Bank balances

Bank balances comprise short-term deposits with an original maturity of six months or less (2013: six months or less). The bank balances and deposits carry interest at market rates which range from 0.01% to 4.65% per annum.

	30 June 2014 RMB' 000 (Unaudited)	31 December 2013 RMB' 000 (Audited)
Cash and cash equivalents for the purpose of the consolidated statement of financial position	59,127	63,063
Time deposits with an original maturity of more than three months when acquired	<u>(40,530)</u>	<u>(35,670)</u>
Cash and cash equivalents for the purpose of the consolidated statement of cash flows	<u>18,597</u>	<u>27,393</u>

10. TRADE AND BILLS PAYABLE

The aged analysis of trade and bills payable is as follows:

	30 June 2014 RMB' 000 (Unaudited)	31 December 2013 RMB' 000 (Audited)
Aged:		
0 - 90 days	7,193	6,708
91 - 180 days	134	474
181 - 365 days	540	52
Exceeding 365 days	<u>1,646</u>	<u>1,605</u>
	<u>9,513</u>	<u>8,839</u>

11. SHARE CAPITAL

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Registered, issued and fully paid: 480,000,000 (2013: 480,000,000) shares of RMB0.1 each	<u>48,000</u>	<u>48,000</u>

The Company has conditionally adopted a share option scheme which enables the Company to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors may, at their discretion but on the basis of their contribution to the development and growth of the Group, make an offer to certain persons to subscribe for the Company's H shares.

During the period, no option was granted by the Company.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation for current accounting period.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and financial review

For the six months ended 30 June 2014, the Group recorded a turnover of approximately RMB51,545,000 (2013: approximately RMB48,477,000), representing an increase of approximately RMB3,068,000, or 6.33% as compared to the corresponding period last year. Gross profit decreased by RMB2,040,000 or 83.57% to RMB401,000. The Group recorded a loss of RMB10,055,000 which represents an increase as compared with the loss of approximately RMB5,367,000 for the corresponding period in 2013.

For the six months ended 30 June 2014, the revenue for the Group has increased from RMB48,477,000 to RMB51,545,000. The revenue are mainly consisting of the sales and distribution of computer and electrical products and accessories which made up of 68.72% of the total sales or RMB35,424,000, and this is followed by 28.27% of total sales or RMB14,570,000 for business solutions development, 0.64% or RMB329,000 for application software, and 2.37% or RMB1,222,000 for installation and maintenance of network and data security products.

Sales and distribution of computer and electrical products and accessories has increased in revenue by RMB5,022,000 or 16.52%, as compared to RMB30,402,000 for the previous year. The revenue of business solutions development decreased by RMB1,727,000 or 10.6%, as compared to RMB16,297,000 for the previous year. The revenue of application software business decreased by RMB587,000 or 64% from RMB916,000 for the previous year. The revenue of installation and maintenance of network and data security products increased by RMB360,000 or 41.76% from RMB862,000 for the previous year.

Gross profit decreased by RMB2,040,000 or 83.57% from RMB2,441,000 to RMB401,000. Gross profit margin has decreased to 0.78% for the year, as compared to 5.04% for the previous financial year.

Administrative expenses increased by RMB1,080,000 or 36.96% to RMB4,002,000 from RMB2,922,000 for the corresponding period last year. Research and development expenses increased by RMB1,166,000 or 53.81% to RMB3,333,000, as compared to RMB2,167,000 for the previous year. Distribution expenses has decreased from RMB3,687,000 for the previous year to RMB3,308,000 for the current year.

During the first half of the year, the Company recorded a decline in cost of sales, resulting in a growth of the overall gross profit of its businesses. The loss of the Company for the first half of the year has increased from that of the corresponding period last year. The Company is committed to enhance the operational capability and impose cost control, so as to further improve the Company's operational conditions.

