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This announcement, for which the directors (the “Director(s)”) of CCID Consulting Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“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.*

CCID Consulting

賽迪顧問股份有限公司

CCID CONSULTING COMPANY LIMITED*

(a joint stock limited company incorporated in the People’s Republic of China)

(Stock code: 8235)

www.ccidconsulting.com

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
CAPITAL INCREASE IN CCID DESIGN
DEEMED DISPOSAL AND ACQUISITION OF EQUITY INTEREST**

Financial Adviser to the Company



**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



THE CAPITAL INCREASE AGREEMENT

The Board of CCID Consulting Company Limited is pleased to announce that on 20 July 2020 (after trading hours), the Company, CCID Design, CCID Group Co. and Guangdong CCID entered into the Capital Increase Agreement, pursuant to which, CCID Group Co. agreed to make a capital contribution in the amount equivalent to approximately RMB53,710,000 (subject to adjustment) (of which approximately RMB30 million will be credited as the registered capital of CCID Design and the remaining amount will be credited as the capital reserve of CCID Design) to CCID Design by way of injection of the 100% equity interest in Guangdong CCID. The registered capital of CCID Design will be increased from RMB50 million as at the date of this announcement to approximately RMB80 million.

Upon completion of the Capital Increase, (i) Guangdong CCID will be a wholly-owned subsidiary of the Company, (ii) the Company's interest in CCID Design will decrease from 95% to approximately 59.37%, and (iii) CCID Group Co.'s interest in CCID Design will increase from 5% to approximately 40.63%. CCID Design will continue to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

Upon completion of the Capital Increase, the Company's interest in CCID Design will be diluted from 95% as at the date of this announcement to approximately 59.37% of the enlarged registered capital of CCID Design. Therefore, the Capital Increase results in a deemed disposal, under Rule 19.29 of the GEM Listing Rules, by the Company of its 35.63% equity interest in CCID Design. Further, as a result of the Capital Increase, CCID Design (which will remain as a subsidiary of the Company) will acquire 100% of Guangdong CCID, and thus the Capital Increase also constitutes an acquisition by the Group. As the Capital Increase involves both the Deemed Disposal and the Acquisition, pursuant to Rule 19.24 of the GEM Listing Rules, it will be classified by reference to the larger of the Deemed Disposal or the Acquisition.

As at the date of this announcement, CCID Group Co. is a company ultimately controlled by CCID, the controlling shareholder of the Company which indirectly holds 491,000,000 domestic shares of the Company through Research Center and CCID Riyue, representing approximately 70.14% of the issued share capital of the Company. Therefore, CCID Group Co. is a connected person of the Company. Being a wholly-owned subsidiary of CCID Group Co., Guangdong CCID is an associate of CCID, and thus also a connected person of the Company. Therefore, the entering into of the Capital Increase Agreement and the transactions contemplated thereunder constitute connected transactions of the Company.

As the highest applicable percentage ratio calculated pursuant to Rule 19.07 of the GEM Listing Rules in respect of the Deemed Disposal exceeds 5% but is below 25% and the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is below 25%, the Capital Increase constitutes (i) a non-exempt connected transaction of the Company under Chapter 20 of the GEM Listing Rules; and (ii) a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules, and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules.

GENERAL

An EGM will be convened by the Company for the purposes of considering and, if thought fit, approving the Capital Increase Agreement and the transactions contemplated thereunder. Save for Research Center and CCID Riyue and any of their associates, to the best of the Directors' knowledge, none of the Shareholders is required to abstain from voting on the relevant resolutions regarding entering into the Capital Increase Agreement at the EGM. Among the Directors, (i) Ms. Xia Lin is the chief investment officer of CCID Group Co., and (ii) Mr. Qin Hailin is the general manager of CCID Group Co., and accordingly they are considered to have material interests in the transactions contemplated under the Capital Increase Agreement. Ms. Xia Lin and Mr. Qin Hailin had abstained from voting on the resolution in respect of the Capital Increase Agreement at the board meeting. Save as disclosed above, none of the Directors is required to abstain from voting on the board resolutions approving the entering into of the Capital Increase Agreement pursuant to the Articles of Association and the GEM Listing Rules.

An Independent Board Committee, comprising three independent non-executive Directors, has been established to advise the Independent Shareholders on whether the terms of the Capital Increase Agreement and the transactions contemplated thereunder are fair and reasonable, whether entering into the Capital Increase Agreement is in the interests of the Company and the Shareholders as a whole, and how to vote at the EGM in respect of entering into the Capital Increase Agreement. Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, (i) further details on the Capital Increase Agreement; (ii) a letter from the Independent Board Committee containing its advice and recommendations in respect of entering into the Capital Increase Agreement; (iii) a letter from Maxa Capital containing its advice and recommendations in respect of entering into the Capital Increase Agreement; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before 17 August 2020 to allow sufficient time for the preparation of the relevant information for inclusion therein.

