

# CCID Consulting

## CCID Consulting Company Limited

(A joint stock limited company incorporated in the People's Republic of China)

Stock Code: 02176

資本運作第一專家

思維  
創造世界

城市經濟第一智庫

企業戰略第一顧問

INTERIM  
REPORT  
2022

## HIGHLIGHTS

- For the six months ended 30 June 2022, the unaudited turnover of the Group amounted to approximately RMB71,190 thousand, representing a decrease of approximately 24.6% over the corresponding period of last year;
- For the six months ended 30 June 2022, the gross profit of the Group was approximately RMB21,285 thousand. The gross profit margin was approximately 29.9%. The gross profit decreased by approximately 60% over the corresponding period of last year;
- For the six months ended 30 June 2022, the loss of the Group was approximately RMB13,263 thousand, representing a decrease of approximately 192.5% over the corresponding period of last year, of which loss attributable to equity holders of the parent company was approximately RMB6,933 thousand, representing a decrease of approximately 144% over the corresponding period of last year;
- As of 30 June 2022, the Group's new orders for the year amounted to RMB170,206 thousand, representing an increase of approximately 6% over the corresponding period of last year;
- For the six months ended 30 June 2022, the basic loss per share of the Group was approximately RMB0.99 cents;
- The board of Directors recommends the payment of an interim dividend of RMB0.0643 (tax inclusive) for the six months ended 30 June 2022. The proposed payment of the 2022 Interim Dividend is subject to the approval by the shareholders at the extraordinary general meeting.

## INTERIM RESULTS

The board of Directors (the “Board”) of CCID Consulting Company Limited\* (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022, together with the unaudited comparative figures for the corresponding periods of 2021 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

	Notes	For the six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Turnover	2 & 3	<b>71,190</b>	94,435
Cost of sales		<b>(49,905)</b>	(41,285)
Gross profit		<b>21,285</b>	53,150
Other income		<b>(1,019)</b>	1,094
Selling and distribution expenses		<b>(7,813)</b>	(7,769)
Administrative expenses and others		<b>(23,081)</b>	(24,905)
Credit impairment losses		<b>(3,305)</b>	1,278
(Loss)/Profit before tax	4	<b>(13,933)</b>	22,848
Taxation	5	<b>670</b>	(8,511)
(Loss)/Profit for the period		<b>(13,263)</b>	14,337
Attributable to:			
Equity holders of the Company		<b>(6,933)</b>	15,874
Non-controlling interests of the Group		<b>(6,330)</b>	(1,537)
		<b>(13,263)</b>	14,337
(Loss) earnings per share			
— Basic (RMB cents)	6	<b>(0.99)</b>	2.27

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
		<b>2022</b>	2021
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Fixed assets	8	<b>14,218</b>	14,810
Intangible assets	8	<b>14,480</b>	14,681
Equity instruments at FVTOCI	9	<b>14,684</b>	19,234
Pledged bank deposits		—	—
Deferred tax assets		<b>9,326</b>	1,700
		<b>52,708</b>	50,425
<b>CURRENT ASSETS</b>			
Accounts receivables	10	<b>44,629</b>	26,287
Prepayments, deposits and other receivables		<b>16,557</b>	18,063
Financial assets at fair value through profit or loss		<b>50,116</b>	149
Tax recoverable		<b>322</b>	5,329
Amounts due from related parties	10	<b>433</b>	5
Pledged bank deposits		—	3,163
Cash and cash equivalents		<b>253,550</b>	337,337
		<b>365,607</b>	390,333

	<i>Notes</i>	<b>Unaudited 30 June 2022 RMB'000</b>	Audited 31 December 2021 RMB'000
<b>CURRENT LIABILITIES</b>			
Accounts payables	12	770	748
Other payables		13,528	45,133
Contract liabilities	11	127,344	98,366
Amount due to a related party	13	10	150
Income tax payable		—	1,949
		<b>141,652</b>	146,346
<b>NET CURRENT ASSETS</b>			
		<b>223,955</b>	243,987
<b>Net assets</b>			
		<b>276,663</b>	292,785
<b>EQUITY</b>			
Share capital		70,000	70,000
Reserves		149,641	158,465
<b>Total equity attributable to equity holders of the Company</b>			
		<b>219,641</b>	228,465
Non-controlling interests of the Group		57,022	64,320
<b>TOTAL EQUITY</b>			
		<b>276,663</b>	292,785