Financial resources and liquidity

As at 30 June 2014, shareholders' funds of the Group amounted to approximately RMB69,966,000 (as at 31 December 2013 : approximately RMB81,641,000). Current assets amounted to approximately RMB97,136,000 (as at 31 December 2013 : approximately RMB101,021,000), of which approximately RMB59,127,000 (as at 31 December 2013 : approximately RMB63,063,000) were bank balances and cash. The Group had no non-current liabilities and its current liabilities amounted to approximately RMB40,775,000 (as at 31 December 2013 : approximately RMB32,482,000), which mainly comprised of creditors and bill payables and accrued expenses. The Group's net assets per share are approximately RMB0.15 (as at 31 December 2013 : approximately RMB0.17).

As at 30 June 2014, the Group has bank balances and cash amounting to approximately RMB59,127,000 with a current ratio of approximately 237%. The Directors believed that the Group's financial position is healthy.

As at 30 June 2014, the Group has a gearing ratio of approximately 37.74% (as at 31 December 2013 : approximately 29.47%).

Capital structure

There has been no change to the capital structure of the Company during the six months ended 30 June 2014.

Foreign exchange exposure

During the year ended 31 December 2013, the Group's monetary assets and transactions are mainly denominated in RMB, HKD and USD. Though the exchange rates between RMB, HKD and USD are not pegged, there are relatively low level of fluctuation in exchange rates among RMB, HKD and USD. The Management noted that the recent appreciation in the exchange rate of RMB to HKD and USD and is of the opinion that it does not currently have a material adverse impact on the Group's financial position. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employee information and remuneration policies

As at 30 June 2014, the Group employed permanent staff of approximately 118 (2013 : 119). For the six months ended 30 June 2014, the remuneration for the employees (including the Directors emoluments) amounted to approximately RMB5,098,000 (2013: approximately RMB4,092,000). The Group's remuneration and bonus policies are principally determined with reference to the qualification, experience and performance of individual employee.

Material acquisitions or disposals

During the six months ended 30 June 2014, the Group had no material acquisitions and disposal of subsidiaries and affiliated companies.

Charges on Group's assets

As at 30 June 2014, the Group had no charges on Group's assets.

Details of future plans for material investments or capital assets

As at 30 June 2014, the Group had no future plans for material investments or capital assets.

Contingent liabilities

As at 30 June 2014, the Group had no material contingent liabilities (2013 : Nil).

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

As at 30 June 2014, the interests and short positions of the Directors, the supervisors of the Company (as if the requirements applicable to the Directors under the Securities and Futures Ordinance ("SFO") had applied to the supervisors) or chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Name of Directors	The Company/ name of subsidiary	Capacity and nature	Number and class of securities (Note 1)	Approximate percentage in the issued share capital of the Company/ subsidiary
Wang Yiming	Company	Beneficial owner	9,840,000 domestic shares (L)	2.05%
	Shanghai Huikang Information Technology Company Limited (Note 2)	Beneficial owner	100,000 shares (L)	1.75%

Notes:

1. The letter “L” represents the interests in the shares and underlying shares of the Company or its associated corporations.
2. Shanghai Huikang Information Technology Company Limited is one of the subsidiaries of the Company.

Save as disclosed above, as at 30 June 2014, none of the Directors, supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE H SHARES

As at 30 June 2014, none of the Directors, supervisors and chief executives of the Company was granted options to subscribe for H shares of the Company. As at 30 June 2014, none of the Directors, supervisors and chief executives of the Company had any rights to acquire H shares in the Company.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES IN THE COMPANY

A. Substantial shareholders

As at 30 June 2014, the following shareholders (other than the Directors and the Supervisors (as if the requirements applicable to the Directors under the SFO had applied to the Supervisors)) had an interest or a short position in the Shares and underlying shares in the Company as recorded in the register required to be kept under section 336 of the SFO and were directly or indirectly interested in 10% or more of the Shares:

Name of shareholders	Capacity and nature	Number and class of shares (Note 1)	Approximate percentage of interest
Shanghai Jiao Tong University	Interest of a Controlled corporation (Note 2)	114,000,000 domestic shares (L)	23.75%
Shanghai Jiaoda Industrial Investment Management (Group) Limited	Interest of a Controlled corporation (Note 2)	114,000,000 domestic shares (L)	23.75%
Shanghai Jiaoda Science and Technology Park Limited	Beneficial owner	114,000,000 domestic shares (L)	23.75%
Shanghai Xin Xuhui (Group) Limited	Beneficial owner	60,000,000 domestic shares (L)	12.50%
Xuhui District Industrial Association	Interest of a Controlled corporation (Note 3)	60,000,000 domestic shares (L)	12.50%
Shanghai Huixin Investment Operation Company Limited	Beneficial owner	57,000,000 domestic shares (L)	11.88%
Shanghai Technology Investment Company	Beneficial owner	57,000,000 domestic shares (L)	11.88%

Notes:

1. The letter “L” represents the entity’s interest in the shares of the Company.
2. These 114,000,000 domestic Shares are registered and owned by Shanghai Jiaoda Science and Technology Park Limited (“Jiaoda S&T Park”). The major shareholder of Jiaoda S&T Park is Shanghai Jiaoda Industrial Investment Management (Group) Limited (“Jiaoda Industrial”) which owns 55.42% of registered capital in Jiaoda S&T Park. Shareholders of Jiaoda Industrial are Shanghai Jiao Tong University, which owns 100%. Both Jiaoda Industrial and Shanghai Jiao Tong University are deemed to be interested in the aggregate of 114,000,000 domestic Shares held by Jiaoda S&T Park under the SFO.
3. These 60,000,000 domestic Shares are registered and owned by Shanghai Xin Xuhui (Group) Limited, the registered capital of which will be owned as to approximately 74.58% by Xuhui District Industrial Association after the completion of certain capital reorganisation as referred to in the Prospectus. Xuhui District Industrial Association is deemed to be interested in the 60,000,000 domestic Shares held by Shanghai Xin Xuhui (Group) Limited under the SFO.

B. Other persons who are required to disclose their interests pursuant to Division 2 and 3 of Part XV of the SFO

As at 30 June 2014, save for the persons/entities disclosed in sub-section A above, the following person/entity had an interest or a short position 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 of shareholder	Capacity and nature	Number and class of shares (Note)	Approximate percentage of interest
Chen Jianbo	Beneficial owner	24,300,000 domestic shares (L)	5.06%

Note: The letter “L” represents the entity’s interest in the shares of the Company.

Save as disclosed above, as at 30 June 2014, the Directors are not aware of any other person (other than the Directors and chief executive of the Company) who has interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPETING INTERESTS

None of the Directors or the management shareholders (as defined under the GEM Listing Rules) of the Company had any interest in a business which competes or may compete with the business of the Group.

PRACTICE AND PROCEDURES OF THE BOARD

Throughout the six months ended 30 June 2014, the Company was in compliance with the Board Practices and Procedures as set out in Rule 5.34 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the Exchange's required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the six months ended 30 June 2014.

AUDIT COMMITTEE

The Company established an audit committee on 7 July 2002 with written terms of reference for the purpose of reviewing and supervising the Group's financial reporting and internal control procedures. The audit committee comprises three independent non-executive Directors, Mr. Yuan Shumin, Dr. Cao Guo Qi and Dr. Chan Yan Chong. The audit committee has reviewed the unaudited results of the Company for the six months ended 30 June 2014.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2014.

CORPORATE GOVERNANCE

The Board considers that the Company has complied with the code provisions of the Code on Corporate Governance as set out in Appendix 15 of the GEM Listing Rules (the "CG Code") throughout the period for the six months ended 30 June 2014, except that the Company has not disclosed the terms of reference of audit committee and remuneration committee by including such information on the Company's website. The Company will take appropriate actions to comply with the CG Code.

Executive Directors Liu Yuwen, Mo Zhenxi, Wu Hanyuan, Shang Ling,
Zhu Kaiyong and Shen Zhimin

By Order of the Board
Shanghai Jiaoda Withub Information Industrial Company Limited*
Liu Yuwen
Chairman

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days of its posting.

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