Completion of the Capital Increase is subject to the fulfilment of the conditions precedent thereto, and accordingly may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE CAPITAL INCREASE AGREEMENT

Principal terms of the Capital Increase Agreement are set out below.

- Date:** 20 July 2020
- Parties:**
- (1) the Company,
 - (2) CCID Design,
 - (3) CCID Group Co., and
 - (4) Guangdong CCID

Transaction Structure of the Capital Increase

Pursuant to the Capital Increase Agreement, CCID Group Co. agreed to make a capital contribution in the amount equivalent to approximately RMB53,710,000 (subject to adjustment) (of which approximately RMB30 million will be credited as the paid-up capital of CCID Design and the remaining amount will be credited as the capital reserve of CCID Design) to CCID Design by way of injection of the 100% equity interest in Guangdong CCID. The registered capital of CCID Design will be increased from RMB50 million as at the date of this announcement to approximately RMB80 million.

Upon completion of the Capital Increase, (i) Guangdong CCID will be a wholly-owned subsidiary of the Company, (ii) the Company's interest in CCID Design will decrease from 95% to approximately 59.37%, and (iii) CCID Group Co.'s interest in CCID Design will increase from 5% to approximately 40.63%. CCID Design will continue to be a subsidiary of the Company.

The consideration under the Capital Increase Agreement was determined by the Parties with reference to (i) the valuation of Guangdong CCID and CCID Design as at the Valuation Benchmark Date, being approximately RMB53,710,000 and RMB89,500,000, respectively, which is conducted by the Independent Valuer engaged by the Company, and (ii) after arm's length negotiation among the Parties. The consideration under the Capital Increase Agreement is subject to potential adjustment(s) to the valuation as

required by the competent government authorities, which the Parties under the Capital Increase Agreement agree to adjust as needed through supplemental agreements.

The Independent Valuer adopted, among others, the income approach in estimating the value of Guangdong CCID and CCID Design as at the Valuation Benchmark Date. Please refer to the section headed “Major Assumptions Adopted in the Valuation” for the major assumptions adopted in the valuation. SHINEWING (HK) CPA Limited, the Company’s reporting accountant, has reported on the arithmetical accuracy of the calculations of the discounted cash flow forecast contained in the valuation report. The full text of the reports from SHINEWING (HK) CPA Limited is contained in Appendix I to this announcement. Huatai Financial Holdings (Hong Kong) Limited, the Company’s financial adviser, has confirmed that the profit forecast was made by the Board after due and careful enquiry. The full text of the letter from Huatai Financial Holdings (Hong Kong) Limited is contained in Appendix II to this announcement.

Profit or Loss Arrangement during the Transition Period

During the period commencing from the Valuation Benchmark Date to the closing date of the Capital Increase, (i) the profit or loss of Guangdong CCID incurred in the aforementioned period shall be borne by CCID Design; and (ii) the profit or loss of CCID Design incurred in the aforementioned period shall be borne by CCID Group Co. and the Company in proportion to their respective shareholding in CCID Design after completion of the Capital Increase. Accordingly, based on the aforesaid profit or loss arrangement during the transition period, the consideration under the Capital Increase Agreement will not be adjusted by any changes in profit or loss of either Guangdong CCID or CCID Design after the Valuation Benchmark Date.

Conditions Precedent

The completion of the Capital Increase is conditional upon the fulfilment of the following conditions precedent:

- (i) the Capital Increase Agreement having been duly executed by the Parties;
- (ii) the approval of the Capital Increase by the shareholders of CCID Design, CCID Group Co. and Guangdong CCID, respectively;
- (iii) the Independent Shareholders’ approval in respect of the Capital Increase having been obtained at the EGM;
- (iv) the approval in respect of the valuation of Guangdong CCID and CCID Design having been obtained from relevant competent government authorities;

- (v) there being no competent government, judiciary, or legislative body prohibiting one or more Parties from carrying out the Capital Increase or requiring one or more Parties to stop carrying out the Capital Increase; and
- (vi) the representations and warranties made by each Party remaining true, accurate, complete and not misleading in all material respects, and the undertakings and covenants made by each Party having been duly fulfilled.

Profit Guarantee

CCID Group Co. undertakes that the net profit of Guangdong CCID for the year ending 31 December 2020 shall be no less than RMB6 million. CCID Design is entitled to appoint an auditor to conduct an auditing and issue an auditor's report for Guangdong CCID for the year ending 31 December 2020. In the event that the net profit of Guangdong CCID is less than RMB6 million, CCID Group Co. shall pay the shortfall cash amount to Guangdong CCID within 30 days upon issuance of the abovementioned auditor's report.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

Guangdong CCID is principally engaged in industry spatial management services including planning, operation, management and attracting investments for industrial parks in Guangdong province with a long history of operation and a stable and strong working relationship with local government and corporate customers. The Directors believe that the acquisition of Guangdong CCID will, on the one hand, extend the Company's value chain by supplementing the Company's existing services and providing further value added services to its customers, and on the other hand, strengthen the Company's influence in the Guangdong-Hong Kong-Macao Greater Bay Area.

