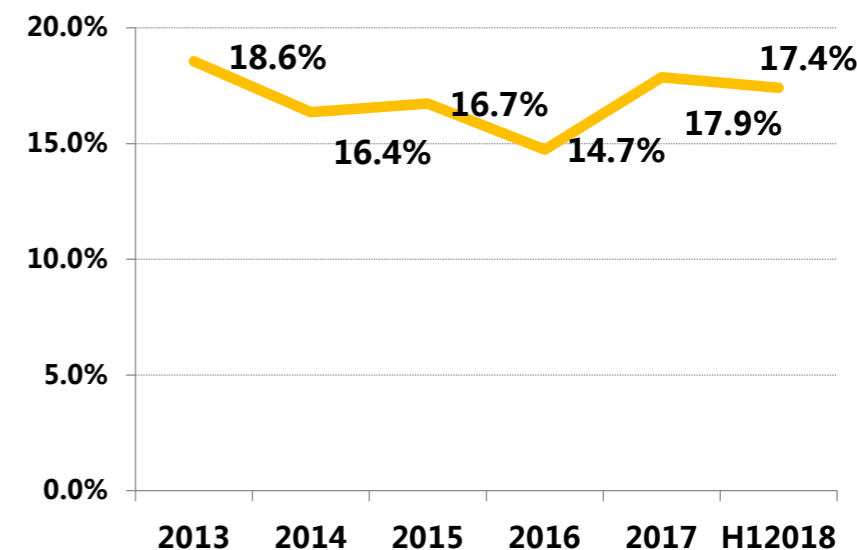


	(RMB '000)		(RMB '000)
<b>Turnover</b>	<b>-8.4%</b>	<b>Profit for the period</b>	<b>+6.5%</b>
2018 1H	632,973	2018 1H	86,395
2017 1H	691,005	2017 1H	81,144
<b>Gross Profit Margin</b>	<b>-1.6ppts</b>	<b>Net Profit Margin</b>	<b>+1.9ppts</b>
2018 1H	28.6%	2018 1H	13.6%
2017 1H	30.2%	2017 1H	11.7%

2013 ~ 1H2018 Operating Profit Margin



- Market demand steadily increases. Product upgrades and high value-added products' growth effectively alleviated pressure from ASP drop for standard products incurred by the market competition
- Turnover of embedded software and secure payment products segment decreases by **10.7%** yoy, leading to a gross margin level of **23.5%**
- Turnover of platform and services segment increases by **1.5%** yoy, with an improvement of gross margin up to **48.1%**, and the contribution to turnover up to **20.8%**
- Intelligent operations continues to be optimized and upgraded, which brings a cost down benefit, and the cost of major raw materials has further potential to be reduced
- Through effective cost control and management optimization, operating expenses decreased by **1.7%** yoy
- R&D expenses continued to increase, up **5.2%** yoy
- Operating profit margin stays at a leading level amongst competitors

(RMB' 000 )	2018 1H	2017 1H	YOY
Turnover	632,973	691,005	-8.4%
Gross Profit	180,926	208,375	-13.2%
Gross profit margin(%)	28.6%	30.2%	-1.6ppts
Expenses for the period	114,338	116,336	-1.7%
Other income	49,423	31,401	+57.4%
Other gains or losses	4,809	-20,347	N/A
Impairment loss on interests in associates	-10,234	-	N/A
Profit for the period	86,395	81,144	+6.5%
<b>Net profit margin(%)</b>	<b>13.6%</b>	<b>11.7%</b>	<b>+1.9ppts</b>
Dividend per share (HK cents)			
- Interim	4.0	4.0	-
EPS (RMB Cents)			
- Basic	10.5	9.9	+6.1%
- Diluted	10.5	9.9	+6.1%

(RMB' 000 )	2016 1H		2017 1H		2018 1H	
	(as % of revenue)		(as % of revenue)		(as % of revenue)	
<b>Turnover</b>	<b>681,437</b>	<b>100.0%</b>	<b>691,005</b>	<b>100.0%</b>	<b>632,973</b>	<b>100.0%</b>
<b>Operating expenses</b>	<b>125,523</b>	<b>18.4%</b>	<b>116,336</b>	<b>16.8%</b>	<b>114,338</b>	<b>18.1%</b>
- R&D expenses	46,931	6.9%	49,258	7.1%	51,809	8.2%
- Sales and distribution expenses	62,715	9.2%	56,287	8.1%	45,445	7.2%
- Administrative expenses	15,877	2.3%	10,791	1.6%	17,084	2.7%

	As at 30 Jun, 2018	As at 30 Jun, 2017	As at 31 Dec, 2017
<b>Net assets</b> (RMB' 000 )	<b>1,911,981</b>	<b>1,862,880</b>	<b>1,929,883</b>
<b>Total Funds Available*</b> (RMB' 000 )	<b>1,287,237</b>	<b>1,261,337</b>	<b>1,616,967</b>
<b>Short-term wealth management product</b> (RMB' 000 )	<b>100,000</b>	<b>—</b>	<b>—</b>
<b>Net assets per share</b> (RMB)	<b>2.29</b>	<b>2.23</b>	<b>2.31</b>
<b>Net cash per share</b> (RMB)	<b>1.66</b>	<b>1.51</b>	<b>1.94</b>

## Over HKD550 Million Dividends Paid