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Issued share capital	Capital reserve	Statutory reserve fund	Investment reassessment reserve	Retained profit	Non- controlling interests of the Group	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2021 (audited)	70,000	(1,707)	23,198	4,672	99,609	59,905	255,677
Changes for the period	—	—	—	—	5,164	(1,537)	3,627
As at 30 June 2021 (unaudited)	70,000	(1,707)	23,198	4,672	104,773	58,368	259,304
As at 1 January 2022 (audited)	<b>70,000</b>	<b>(1,707)</b>	<b>31,206</b>	<b>7,221</b>	<b>121,745</b>	<b>64,320</b>	<b>292,785</b>
Changes for the period	—	—	—	<b>(1,891)</b>	<b>(6,933)</b>	<b>(7,298)</b>	<b>(16,122)</b>
<b>As at 30 June 2022 (unaudited)</b>	<b>70,000</b>	<b>(1,707)</b>	<b>31,206</b>	<b>5,330</b>	<b>114,812</b>	<b>57,022</b>	<b>276,663</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	<b>For the six months ended 30 June 2022 RMB'000</b>	For the six months ended 30 June 2021 RMB'000
Net cash outflow arising from operating activities	<b>(40,089)</b>	(58,060)
Net cash outflow arising from investing activities	<b>(43,698)</b>	(334)
Net cash (outflow)/inflow arising from financial activities	—	—
Net decrease in cash and cash equivalents	<b>(83,787)</b>	(58,394)
Cash and cash equivalents at the beginning of the period	<b>337,337</b>	263,723
Cash and cash equivalents at the end of the period	<b>253,550</b>	205,329
Cash at bank and on hand	<b>253,550</b>	205,329

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The Company was incorporated in the People's Republic of China (the "PRC") as a joint stock limited company. The listing of the H shares of the Company has been transferred to the Main Board of the Stock Exchange from the GEM since 14 May 2021. The registered address of the Company in the PRC is Room 311, No. 2 Building, No. 28 Zhen Xing Road, Chang Ping District, Beijing, the PRC. Its head office and principal place of business are located at the 9th and 10th Floors of CCID Plaza, 66 Zizhuyuan Road, Haidian District, Beijing, the PRC. Its principal place of business in Hong Kong is at 40th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong.

The Group's unaudited results are in compliance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and its interpretation, all requirements under each applicable standard and each applicable interpretation effective at the beginning of the Reporting Period, all the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules. The measurement base used in preparation of these unaudited consolidated financial statements is the historical cost convention with the exception of financial assets measured at fair value.

The principal accounting policies adopted in the preparation of these unaudited consolidated financial statements for the six months ended 30 June 2022 are consistent with those used by the Group in the annual consolidated financial statements for the year ended 31 December 2021.

#### **Impact of newly issued accounting standards**

The Hong Kong Institute of Certified Public Accountants has issued certain new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (the "New Standards and Amendments").

The Group has not early adopted the New Standards and Amendments in these unaudited consolidated financial statements. The Group is going to initially apply the New Standards and Amendments in the first accounting period beginning on or after their respective mandatory effective dates. The Group is currently assessing the impact of the New Standards and Amendments and is not yet in a position to state whether they would have a significant impact on the consolidated financial statements in the period of initial application.



## **2. TURNOVER**

The Group, a consultancy service provider, is committed to providing government agencies at all levels, industrial parks and enterprises, with (i) management and strategy consultancy services, (ii) information engineering supervision services, (iii) market consultancy services, and (iv) other services. The Group also provides data information management services to enterprises and governments by establishing data platforms and providing regular updates of information and data.

Turnover represents the sales value of contract revenue with respect to services provided to customers (net of value-added tax), which excludes sales surtaxes. All significant intra-group transactions have been eliminated on consolidation.

## **3. SEGMENT INFORMATION**

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that provides services which are subject to risks and returns that are different from those of other business segments. Summary of the business segments are as follows:

- (a) services provided by the management and strategy consultancy services segment comprise those provided to the government customers, including comprehensive planning, industry-specific planning, implementation planning and action planning, and industry spatial management service; as well as the consultancy services provided to enterprise customers, including business development strategy, investment decisions analysis, financial advisory service in private equity or venture capital investment and initial public offering and so on;
- (b) services provided by the market consultancy services segment comprise market segmentation research services, product lifecycle and market research services, and regional channel structure and market research services;
- (c) the information engineering supervision services segment comprise professional supervision services, such as software, networks, communications and information security; and

- (d) services provided by the other services segment comprise membership-based market report services, data and information management services, and data and information design services to be provided to government and corporate clients.