Upon the completion of the Capital Increase, CCID Design will continue to be a subsidiary of the Company and its financial results will continue to be consolidated into that of the Company. In addition, after Guangdong CCID becomes a wholly-owned subsidiary of CCID Design, there would be a significant increase in CCID Design's key financial indicators such as assets, income and profit, which will, to some extent, increase the Group's assets, income and other financial indicators in its consolidated financial statements, further contributing to a potential appreciation of the Company's market capitalization.

Among the Directors, (i) Ms. Xia Lin is the chief investment officer of CCID Group Co., and (ii) Mr. Qin Hailin is the general manager of CCID Group Co., and accordingly they are considered to have material interests in the transactions contemplated under the Capital Increase Agreement. Ms. Xia Lin and Mr. Qin Hailin had abstained from voting on the resolution in respect of the Capital Increase Agreement at the board meeting. Save as disclosed above, none of the Directors is required to abstain from voting on the board resolutions approving entering into the Capital Increase Agreement pursuant to the

Articles of Association and the GEM Listing Rules. The view of the Independent Board Committee in respect of entering into the Capital Increase Agreement will be provided in the circular to be despatched for the EGM.

FINANCIAL EFFECT OF THE CAPITAL INCREASE

Upon completion of the Capital Increase, the Company's equity interest in CCID Design will be reduced from 95% to 59.37% and CCID Design will continue to be a non wholly-owned subsidiary of the Company. Accordingly, the financial results and financial positions of CCID Design will continue to be consolidated in the consolidated financial statements of the Company. CCID Group Co. agreed to make a capital contribution to CCID Design by way of injection of the 100% equity interest in Guangdong CCID, and CCID Group Co.'s equity interest in CCID Design will be increased from 5% to 40.63%.

The effect caused by such transaction will not result in loss of the Company's control over CCID Design, the capital contribution will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the Company's financial results.

Immediately upon the completion of the Capital Increase, the consolidated assets and the non-controlling interests of the Company will be increased before taking into account the relating expenses as incurred in connection with the transaction.

MAJOR ASSUMPTIONS ADOPTED IN THE VALUATIONS OF GUANGDONG CCID AND CCID DESIGN

According to the valuation reports prepared by the Independent Valuer in respect of Guangdong CCID and CCID Design, the valuations are based on a set of premises and assumptions. The major assumptions and premises of the valuations are as follows:

(I) General Assumptions

1. Transaction Assumption

It is assumed that all assets to be appraised are in the trading process, and the appraisal is based on the simulated market including the trading conditions of the assets to be appraised by the valuer.

2. Open-market Assumption

It is assumed that both parties of the transaction in respect of the assets traded or to be traded in the market are equal and have opportunities and time to get adequate market information so as to make rational judgments on the function, usage and trading price of the assets.

3. *Going-concern Assets Assumption*

It is assumed that the appraised assets will continue to operate according to the current purposes, manner, size, frequency and environment, or on the basis of certain changes.

(II) **Specific Assumptions**

1. It is assumed that the external economic environment remains unchanged and the current national macroeconomy does not change significantly from that as at the Valuation Benchmark Date.
2. It is assumed that social and economic environment, as well as the policies in relation to the imposed tax and the tax rate, etc. of the enterprise do not change significantly.
3. It is assumed that the future management of the company is diligent and will maintain the existing management model.
4. The appraisal is conducted only based on existing business capacity on the Valuation Benchmark Date, taking into consideration neither the potential expansion of business capacity as a result of various conditions in the future, including management, business strategies and additional investment nor potential changes in production and operation in the future.
5. The assets are only appraised on the actual stock as at the Valuation Benchmark Date and the current market capitalization of relevant assets is based on the effective domestic price as at the Valuation Benchmark Date.
6. It is assumed that the basic information and financial information provided by the principal and the appraised companies is true, accurate and complete.
7. The scope of the appraisal is based on the application for appraisal provided by the principal and the appraised company, without consideration of the contingent assets or contingent liabilities beyond the list provided by the principal and the appraised company.
8. The impact of inflation is ruled out in the estimation of the parameters values in the appraisal.

