



**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 2018**

**CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG
KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and medium-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board. 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 companies listed on GEM are mostly small and medium-sized companies, 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 Rule Governing the Listing of Securities on GEM of the Stock Exchange (“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 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 RMB10,202,000 for the six months ended 30 June 2018 (2017: approximately RMB22,315,000), representing a decrease of approximately 54.28% as compared with that of the corresponding period in 2017.
- The Group recorded a loss attributable to owners of the parent of approximately RMB11,190,000 for the six months ended 30 June 2018 (2017: loss of approximately RMB11,975,000), representing a decrease of approximately 6.56% as compared with that of the corresponding period in 2017.
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2018 (2017: Nil).

INTERIM RESULTS

The board of directors (the “Board”) of 上海交大慧谷信息產業股份有限公司 (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 2018, together with the unaudited comparative figures for the corresponding periods in 2017 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	<i>Notes</i>	For the three months ended 30 June		For the six months ended 30 June	
		2018 <i>RMB'000</i>	2017 <i>RMB'000</i>	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>
Turnover	2	7,969	12,010	10,202	22,315
Cost of sales		<u>(5,073)</u>	<u>(9,564)</u>	<u>(7,277)</u>	<u>(17,965)</u>
Gross profit		2,896	2,446	2,925	4,350
Other revenue		360	120	373	157
Distribution expenses		(2,818)	(2,923)	(6,860)	(5,250)
Research and development expenses		(1,129)	(2,236)	(2,549)	(4,292)
Administrative expenses		<u>(950)</u>	<u>(1,037)</u>	<u>(2,323)</u>	<u>(6,127)</u>
Loss before tax	4	(1,641)	(3,630)	(8,434)	(11,162)
Share of losses of associates		<u>(1,776)</u>	<u>(32)</u>	<u>(2,756)</u>	<u>(813)</u>
Loss before taxation		(3,417)	(3,662)	(11,190)	(11,975)
Tax expenses	5	—	—	—	—
Loss for the period		<u>(3,417)</u>	<u>(3,662)</u>	<u>(11,190)</u>	<u>(11,975)</u>
Attributable to:					
— Owners of the parent		(3,417)	(3,661)	(11,189)	(11,974)
— Minority interests		<u>—</u>	<u>—</u>	<u>(1)</u>	<u>(1)</u>
Dividends	6	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
		<u>(3,417)</u>	<u>(3,662)</u>	<u>(11,190)</u>	<u>(11,975)</u>
Loss per share (in RMB)					
— Basic	7	<u>(0.21693)</u>	<u>(0.0762)</u>	<u>(0.23312)</u>	<u>(0.02494)</u>
— Diluted		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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