For the six months ended 30 June 2022 (unaudited)	Management and strategy consultancy services <i>RMB'000</i>	Market consultancy services <i>RMB'000</i>	Information engineering supervision services <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Turnover	29,738	8,420	31,829	1,203	71,190
Segment expenses	(23,262)	(5,901)	(19,927)	(815)	(49,905)
<b>Segment results</b>	<b>6,476</b>	<b>2,519</b>	<b>11,902</b>	<b>388</b>	<b>21,285</b>
Utilities expenses					(34,199)
Other income					(1,019)
Profit before tax					(13,933)
Taxation					670
Loss for the period					(13,263)
Non-controlling interests of the Group					(6,330)
Attributable to equity holders of the Company					(6,933)

For the six months ended 30 June 2021 (unaudited)	Management and strategy consultancy services <i>RMB'000</i>	Market consultancy services <i>RMB'000</i>	Information engineering supervision services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Turnover</b>	47,208	17,615	26,981	2,631	94,435
Segment expenses	(20,215)	(6,595)	(13,567)	(908)	(41,285)
<b>Segment results</b>	26,993	11,020	13,414	1,723	53,150
Utilities expenses					(31,396)
Other income					1,094
Profit before tax					22,848
Taxation					(8,511)
Profit/(loss) for the period					14,337
Non-controlling interests of the Group					(1,537)
Attributable to equity holders of the Company					15,874

#### 4. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting) the following:

	Unaudited	
	For six months ended 30 June	
	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Staff costs (excluding directors' remuneration)	58,456	52,442
Depreciation of fixed assets	3,158	746
Other income	(1,019)	(1,094)

## 5. TAXATION

	Unaudited	
	For six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
PRC enterprise income tax	(670)	8,511

No provision for Hong Kong profits tax has been made as the Group had no profits assessable arising in Hong Kong during the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil). Taxes on profits assessable elsewhere have been calculated at the effective and applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on the existing legislation, interpretations and practices in respect thereof during the period.

Pursuant to the Income Tax Law of the PRC, the members of the Group (except the Company and Beijing CCID Industry and Information Engineering Supervision Center Co., Ltd. ("CCID Supervision")) are subject to a corporate income tax at a rate of 25% (during the corresponding period of 2021: 25%).

The Company and CCID Supervision are high and new technology enterprises registered in the Beijing New Technology Enterprise Development Zone. Pursuant to the Income Tax Law of the PRC, they are subject to a corporate income tax at a rate of 15% (during the corresponding period of 2021: CCID Supervision: 15%).

There was no material unprovided deferred tax for the six months ended 30 June 2022 (during the corresponding period of 2021: Nil).

## 6. (LOSS)/EARNINGS PER SHARE

(Loss)/earnings per share have been calculated based on the loss attributable to equity holders of the Company of approximately RMB6,933 thousand for the six months ended 30 June 2022 (during the corresponding period of 2021: earnings of approximately RMB15,874 thousand) and the weighted average of 700,000,000 shares in issue during the current period (during the corresponding period of 2021: 700,000,000 shares).

No calculation of diluted (loss) earnings per share for the six months ended 30 June 2022 involved as no diluting events existed during the current period (during the corresponding period of 2021: Nil).

## 7. DIVIDENDS

The Board recommends the payment of an interim dividend of RMB0.0643 (tax inclusive) for the six months ended 30 June 2022 (during the corresponding period of 2021: Nil).

## 8. CAPITAL EXPENDITURE

	<b>Fixed assets RMB'000</b>	<b>Intangible assets RMB'000</b>
Net book value as at 1 January 2022	<b>14,810</b>	<b>14,681</b>
Additions	<b>72</b>	<b>—</b>
Depreciation/amortization expenses	<b>(664)</b>	<b>(201)</b>
Net book value as at 30 June 2022	<b>14,218</b>	<b>14,480</b>

## 9. EQUITY INSTRUMENTS AT FVTOCI

	<b>Unaudited 30 June 2022 RMB'000</b>	Audited 31 December 2021 RMB'000
Long-term investment	<b>14,684</b>	19,234

This long-term investment refers to the 19.90% equity interest (2021: 19.90%) held by CCID Supervision in Beijing CCID Exhibition Co., Ltd., which was determined by the valuer with reference to the evaluated value as at 31 March 2022. The Board, upon assessment, was of opinion that there has been no material change to the fair value during the period from 31 March 2022 to 30 June 2022.

## 10. ACCOUNTS RECEIVABLES

The ageing analysis of accounts receivable is as follows:

	<b>Unaudited 30 June 2022 RMB'000</b>	Audited 31 December 2021 RMB'000
Within 365 days	<b>31,533</b>	10,833
Over 365 days	<b>13,096</b>	15,454
Accounts receivables	<b>44,629</b>	26,287

The general credit terms of the Group range from 60 days to 365 days. The Group may extend the credit period upon request by the customers on an individual basis and after conducting business relationship and credit assessment. The ageing analysis is based on the relevant invoice date.