EXPERTS AND CONSENTS

The qualifications of each of the experts who provide conclusions or opinions in this announcement and the dates of relevant conclusions or opinions are as follows:

| Name | Qualification | Date of conclusions or opinions |
|--|--|--|
| China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) | a PRC qualified valuer | 20 July 2020 |
| Huatai Financial Holdings (Hong Kong) Limited | a corporation licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO | 20 July 2020 |
| SHINEWING (HK) CPA Limited | Certified Public Accountants | 20 July 2020 |

Each of the above experts has given and has not withdrawn its written consent to the issue of this announcement with the references to its letter or opinion in the form and context in which they respectively appear herein.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Independent Valuer, Huatai Financial Holdings (Hong Kong) Limited and SHINEWING (HK) CPA Limited does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Group. As such, the above experts are third parties independent of the Company and its connected persons.

INFORMATION ON THE PARTIES INVOLVED

The Company

The principal business of the Company is provision of management and strategy consultancy, market consultancy, data information management and information engineering supervision services.

CCID Design

CCID Design is a company incorporated under the laws of the PRC. As at the date of this announcement, CCID Design is held as to 95% and 5% by the Company and CCID Group Co., respectively. CCID Design is principally engaged in information technology services, data processing services and software services.

Set out below is certain financial information of CCID Design (prepared in accordance with PRC generally accepted accounting principles) for the financial year ended 31 December 2018 and 31 December 2019.

| | Year ended/As at | |
|--------------------------|--|--|
| | 31 December 2019 audited <i>RMB</i> | 31 December 2018 unaudited <i>RMB</i> |
| Revenue | 96,908,177 | 68,057,654 |
| Profits before taxation | 18,954,871 | 14,870,853 |
| Profits after taxation | 15,867,140 | 12,472,998 |
| Book value of the assets | 88,439,457 | 72,222,508 |

CCID Group Co.

CCID Group Co. is a company incorporated under the laws of the PRC. As at the date of this announcement, it is a company ultimately controlled by CCID. It is principally engaged in information technology services, data processing services and software services.

Guangdong CCID

Guangdong CCID, a wholly-owned subsidiary of CCID Group Co., is a company incorporated under the laws of the PRC. It is principally engaged in industry spatial management services including planning, operation, management and attracting investments for industrial parks in Guangdong province. Guangdong CCID was established by CCID Group Co. and an independent third party in November 2014 with an initial registered capital of RMB5 million. Guangdong CCID has become a wholly-owned subsidiary of CCID Group Co. since December 2019.

Set out below is certain audited financial information of Guangdong CCID (prepared in accordance with PRC generally accepted accounting principles) for the financial year ended 31 December 2018 and 31 December 2019.

| | Year ended/As at | |
|-------------------------------|-------------------------------------|-------------------------------------|
| | 31 December 2019 RMB | 31 December 2018 RMB |
| Revenue | 20,709,504 | 6,259,943 |
| Profit/(Loss) before taxation | 4,834,143 | (5,402,973) |
| Profit/(Loss) after taxation | 3,611,768 | (4,077,590) |
| Book value of the assets | 2,472,061 | (1,139,707) |

LISTING RULES IMPLICATIONS

The income approach adopted by the Independent Valuer in the valuation of Guangdong CCID and CCID Design constitutes a profit forecast under Rule 19.61 of the GEM Listing Rules and this announcement is therefore subject to the requirements under Rules 19.60A and 19.62 of the GEM Listing Rules in relation to profit forecast.

Upon completion of the Capital Increase, the Company's interest in CCID Design will be diluted from 95% as at the date of this announcement to approximately 59.37% of the enlarged registered capital of CCID Design. Therefore, the Capital Increase results in a deemed disposal, under Rule 19.29 of the GEM Listing Rules, by the Company of its 35.63% equity interest in CCID Design. Further, as a result of the Capital Increase, CCID Design (which will remain as a subsidiary of the Company) will acquire 100% of Guangdong CCID, and thus the Capital Increase also constitutes an acquisition by the Group. As the Capital Increase involves both the Deemed Disposal and the Acquisition, pursuant to Rule 19.24 of the GEM Listing Rules, it will be classified by reference to the larger of the Deemed Disposal or the Acquisition.

As at the date of this announcement, CCID Group Co. is a company ultimately controlled by CCID, the controlling shareholder of the Company which indirectly holds 491,000,000 domestic shares of the Company through Research Center and CCID Riyue, representing approximately 70.14% of the issued share capital of the Company. Therefore, CCID Group Co. is a connected person of the Company. Being a wholly-owned subsidiary of CCID Group Co., Guangdong CCID is an associate of CCID, and thus also a connected person of the Company. Therefore, the entering into of the Capital Increase Agreement and the transactions contemplated thereunder constitute connected transactions of the Company.