		30 June 2018	31 December 2017
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
Non-current assets			
Plant and equipment		312	397
Long-term equity investment		7,014	9,770
Intangible assets		—	150
Available-for-sale investments		<u>1,916</u>	<u>1,916</u>
		<u>9,242</u>	<u>12,233</u>
Current assets			
Inventories		2,056	1,873
Interest receivable		—	1,078
Trade receivables	8	11,576	14,082
Deposits, prepayments and other receivables		5,822	3,401
Amounts due from associates		—	—
Amount due from a shareholder		—	—
Other current assets		—	22
Bank balances and cash		<u>43,785</u>	<u>55,903</u>
		<u>63,239</u>	<u>76,359</u>
Current liabilities			
Trade payables	9	12,180	17,412
Other payables		3,875	4,816
Advances from customers		5,157	2,487
Payroll payable		1,332	1,289
Tax payables		<u>(33)</u>	<u>1,428</u>
		<u>22,511</u>	<u>27,432</u>
Net current assets		<u>40,728</u>	<u>48,927</u>
Total assets less current liabilities		<u>49,970</u>	<u>61,160</u>
Non-current liability			
Deferred income		<u>—</u>	<u>—</u>
Net assets		<u>49,970</u>	<u>61,160</u>
Capital and reserves			
Share capital	10	48,000	48,000
Reserves		<u>1,996</u>	<u>13,185</u>
Equity attributable to owners of the Company		49,996	61,185
Minority interests		<u>(26)</u>	<u>(25)</u>
Total equity		<u>49,970</u>	<u>61,160</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Equity attributable to owners of the parent							Minority	
	Share capital	Share premium	Capital reserve	Statutory reserves	Translation reserve	Accumulated losses	Total	interests	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2017	48,000	61,068	16,000	223	1,575	(55,531)	71,335	(22)	71,313
Net loss for the period	—	—	—	—	115	(11,974)	(11,859)	(1)	(11,860)
Exchange difference arising on translation of an overseas subsidiary	—	—	—	—	—	—	—	—	—
At 30 June 2017	<u>48,000</u>	<u>61,068</u>	<u>16,000</u>	<u>223</u>	<u>1,690</u>	<u>(67,505)</u>	<u>59,476</u>	<u>(23)</u>	<u>59,453</u>
At 1 January 2018	48,000	61,068	16,240	223	1,278	(65,624)	61,185	(25)	61,160
Net loss for the period	—	—	—	—	—	(11,189)	(11,189)	(1)	(11,190)
Exchange difference arising on translation of an overseas subsidiary	—	—	—	—	—	—	—	—	—
At 30 June 2018	<u>48,000</u>	<u>61,068</u>	<u>16,240</u>	<u>223</u>	<u>1,278</u>	<u>(76,813)</u>	<u>(49,996)</u>	<u>(26)</u>	<u>49,970</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

	For the six months ended 30 June	
	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash used in operating activities	(12,307)	(10,851)
Net cash used in investing activities	189	127
Net cash used in financing activities	—	—
Net decrease in cash and cash equivalents	(12,118)	(10,724)
Cash and cash equivalents as at 1 January	<u>55,903</u>	<u>60,673</u>
Cash and cash equivalents as at 30 June	<u>43,785</u>	<u>49,949</u>

Notes:

1. BASIS OF PRESENTATION

The Financial statements has been prepared on the going-concern basis and transactions and events actually occurred in accordance with the “Accounting Standards for Business Enterprises” promulgated by the Ministry of Finance of the People’s Republic of China and relevant requirements (Collectively “Accounting Standards for Business Enterprises”), and China Securities Regulatory Commission’s “Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15-General Provisions on Financial Reports (2014 Revision)” and the provisions regarding disclosure pursuant to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies Ordinance of Hong Kong, as well as the accounting policies and estimation as stated in “4. Significant Accounting Policies and Accounting Estimation” under this section.

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	
	2018	2017	2018	2017
	RMB’000	RMB’000	RMB’000	RMB’000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Development and provision of:				
— Business application solutions	5,294	9,781	6,887	17,821
— Application software	192	622	192	1,427
— Installation and maintenance of network and data security products	2,483	1,136	3,123	2,130
Sales and distribution of computer and electrical products and accessories	<u>—</u>	<u>471</u>	<u>—</u>	<u>937</u>
	<u>7,969</u>	<u>12,010</u>	<u>10,202</u>	<u>22,315</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	
	2018	2017	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Segment revenue						
Turnover from external customers	<u>10,202</u>	<u>21,378</u>	<u>—</u>	<u>937</u>	<u>10,202</u>	<u>22,315</u>
Unallocated other revenue					<u>373</u>	<u>156</u>
					<u>10,575</u>	<u>22,471</u>
Results						
Segment results	<u>376</u>	<u>410</u>	<u>373</u>	<u>(195)</u>	<u>749</u>	<u>215</u>
Unallocated operating expenses					<u>(9,182)</u>	<u>(11,376)</u>
Loss before tax					<u>(8,433)</u>	<u>(11,161)</u>
Share of losses of associates					<u>(2,756)</u>	<u>(813)</u>
Tax expenses of owners of the parent					<u>—</u>	<u>—</u>
Loss attributable to owners of the parent					<u>(11,189)</u>	<u>(11,974)</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	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)
Staff costs (including Directors' emoluments) comprises:				
Salaries, wages and other benefits	3,015	3,270	6,083	9,567
Contributions to retirement benefits scheme	<u>1,532</u>	<u>1,479</u>	<u>2,959</u>	<u>2,871</u>
	4,547	4,749	9,042	12,438
Auditors' remuneration	90	90	180	180
Cost of inventories recognised as an expense	<u>5,073</u>	<u>9,564</u>	<u>7,277</u>	<u>17,965</u>

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	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)
Current tax - PRC				
— tax for the period	—	—	—	—
— over-provision in respect of prior years	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Tax expenses for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

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 2017 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 2018 (2017: Nil).

6. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2018 (2017: Nil).

7. LOSS PER SHARE

The calculation of the basic loss per share for the six months ended 30 June 2018 is based on the unaudited net loss of approximately RMB11,190,000 (2017: net loss of approximately RMB11,975,000) and the weighted average number of shares during the six months ended 30 June 2018 was 480,000,000 shares (2017: 480,000,000 shares).

The calculation of the basic loss per share for the three months ended 30 June 2018 is based on the unaudited net loss of approximately RMB3,417,000 (2017: net loss of approximately RMB3,662,000) and the weighted average number of shares during the three months ended 30 June 2018 was 480,000,000 shares (2017: 480,000,000 shares).

Diluted loss per share is not presented for the six months and three months ended 30 June 2018 and 2017 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 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
Aged:		
Within 3 months (inclusive)	1,951	7,470
3 months to 6 months (inclusive)	978	316
7 months to 12 months (inclusive)	689	1,121
Over 1 year	<u>7,958</u>	<u>5,175</u>
	<u>11,576</u>	<u>14,082</u>

9. TRADE AND BILLS PAYABLE

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

	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
Aged:		
Within 1 year	8,594	12,772
Over 1 year	<u>3,586</u>	<u>4,640</u>
	<u>12,180</u>	<u>17,412</u>

10. SHARE CAPITAL

	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
Registered, issued and fully paid: 480,000,000 (2017: 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.

11. 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 2018, the Group recorded a turnover of approximately RMB10,202,000 (2017: approximately RMB22,315,000), representing a decrease of approximately RMB12,113,000, or 54.28% as compared to the corresponding period last year. Gross profit decreased by RMB1,425,000 or 32.76% to RMB2,925,000 (2017: approximately RMB4,350,000). The Group recorded a loss of RMB11,190,000 which represents a decrease as compared with the loss of approximately RMB11,975,000 for the corresponding period in 2017.

For the six months ended 30 June 2018, the revenue for the Group has decreased from RMB22,315,000 to RMB10,202,000. The revenue are mainly consisting of the business solutions development which made up of 67.51% of the total sales or RMB6,887,000, and this is followed by 30.61% of total sales or RMB3,123,000 for installation and maintenance of network and data security products, 1.88% or RMB192,000 for application software.

The revenue of business solutions development decreased by RMB10,934,000 or 61.35%, as compared to RMB17,821,000 for the previous year. The decrease was due to the comparatively higher revenue recorded in 2017, resulting from the fact that the revenue generated from two remaining projects in 2016 was added to 2017, while the revenue in 2018 was back to the usual level. The revenue of application software business decreased by RMB1,235,000 or 86.55% from RMB1,427,000 for the previous year. The decrease was due to the fact that the revenue from a number of projects to be commenced in the second quarter will be reflected gradually in the second half of this year. The revenue of installation and maintenance of network and data security products increased by RMB993,000 or 46.62% from RMB2,130,000 for the previous year.

Gross profit decreased by RMB1,425,000 or 32.76% from RMB4,350,000 to RMB2,925,000. Gross profit margin has increased to 28.67% for the year, as compared to 19.49% for the last corresponding year.

Administrative expenses decreased by RMB3,804,000 or 62.09% to RMB2,323,000 from RMB6,127,000 for the corresponding period last year. Research and development expenses decreased by RMB1,743,000 or 40.61% to RMB2,549,000, as compared to RMB4,292,000 for the previous year. Distribution expenses has increased from RMB5,250,000 for the previous year to RMB6,860,000 for the current year.