### (a) Amounts due from related parties:

The analysis of related party payments included in accounts receivables and other receivables is as follows:

	<b>Unaudited 30 June 2022 RMB'000</b>	Audited 31 December 2021 RMB'000
CCID Network Information Technology Co., Ltd.* (北京賽迪網信息技術有限公司)	<b>6</b>	68
CCID Industrial and Information Technology Research Institute Group (Suzhou) Co. Ltd.* (賽迪工業和信息化研究院集團(蘇州)有限公司)	<b>377</b>	—
Beijing CCID Publishing & Media Co. Ltd.* (北京賽迪出版傳媒有限公司)	<b>42</b>	—
CCID NIT	—	6
Beijing CCID Times Information Industry Co., Ltd.* (北京賽迪時代信息產業股份有限公司)	<b>8</b>	8
CCID Group Co	—	465
	<b>433</b>	547

The above related parties are controlled by China Centre of Information Industry Development. The amounts due from related parties are unsecured and have no fixed terms of repayment.

\* For identification purpose only

## 11. CONTRACT LIABILITIES

	<b>Unaudited 30 June 2022 RMB'000</b>	Audited 31 December 2021 RMB'000
Contract costs	—	—
Contract liabilities	<b>127,344</b>	98,366

Since 1 September 2012, the Group's revenue measured by the Chinese Accounting Standards for Business Enterprises is measured by the par value of the value added tax invoice as required by the State Tax Law. In accordance with the requirements of Hong Kong Financial Reporting Standards, revenue from the provision of services is measured by the extent to which the performance of the contract is fulfilled and the value added tax invoice are issued but the unrecognized revenue is transferred to the deferred income in the contract liabilities to adjust the difference between the two sets of General Accepted Accounting Principles.

Since the amortization period for the incremental cost of obtaining a contract is generally not more than one year, the Group is feasible to adopt the practical expedient of paragraph 94 in the HKFRS 15. The incremental cost of the contract in the area of occurrence is recognized cost as an expense.

## 12. ACCOUNTS PAYABLES

	<b>Unaudited 30 June 2022 RMB'000</b>	Audited 31 December 2021 RMB'000
Within 60 days	<b>622</b>	600
Over 365 days	<b>148</b>	148
Current accounts payables	<b>770</b>	748

### 13. AMOUNT DUE TO A RELATED PARTY

	<b>Unaudited 30 June 2022 RMB'000</b>	Audited 31 December 2021 RMB'000
Beijing CCID Industry and Information Technology Training Center Co., Ltd.* (北京賽迪工業和信息化技術培訓中心有限公司)	<b>10</b>	150
	<b>10</b>	150

The Group and the above related party belong to the CCID Group and are controlled by the same ultimate holding company. Amount due to a related party is unsecured, interest-free and has no fixed term of repayment.

### 14. RELATED PARTIES DISCLOSURES

The following companies are members of China Centre of Information Industry Development ("CCID"), the ultimate controlling shareholder of the Company, which include its subsidiaries, connected parties, controlling entities and agents (the "CCID Group"). In addition to the transactions and balances detailed elsewhere in this Report, the Group had the following material related parties transactions with the following companies during the current period:

	<b>Unaudited For the six months ended 30 June</b>	
	<b>2022 RMB'000</b>	2021 RMB'000
<b>Consultancy services provided to the following companies (Total income earned before sales surcharges)</b>		
CCID Industrial and Information Technology Research Institute Group (Suzhou) Co. Ltd.* (賽迪工業和信息化研究院集團(蘇州)有限公司)	<b>377</b>	—
Beijing CCID Publishing & Media Co. Ltd.* (北京賽迪出版傳媒有限公司)	<b>679</b>	—
CCID Network Information Technology Co., Ltd.* (北京賽迪網信息技術有限公司)	—	39
	<b>1,056</b>	39



**Unaudited**  
**For the six months ended**  
**30 June**

	<b>2022</b> <b>RMB'000</b>	2021 <i>RMB'000</i>
<b>Related expenses</b>		
Service fee paid to China Centre of Information Industry Development	—	355
Property management and parking expenses charged by Beijing CCID Property Management Co., Ltd.	—	711
Water and electricity fees, internet fees and utilities expenses paid to China Software Testing Centre (Research Centre of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion)	—	2,367
Technical service fees paid to Shandong CCID Industry and Information Research Institute Limited* (山東賽迪工業和信息化研究院有限公司)	—	52
	—	3,485

*Notes:*

- (i) The Directors of the Company are of their opinion that the transactions among the Company and the above members of the Group were conducted in the usual course of business and charged at cost incurred as well as recorded a reasonable profit margin.
- (ii) The above members of the Group are within the CCID Group and are under common control of the ultimate holding company of the Company.
- (iii) All of the related parties transactions as disclosed in this note to the unaudited consolidated financial statements constitute "connected transactions" or "continuing connected transactions" as defined in Chapter 14A of the Listing Rules which are transactions with CCID under the respective framework agreements as disclosed in the announcement of the Company and have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 17 December 2021.