As the highest applicable percentage ratio calculated pursuant to Rule 19.07 of the GEM Listing Rules in respect of the Deemed Disposal exceeds 5% but is below 25% and the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is below 25%, the Capital Increase constitutes (i) a non-exempt connected transaction of the Company under Chapter 20 of the GEM Listing Rules; and (ii) a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules, and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules.

GENERAL

An EGM will be convened by the Company for the purposes of considering and, if thought fit, approving the Capital Increase Agreement and the transactions contemplated thereunder. Save for Research Center and CCID Riyue and any of their associates, to the best of the Directors' knowledge, none of the Shareholders is required to abstain from voting on the relevant resolutions regarding entering into the Capital Increase Agreement at the EGM. Among the Directors, (i) Ms. Xia Lin is the chief investment officer of CCID Group Co., and (ii) Mr. Qin Hailin is the general manager of CCID Group Co., and accordingly they are considered to have material interests in the transactions contemplated under the Capital Increase Agreement. Ms. Xia Lin and Mr. Qin Hailin had abstained from voting on the resolution in respect of the Capital Increase Agreement at the board meeting. Save as disclosed above, none of the Directors is required to abstain from voting on the board resolutions approving the entering into of the Capital Increase Agreement pursuant to the Articles of Association and the GEM Listing Rules.

An Independent Board Committee, comprising three independent non-executive Directors, has been established to advise the Independent Shareholders on whether the terms of the Capital Increase Agreement and the transactions contemplated thereunder are fair and reasonable, whether entering into the Capital Increase Agreement is in the interests of the Company and the Shareholders as a whole, and how to vote at the EGM in respect of entering into the Capital Increase Agreement. Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, (i) further details on the Capital Increase Agreement; (ii) a letter from the Independent Board Committee containing its advice and recommendations in respect of entering into the Capital Increase Agreement; (iii) a letter from Maxa Capital containing its advice and recommendations in respect of entering into the Capital Increase Agreement; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before 17 August 2020 to allow sufficient time for the preparation of the relevant information for inclusion therein.

Completion of the Capital Increase is subject to the fulfilment of the conditions precedent thereto, and accordingly may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

| | |
|------------------------------|--|
| “Acquisition” | the acquisition of the 100% equity interest in Guangdong CCID as contemplated under the Capital Increase Agreement |
| “Articles of Association” | the articles of association of the Company |
| “Capital Increase” | the capital increase in CCID Design to be made by CCID Group Co. as contemplated under the Capital Increase Agreement |
| “Capital Increase Agreement” | the capital increase agreement entered into among the Company, CCID Design, CCID Group Co. and Guangdong CCID on 20 July 2020 |
| “CCID” | China Center of Information Industry Development* (中國電子信息產業發展研究院), a research institution focusing on information technology industry, established as a legal person by, and under the supervision of, the Ministry of Information Industry of PRC |
| “CCID Design” | CCID Exhibition Industry and Information Engineering Design Center Co., Ltd.* (北京賽迪工業和信息化工程設計中心有限公司) |
| “CCID Group Co.” | CCID Academy for Industry and Information Technology Limited* (賽迪工業和信息化研究院(集團)有限公司) |
| “CCID Riyue” | Beijing CCID Riyue Investment Co., Ltd |
| “Company” | CCID Consulting Company Limited* (賽迪顧問股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability on 14 March 2001 |
| “connected person(s)” | shall have the meaning ascribed to it under the GEM Listing Rules |
| “Deemed Disposal” | the reduction of the Company’s equity interest in CCID Design by approximately 35.63% upon completion of the Capital Increase |
| “Director(s)” | the director(s) of the Company |

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|---|--|
| “EGM” | the extraordinary general meeting to be convened by the Company for the purposes of considering and, if thought fit, approving the Capital Increase Agreement and the transactions contemplated thereunder |
| “GEM” | the GEM of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM (as amended from time to time) |
| “Group” | the Company and its subsidiaries |
| “Guangdong CCID” | Guangdong CCID Industrial and Information Research Center Co., Ltd.* (廣東賽迪工業和信息化研究院有限公司) |
| “Hong Kong” | The Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent board committee of the Company (comprising all the independent non-executive Directors) established to advise the Independent Shareholders in respect of entering into the Capital Increase Agreement |
| “Independent Financial Adviser” or “Maxa Capital” | Maxa Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Capital Increase Agreement and the transactions contemplated thereunder |
| “Independent Shareholders” | all Shareholders other than CCID and its associates |
| “Independent Valuer” | China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) |
| “Parties” | the Company, CCID Design, CCID Group Co., and Guangdong CCID; each a “Party” |
| “PRC” | the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |

| | |
|----------------------------|--|
| “Research Center” | Research Center of Ministry of Industry and Information Technology Computer and Microelectronics Development* (工業和信息化部計算機與微電子發展研究中心) |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | share(s) of RMB0.1 each of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Valuation Benchmark Date” | 31 May 2020 |
| “%” | per cent |

By Order of the Board
CCID Consulting Company Limited*
Ms. Xia Lin
Chairman

Beijing, the PRC, 20 July 2020

As at the date of this announcement, the Board comprises one executive Director namely Ms. Xia Lin, one non-executive Director namely Mr. Qin Hailin and three independent non-executive Directors namely Mr. Guo Xinping, Ms. Li Xuemei and Mr. Chen Yung-cheng.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the “Investor Relations” page of the Company’s website at www.ccidconsulting.com.