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

Financial resources and liquidity

As at 30 June 2018, shareholders' funds of the Group amounted to approximately RMB49,996,000 (as at 31 December 2017: approximately RMB61,185,000). Current assets amounted to approximately RMB63,239,000 (as at 31 December 2017: approximately RMB76,359,000), of which approximately RMB43,785,000 (as at 31 December 2017: approximately RMB55,903,000) were bank balances and cash. The Group had no non-current liabilities and its current liabilities amounted to approximately RMB22,511,000 (as at 31 December 2017: approximately RMB27,432,000), which mainly comprised of trade and bill payables and accrued expenses. The Group's net assets per share are approximately RMB0.10 (as at 31 December 2017: approximately RMB0.13).

As at 30 June 2018, the Group has bank balances and cash amounting to approximately RMB43,785,000 with a current ratio of approximately 280.92%. The Directors believed that the Group's financial position is healthy.

As at 30 June 2018, the Group has a gearing ratio of approximately 31.06% (as at 31 December 2017: approximately 30.96%).

Capital structure

There has been no change to the capital structure of the Company during the six months ended 30 June 2018.

Foreign exchange exposure

During the six months ended 30 June 2018, 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 2018, the Group employed permanent staff of approximately 128 (2017: 134). For the six months ended 30 June 2018, the remuneration for the employees (including the Directors emoluments) amounted to approximately RMB6,083,000 (2017: approximately RMB9,567,000). The Group's remuneration and bonus policies are principally determined with reference to the qualification, experience and performance of individual employee.

Significant Investments

During the six months ended 30 June 2018, the Group had no significant investments.

Material acquisitions or disposals of subsidiaries, associates and joint ventures

During the six months ended 30 June 2018, the Group had no material acquisitions or disposal of subsidiaries, associates or joint ventures.

Treasury policy

The Group adopts a treasury policy that aims to better control its treasury operations and lower borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources are used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

Charges on Group's assets

As at 30 June 2018, the Group had no charges on Group's assets.

Details of future plans for material investments or capital assets

As at 30 June 2018, the Group had no future plans for material investments or capital assets.

Contingent liabilities

As at 30 June 2018, the Group had no material contingent liabilities (2017: Nil).

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

As at 30 June 2018, none 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 have any interests and short positions 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 Company's 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.

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

As at 30 June 2018, 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 2018, 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 2018, the following shareholders (other than the Directors and the supervisors of the Company) (as if the requirements applicable to the Directors under the SFO had applied to the supervisors of the Company) 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 <i>(Note 1)</i>	Approximate percentage of interest
Shanghai Jiaotong University	Interest of a controlled corporation <i>(Note 2)</i>	114,000,000 domestic shares (L)	23.75%
Shanghai Jiaoda Industrial Investment Management (Group) Limited	Interest of a controlled corporation <i>(Note 2)</i>	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) Company Limited	Beneficial owner	60,000,000 domestic shares (L)	12.50%
Xuhui District Industrial Association	Interest of a controlled corporation <i>(Note 3)</i>	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 Venture Capital Company Limited	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 Jiaotong University, which owns 96.735% and Shanghai Jiaoda Enterprise Management Centre, which owns 3.265%, an entity wholly-owned by Shanghai Jiaotong University. Both Jiaoda Industrial and Shanghai Jiaotong 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) Company 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) Company 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 2018, 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 2018, 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 2018, 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 2018.

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. Ni Jing and Dr. Chan Yan Chong. The audit committee has reviewed the unaudited results of the Company for the six months ended 30 June 2018.

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 2018.

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 2018.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

No important events affecting the Group has occurred subsequent to 30 June 2018.

As at the date of this announcement, the Directors of the Company are as follows:

Executive Directors	Zou Yimin, Shuai Ge, Shang Ling, Zhou Re Qing, Xia Weiwei and Shen Zhimin
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Independent Non-executive Directors	Yuan Shumin, Ni Jing and Chan Yan Chong
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By Order of the Board
Shanghai Jiaoda Withub Information Industrial Company Limited*
Zou Yimin
Chairman

Shanghai, the PRC, 2 August 2018

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.

** For identification purpose only*