\* For identification purpose only

## MANAGEMENT DISCUSSION AND ANALYSIS

### Turnover Analysis

For the six months ended 30 June 2022, the turnover by operations of the Group is analyzed as follows:

	<b>For the six months ended 30 June 2022 Turnover RMB'000</b>	For the six months ended 30 June 2021 Turnover RMB'000
Management and strategy consultancy services	<b>29,738</b>	47,208
Market consultancy services	<b>8,420</b>	17,615
Information engineering supervision services	<b>31,829</b>	26,981
Other services	<b>1,203</b>	2,631
Total	<b>71,190</b>	94,435

### Business Review

For the six months ended 30 June 2022, the turnover and gross profit of the Group amounted to approximately RMB71,190 thousand and RMB21,285 thousand respectively (approximately RMB94,435 thousand and RMB53,150 thousand respectively during the corresponding period of 2021). The turnover decreased by approximately 24.6% and the gross profit decreased by approximately 60% as compared to the corresponding period of last year. These changes were attributable to the following factors:

More stringent pandemic prevention policies were adopted in various cities in China, including Beijing, Shanghai, Guangzhou and Shenzhen, for the purpose of achieving the goal of “dynamic clearing” due to the frequent and local outbreak of COVID-19 pandemic during the first half of 2022. Moreover, as this wave of pandemic mainly occurred in major cities where the businesses of the Group were concentrated in, the impact of the pandemic was therefore more apparent and significant. Affected by isolation, quarantine, travel restrictions and other measures, the Group was forced to delay the implementation of certain projects and postpone the acceptance of delivery thereof, which resulted in a decline in recognisable revenue. Meanwhile, profits have declined due to an increase in labour costs. In view of the current development of the global COVID-19 pandemic, there are still uncertainties in the market demand and future prospects. The Group is now closely monitoring the market conditions and adapting to the normalized pandemic prevention measures at a faster pace. In the second half of the year, the Group will adopt the strategy of “stability first, conversion of achievements comes next, then empowerment (一穩二化三賦能)”, i.e. stabilize traditional consulting business with competitive edges and realize “diversified expansion” of business departments; set up strategic zones for trial run of businesses in an attempt to digitalize the results of consultation; empower market development, research efforts and business growth through high throughput business departments, digitalized means and adjustments to management performance, respectively.

In terms of management and strategy consultancy services, the consultancy services provided by the Group to government customers include comprehensive planning, industry-specific planning, implementation planning and action planning, industry spatial management services, and the consultancy services provided to enterprise customers include business development strategy, investment decisions analysis, advisory service in private equity or venture capital investment and initial public offering and so on. The Group recorded revenue of approximately RMB29,738 thousand for the six months ended 30 June 2022 (approximately RMB47,208 thousand during the corresponding period of 2021) from the management and strategy consultancy services. Mainly due to the fact that the Group’s management and strategy consultancy mainly focuses on offline services as well as the quarantine and inspection measures against the COVID-19 pandemic introduced in various cities, our business expansion and project implementation were both adversely affected, as a result of which, the completion of some projects have been delayed for inspection and acceptance, and therefore recognizable revenue from such segment declined.

In terms of market consultancy services, the Group conducts customized research on various issues, including competitive environment, customer requirements, industry applications, channel development, and product and technology development. The consultancy services provided to corporate clients include market segmentation research services, product lifecycle and market research services, and regional channel structure and market research services. For the six months ended 30 June 2022, the Group had realized revenue of approximately RMB8,420 thousand (approximately RMB17,615 thousand during the corresponding period of 2021). Mainly due to the fact that the Group's market consultancy mainly focuses on offline services as well as the quarantine and inspection measures against the COVID-19 pandemic introduced in various cities, our business expansion and project implementation were both adversely affected, as a result of which, the completion of some projects have been delayed for inspection and acceptance, and therefore recognizable revenue from such segment declined.