* For identification purposes only

APPENDIX I-A: REPORT FROM SHINEWING (HK) CPA LIMITED IN RELATION TO THE UNDERLYING FORECAST TO THE VALUATION OF CCID DESIGN

20 July 2020

The Board of Directors
CCID Consulting Company Limited
10th Floor, CCID Plaza,
66 Zizhuyuan Road,
Haidian District,
Beijing, PRC

Dear Sirs,

INDEPENDENT ASSURANCE REPORT

We have examined the accounting policies adopted and calculations of the underlying discounted cash flow forecast (the “Underlying Forecast”) to the valuation dated 20 July 2020 prepared by China United Assets Appraisal Group Co., Ltd (the “Valuer”) in respect of the valuation on CCID Exhibition Industry and Information Engineering Design Center Co., Ltd. (the “CCID Design”) and its subsidiary (collectively referred to as the “CCID Design Group”). The valuation is prepared in connection with the proposed deemed disposal of the CCID Design and acquisition of the 100% equity interest in Guangdong CCID Industrial and Information Research Center Co., Ltd. as set out in announcement of CCID Consulting Company Limited (the “Company”) dated 20 July 2020 (the “Announcement”). The Valuation based on the Underlying Forecast is regarded as a profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

Directors’ Responsibilities

The directors of the Company and CCID Design (the “Directors”) are solely responsible for the preparation of the Underlying Forecast including the bases and assumptions for the purpose of valuation of the CCID Design Group based on discounted cash flow method. The Underlying Forecast has been prepared using a set of bases and assumptions (the “Assumptions”) that include hypothetical assumptions about future events and management’s actions that are not necessarily expected to occur. Even if the events anticipated occur, actual results are still likely to be different from the Underlying Forecast and the variation may be material. The Directors are responsible for the reasonableness and validity of the Assumptions.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, based on our work on the Underlying Forecast and to report our opinion solely to you, as a body, solely for the purpose of reporting under Rule 19.62 of GEM Listing Rules and for no other purpose. We have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and express no opinion on the reasonableness and validity of the Assumptions on which the Underlying Forecast is based. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) (“HKSAE 3000 (Revised)”) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to the procedures specified in Hong Kong Standard on Investment Circular Reporting Engagements 500 Reporting on Profit Forecast, Statements of Sufficiency of Working Capital and Statements of Indebtedness issued by the HKICPA. We examined the consistency of accounting policies adopted and the arithmetical accuracy of the Underlying Forecast. We have planned and performed our work to obtain reasonable assurance for giving our opinion below.

We have planned and performed such procedures as we considered necessary to assist the Directors solely in evaluating whether the Underlying Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled in accordance with the Assumptions made by the Directors. Our work does not constitute any valuation of the Sale Asset.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Underlying Forecast has been properly compiled in accordance with the Assumptions adopted by the Directors as set out in the Announcement and is presented on a basis consistent in all material aspects with the accounting policies currently adopted by the Company.

Yours faithfully,

SHINEWING (HK) CPA Limited

Certified Public Accountants

Chan Wing Kit

Practising Certificate Number: P03224

Hong Kong

APPENDIX I-B: REPORT FROM SHINEWING (HK) CPA LIMITED IN RELATION TO THE UNDERLYING FORECAST TO THE VALUATION OF GUANGDONG CCID

20 July 2020

The Board of Directors
CCID Consulting Company Limited
10th Floor, CCID Plaza,
66 Zizhuyuan Road,
Haidian District,
Beijing, PRC

Dear Sirs,

INDEPENDENT ASSURANCE REPORT

We have examined the accounting policies adopted and calculations of the underlying discounted cash flow forecast (the “Underlying Forecast”) to the valuation dated 20 July 2020 prepared by China United Assets Appraisal Group Co., Ltd (the “Valuer”) in respect of Guangdong CCID Industrial and Information Research Center Co., Ltd. (“Guangdong CCID”). The valuation is in connection with proposed deemed disposal of CCID Exhibition Industry and Information Engineering Design Center Co., Ltd. and acquisition of the 100% equity interest in Guangdong CCID as set out in announcement of CCID Consulting Company Limited (the “Company”) dated 20 July 2020 (the “Announcement”). The Valuation based on the Underlying Forecast is regarded as a profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

Directors’ Responsibilities

The directors of the Company and Guangdong CCID (the “Directors”) are solely responsible for the preparation of the Underlying Forecast including the bases and assumptions for the purpose of valuation of Guangdong CCID based on discounted cash flow method. The Underlying Forecast has been prepared using a set of bases and assumptions (the “Assumptions”) that include hypothetical assumptions about future events and management’s actions that are not necessarily expected to occur. Even if the events anticipated occur, actual results are still likely to be different from the Underlying Forecast and the variation may be material. The Directors are responsible for the reasonableness and validity of the Assumptions.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, based on our work on the Underlying Forecast and to report our opinion solely to you, as a body, solely for the purpose of reporting under Rule 19.62 of the GEM Listing Rules and for no other purpose. We have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and express no opinion on the reasonableness and validity of the Assumptions on which the Underlying Forecast is based. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) (“HKSAE 3000 (Revised)”) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to the procedures specified in Hong Kong Standard on Investment Circular Reporting Engagements 500 Reporting on Profit Forecast, Statements of Sufficiency of Working Capital and Statements of Indebtedness issued by the HKICPA. We examined the consistency of accounting policies adopted and the arithmetical accuracy of the Underlying Forecast. We have planned and performed our work to obtain reasonable assurance for giving our opinion below.

We have planned and performed such procedures as we considered necessary to assist the Directors solely in evaluating whether the Underlying Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled in accordance with the Assumptions made by the Directors. Our work does not constitute any valuation of the Sale Asset.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Underlying Forecast has been properly compiled in accordance with the Assumptions adopted by the Directors as set out in the Announcement and is presented on a basis consistent in all material aspects with the accounting policies currently adopted by the Company.

Yours faithfully,

SHINEWING (HK) CPA Limited

Certified Public Accountants

Chan Wing Kit

Practising Certificate Number: P03224

Hong Kong

APPENDIX II-A: LETTER IN RELATION TO THE UNDERLYING FORECAST TO THE VALUATION OF CCID DESIGN

The Board of Directors
CCID Consulting Company Limited
10th Floor, CCID Plaza,
66 Zizhuyuan Road,
Haidian District,
Beijing, PRC

20 July 2020

Dear Sirs,

We refer to the valuation report dated 20 July 2020 (the “Valuation Report”) prepared by China United Assets Appraisal Group Co., Ltd. (the “Valuer”) in relation to the valuation of 100% equity interest in CCID Exhibition Industry and Information Engineering Design Center Co., Ltd. (the “CCID Design”) as at 31 May 2020 (the “Valuation”).

The principal assumptions upon which the Valuation is based are included in the announcement of CCID Consulting Company Limited. (the “Company”) dated 20 July 2020 (the “Announcement”), of which this letter forms part.

We noted that the Valuation has been developed based on the discounted cash flow approach which is regarded as profit forecast (the “Profit Forecast”) under Rule 19.61 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and this letter is issued in compliance with the requirement under Rule 19.62(3) of the GEM Listing Rules.

We have reviewed the Profit Forecast of the Valuation, for which you as the directors of the Company (the “Directors”) are solely responsible for. We have attended the discussions involving the management of the Company, the management of CCID Design and the Valuer regarding the bases and assumptions upon which the Profit Forecast has been made to arrive at the Valuation.

We have considered the letter addressed solely to and for the sole benefit of the Directors dated 20 July 2020 from SHINEWING (HK) CPA Limited, the reporting accountants of the Company (the “Reporting Accountants”), regarding the calculations upon which the Profit Forecast has been made as set out in Appendix I-A to the Announcement regarding the Valuation Report.

With regard to the Valuer's qualifications and experience, we have conducted reasonable checks to assess the relevant qualifications, experience and expertise of the Valuer, including reviewing the supporting documents on the qualifications of the Valuer and conducting discussions with the Company and the Valuer on their qualifications and experience.

The Profit Forecast has been prepared using a set of assumptions that include hypothetical assumptions about future events and other assumptions that may or may not necessarily be expected to occur and, as such, the Profit Forecast may not be appropriate for purposes other than for deriving the Valuation. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to differ from the Profit Forecast since such anticipated events frequently may or may not occur as expected and the variation may be material.

We have not independently verified the computations leading to the Valuer's determination of the valuation of 100% equity interest of CCID Design. We have had no role or involvement and have not provided and will not provide any assessment of the valuation of 100% equity interest of CCID Design and, accordingly, we take no responsibility and express no views therefore.

We confirm that the assessment, review and discussions carried out by us as described above are primarily based on financial, economic, market and other conditions in effect, and the information made available to us as at the date of this letter and that we have, in arriving at our views, relied on information and materials supplied to us by the Valuer, the Company and the Reporting Accountants and opinions expressed by, and representations of, the employees and/or management of the Valuer, the Company and the Reporting Accountants.