In terms of information engineering supervision services, the Group mainly provides professional supervision services in respect of various projects ranging from software, network, communication to information security to the government and enterprises. For the six months ended 30 June 2022, the turnover of the information engineering supervision services was approximately RMB31,829 thousand (approximately RMB26,981 thousand during the corresponding period of 2021). Mainly due to the delay in execution, delivery, inspection and acceptance of certain contracts signed in 2021 to this year arising from the impact of the pandemic on the Group's information engineering supervision business, recognisable revenue from such segment increased.

In terms of other services, the Group mainly provides government and corporate clients with membership-based market report services, data and information management services, and data and information design services. Such segment has been included in other segments as its scale of operations do not meet quantitative thresholds of reportable segments. For the six months ended 30 June 2022, the Group recorded a turnover from other services of RMB1,203 thousand. The Group focused on the connotation and extension of its core business and promoted high quality and innovative business development by guiding the information construction and digital transformation of customers through digital top-level design.

## **Business outlook**

With the aim of becoming a first-rate top-notch think tank in China, the Group will consistently live by its core values of being sincere, responsible, scientific and innovative, sticking to its principles to create value, enhance its abilities and fulfil its missions in order to implement all-round business digitalization strategies and promote high-end research on regional economy in 2022. Furthermore, it will innovate the model of multi-department business cooperation, persist in perfecting its corporate governance, improve its operation and management, thereby building up its sustainable competitive strength.

### **Implement all-round business digitalization strategy**

In 2022, the Group will make greater efforts to promote the digitalization strategy, develop its research system, product system and business model with concept of digitalization, and propel each employee to gradually embrace this concept of digitalization. Continuous efforts will also be made to promote the development of digital products, strengthen the building of industrial brain capacity and enhance the publicity of Miantianxing. In addition, the Group will consistently push ahead the development of standardized products and services, integrate the Company's relevant businesses with the support of Miantianxing platform to form resultant force and synergies, as well as further strengthen the stickiness with the market and customers, with a view to expanding the industrial big data platform to key domestic regions.

### **Promote high-end research on regional economy**

In 2022, the Group actively prepares for the organization of the CCID Forum and Regional Economic Sub-Forum to launch "Miantianxing", a CCID Consulting brain for regional economy and industries and a platform for knowledge sharing in order to further expand its influence and authority in respect of regional economic research and continuously enhance the market power of digital products.

## **Innovative the model of multi-department business cooperation**

In 2022, the Group will continue to explore the model of cooperation between platform-based business departments and industrial business departments, open up the internal channels of resources and capabilities and systematically develop the market with the integrated products created by leveraging the accumulated research experience of the industry research department and relying on the efforts of the platform department. The Group will enhance the exchanges and cooperation between departments and innovate the modes of cooperation on major projects, with a view to fostering experience and mechanisms. Fully capitalizing on the industry research and consultancy business experience, the Group will accelerate the research and development of digital products to comprehensively promote the digitalization strategy.

## **Steadily improve the level of corporate governance**

In 2022, the Group will consistently optimize the level of corporate governance and strengthen internal control and risk monitoring measures. We will grasp the abundant capital conditions and operational opportunities presented by listing on the Main Board, expand financing channels, and establish a core value orientation, to support the Company's market value increase with value creation, ensure the preservation and appreciation of state-owned assets, and provide a strong guarantee for continuous dividend distribution to shareholders.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2022, cash and bank balance of the Group were approximately RMB253,550 thousand, representing an increase of approximately 23% over the corresponding period of last year (as at 30 June 2021: RMB205,329 thousand). The Group's primary source of funds was cash generated from operation activities. Management believes that the Group has adequate working capital for its present needs.

## SIGNIFICANT INVESTMENT

### Major Investments

For the six months ended 30 June 2022 and as at the date of this report, the Group has subscribed the following wealth management products which are unexpired:

Subscription Date	Counterparty	Name of Wealth Management Product	Currency of Principal and Return	Subscription Amount	Term of Product	Expected Annualised Yield Rate
12 January 2022	CCB Wealth Management Co., Ltd., a wholly-owned subsidiary of China Construction Bank Corporation	The CCB Wealth Management "Anxin" (minimum holding of 270 days) Daily Open-ended Fixed-income and Net-worth RMB Wealth Management Product (建信理财「安鑫」(最低持有270天)按日開放固定收益類淨值型人民幣理財產品)	RMB	50,000,000	270 days (expiring on 9 October 2022)	Benchmarks A and B for the performance of the product are 3.45% and 4.45% per annum, respectively.  A benchmark for performance comparison is the investment target set for a product by the product manager based on various factors such as product nature, investment strategies, past experience and future market expectation. The product is a net-worth product and its performance will fluctuate with the market and be subject to uncertainty.