We have assumed that all information, materials and representations referred to or contained in the Announcement were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of the Announcement and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, expressed or implied, is made by us on the accuracy, truth or completeness of such information, materials, opinions and/or representations.

Circumstances could have developed or could develop in the future that, if known to us at the time of this letter, would have altered our respective assessment and review.

On the basis of the foregoing and without giving any opinion on the reasonableness or sufficiency of the valuation method, we confirm that we are satisfied that the Profit Forecast underlying the Valuation, for which you as the Directors are solely responsible, has been made by you, the Directors, after due and careful enquiry.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you under Rule 19.62(3) of the GEM Listing Rules and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Yours faithfully,
For and on behalf of
Huatai Financial Holdings (Hong Kong) Limited
Dan ZHANG
Director, Responsible Officer, Co-Head of Merger & Acquisition

APPENDIX II-B: LETTER IN RELATION TO THE UNDERLYING FORECAST TO THE VALUATION OF GUANGDONG CCID

The Board of Directors
CCID Consulting Company Limited
10th Floor, CCID Plaza,
66 Zizhuyuan Road,
Haidian District,
Beijing, PRC

20 July 2020

Dear Sirs,

We refer to the valuation report dated 20 July 2020 (the “Valuation Report”) prepared by China United Assets Appraisal Group Co., Ltd. (the “Valuer”) in relation to the valuation of 100% equity interest in Guangdong CCID Industrial and Information Research Center Co., Ltd. (the “Guangdong CCID”) as at 31 May 2020 (the “Valuation”).

The principal assumptions upon which the Valuation is based are included in the announcement of CCID Consulting Company Limited. (the “Company”) dated 20 July 2020 (the “Announcement”), of which this letter forms part.

We noted that the Valuation has been developed based on the discounted cash flow approach which is regarded as profit forecast (the “Profit Forecast”) under Rule 19.61 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and this letter is issued in compliance with the requirement under Rule 19.62(3) of the GEM Listing Rules.

We have reviewed the Profit Forecast of the Valuation, for which you as the directors of the Company (the “Directors”) are solely responsible for. We have attended the discussions involving the management of the Company, the management of Guangdong CCID and the Valuer regarding the bases and assumptions upon which the Profit Forecast has been made to arrive at the Valuation.

We have considered the letter addressed solely to and for the sole benefit of the Directors dated 20 July 2020 from SHINEWING (HK) CPA Limited, the reporting accountants of the Company (the “Reporting Accountants”), regarding the calculations upon which the Profit Forecast has been made as set out in Appendix I-B to the Announcement regarding the Valuation Report.

With regard to the Valuer's qualifications and experience, we have conducted reasonable checks to assess the relevant qualifications, experience and expertise of the Valuer, including reviewing the supporting documents on the qualifications of the Valuer and conducting discussions with the Company and the Valuer on their qualifications and experience.

The Profit Forecast has been prepared using a set of assumptions that include hypothetical assumptions about future events and other assumptions that may or may not necessarily be expected to occur and, as such, the Profit Forecast may not be appropriate for purposes other than for deriving the Valuation. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to differ from the Profit Forecast since such anticipated events frequently may or may not occur as expected and the variation may be material.

We have not independently verified the computations leading to the Valuer's determination of the valuation of 100% equity interest of Guangdong CCID. We have had no role or involvement and have not provided and will not provide any assessment of the valuation of 100% equity interest of Guangdong CCID and, accordingly, we take no responsibility and express no views therefor.

We confirm that the assessment, review and discussions carried out by us as described above are primarily based on financial, economic, market and other conditions in effect, and the information made available to us as at the date of this letter and that we have, in arriving at our views, relied on information and materials supplied to us by the Valuer, the Company and the Reporting Accountants and opinions expressed by, and representations of, the employees and/or management of the Valuer, the Company and the Reporting Accountant.

We have assumed that all information, materials and representations referred to or contained in the Announcement were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of the Announcement and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, expressed or implied, is made by us on the accuracy, truth or completeness of such information, materials, opinions and/or representations.

Circumstances could have developed or could develop in the future that, if known to us at the time of this letter, would have altered our respective assessment and review.

On the basis of the foregoing and without giving any opinion on the reasonableness or sufficiency of the valuation method, we confirm that we are satisfied that the Profit Forecast underlying the Valuation, for which you as the Directors are solely responsible, has been made by you, the Directors, after due and careful enquiry.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you under Rule 19.62(3) of the GEM Listing Rules and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Yours faithfully,
For and on behalf of
Huatai Financial Holdings (Hong Kong) Limited
Dan ZHANG
Director, Responsible Officer, Co-Head of Merger & Acquisition