For the six months ended 30 June 2022, the Company has not yet recorded any gains from the products subscribed on 12 January 2022. The Board believes that with greater stability and stronger liquidity but lower risk exposure compared to other non-banking wealth management products, these wealth management products can provide the Group with better return on its idle funds, which is in the interests of the Group and the shareholders as a whole.

Save as disclosed above, as of 30 June 2022, the Group had no other major investment.

## MATERIAL ACQUISITIONS AND DISPOSALS

On 31 May 2022, the Group entered into a stock purchase and disposal agreement with connected parties in respect of (i) Beijing CCID Industry and Information Engineering Design Center Company Limited\* (北京賽迪工業和信息化工程設計中心有限公司) (“CCID Design”) (a non wholly-owned subsidiary of the Company) (as purchaser) entered into the CCID Exhibition Agreement 1 with Beijing CCID Industrial and Information Engineering Supervision Center Co., Limited\* (北京賽迪工業和信息化工程監理中心有限公司) (“CCID Supervision”) (as vendor), pursuant to which, in accordance with the terms and subject to the conditions therein, CCID Design agreed to acquire and CCID Supervision agreed to sell 19.9% equity interest in Beijing CCID Exhibition Co. Ltd.\* (北京賽迪會展有限公司) (“CCID Exhibition”) at a consideration of RMB14,684,200; and (ii) CCID Design (as purchaser) entered into the CCID Exhibition Agreement 2 with 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 Group Co”) and Beijing CCID Venture Investment Company Limited\* (北京賽迪創業投資有限公司) (“CCID Venture Investment”) (as vendors), pursuant to which, in accordance with the terms and subject to the conditions therein, (a) CCID Group Co agreed to sell its 53.5% equity interests in CCID Exhibition to CCID Design, and as consideration, CCID Design agreed to transfer its 44.797% equity interests in CCID Supervision to CCID Group Co together with a cash consideration of RMB4,589,700; and (b) CCID Venture Investment agreed to sell its 26.6% equity interests in CCID Exhibition to CCID Design, and as consideration, CCID Design agreed to transfer its 25.203% equity interests in CCID Supervision to CCID Venture Investment. The acquisition has completed on 9 August 2022 and the Company ceases to hold any equity interest in CCID Supervision while it acquires 100% equity interest in CCID Exhibition. For further details of the acquisition and the disposal, please refer to the announcement and the circular of the Company dated 31 May 2022 and 21 July 2022.

Save as disclosed above, the Group did not have any material acquisition or disposal as of 30 June 2022.

## EMPLOYEES

As at 30 June 2022, the Group had 349 employees.

The Group adopts a healthy and flexible policy. Whenever there is a shortage of staff in a department in the course of business expansion, redesignation of staff from other departments will be arranged before recruiting new staff in order to increase efficiency and lower costs. Remuneration are determined based on the prevailing market condition and performance of the employee, his or her qualifications and experience.

\* For identification purpose only



## CAPITAL STRUCTURE

The capital structure of the Group as at 30 June 2022 is summarized below:

	<i>RMB'000</i>	<i>Percentage</i>
Total shareholders' equity attributable to equity holders of the Company	219,641	79.4%
Non-controlling interests	57,022	20.6%
Total	276,663	100%

## CONTINGENT LIABILITIES

As at 30 June 2022, the Group had no contingent liabilities (as at 31 December 2021: Nil).

## PLEDGE OF ASSETS

As at 30 June 2022, the Group had not pledge any assets (as at 31 December 2021: Nil).

## GEARING RATIO

As at 30 June 2022, the Group's gearing ratio was approximately 51% (as at 31 December 2021: approximately 50%), which was calculated by dividing total liability (less amount due to the ultimate and immediate holding companies) as of 30 June 2022 by total equity.

## EXCHANGE RATE RISK

The Group has maintained a conservative policy towards the foreign exchange risk and interest management with most of its deposits denominated in RMB. The deposits in U.S. dollar and Hong Kong dollar are exposed to foreign exchange risk in RMB conversion. In consideration of the exchange rate between RMB, U.S. dollar and Hong Kong dollar, the Group is of the opinion that the relevant foreign exchange risk is normal and will convert the deposits in foreign currency to RMB in a timely manner.

## INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of RMB0.0643 (tax inclusive) for the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil) (the “2022 Interim Dividend”). Based on 700,000,000 Shares in issue, the 2022 Interim Dividend, if declared and paid, will amount to an aggregate amount of RMB45,010,000 (tax inclusive). According to the articles of association of the Company, the 2022 Interim Dividend will be denominated and declared in RMB. The 2022 Interim Dividend payable to the holders of the Domestic Shares will be paid in RMB, whilst the 2022 Interim Dividend payable to the holders of the H Shares will be paid in HK\$ (at the exchange rate being the average market rate of RMB to HK\$ announced by the People’s Bank of China one week prior to the announcement of the dividend, i.e. the date of the extraordinary general meeting). The proposed payment of the 2022 Interim Dividend is subject to the approval by the shareholders at the extraordinary general meeting. The date of the extraordinary general meeting, the record date, the book closure period for the shares for payment of the 2022 Interim Dividend and further details about the proposed distribution of the 2022 Interim Dividend will be announced separately by the Company.

Pursuant to the Notice on the Issues Concerning Withholding Enterprises Income Tax on the Dividends Payable by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise H Share Holders (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) of the State Administration of Taxation, a PRC resident enterprise, when distributing dividends for the year 2008 and for the years thereafter to holders of H Shares who are overseas non-resident enterprises, shall be subject to enterprise income tax withheld at a uniform rate of 10%. Any H shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organisations or groups, will be treated as shares being held by non-resident enterprise shareholders, and consequently will be subject to the withholding of the enterprise income tax.

Pursuant to relevant laws and regulations and regulatory documents such as the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法》), the Implementation Rules of the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124) (《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)) and the Notice of the State Administration of Taxation on the Issues Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]45號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), dividends received by overseas resident individual shareholders from the stocks issued by domestic non-foreign investment enterprises in Hong Kong is subject to the payment of individual income tax, which shall be

withheld by the withholding agents. However, overseas resident individual shareholders of the stocks issued by domestic non-foreign investment enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries in which they are residents and China, or the tax arrangements between Mainland China and Hong Kong (Macau). For individual holders of H Shares, dividends payable to them are subject to the individual income tax withheld at a tax rate of 10% in general unless otherwise specified by the tax regulations and the relevant tax agreements.

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

As at 30 June 2022, none of the Directors, supervisors of the Company (“Supervisor(s)”) and chief executives or their close associates have any interest or short position in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for securities transactions by the Directors and Supervisors mentioned in Appendix 10 to the Listing Rules.

## **DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES**

Save as disclosed in the paragraph under the heading “Directors’, Supervisors’ and Chief Executives’ Interests and Short Positions in Shares and Underlying Shares” above, at no time during the six months ended 30 June 2022 were rights to acquire benefits by means of acquisition of shares in or debentures of the Company granted to any Director and Supervisor or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors and Supervisors to acquire such rights.

## **SHARE OPTION SCHEME**

The Company conditionally adopted a Share Option Scheme on 20 November 2002. The major terms and conditions of the Share Option Scheme were set out in the section “Summary of the Terms of Share Option Scheme” under Appendix IV of the prospectus as published by the Company on 29 November 2002. However, employees who are Chinese nationals are not entitled to exercise the option until these persons are allowed to subscribe for or deal in H shares under the PRC laws and regulations. As at the date of this report, the Share Option Scheme is not yet effective.

No share option has been granted under the Share Option Scheme as of 30 June 2022.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, the following persons (other than the Directors, Supervisors and chief executives of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

### Long positions in shares

Name	Capacity	Number and class of shares <sup>1</sup>	Approximate percentage in the same class of shares	Approximate percentage of the issued share capital
China Centre of Information Industry Development* (中國電子信息產業發展研究院) ("CCID") <sup>2</sup>	Interest of controlled corporation	491,000,000(L) Domestic Shares	100%	70.14%
CCID Group Co <sup>2</sup>	Beneficial owner	392,610,000(L) Domestic Shares	79.96%	56.09%
Beijing CCID Riyue Investment Co., Ltd* (北京賽迪日月投資有限公司) ("CCID Riyue") <sup>2</sup>	Beneficial owner	98,390,000(L) Domestic Shares	20.04%	14.06%
Lenovo Manufacturing Limited <sup>3</sup>	Beneficial owner	20,000,000(L) H Shares	9.57%	2.89%
Legend Holdings (BVI) Limited <sup>3</sup>	Interest of controlled corporation	20,000,000(L) H Shares	9.57%	2.89%
Lenovo Group Limited <sup>3</sup>	Interest of controlled corporation	20,000,000(L) H Shares	9.57%	2.89%

*Note:*

- The letter "L" represents the substantial shareholder's long position in the shares.

\* For identification purpose only

2. CCID Group Co was owned by CCID and China Software Testing Center (Research Center of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion)\* (中國軟件評測中心(工業和信息化部軟件與集成電路促進中心))("Research Centre") as to 50% and 50%, respectively, while Research Centre is controlled and supervised by CCID. CCID, through CCID Group Co and CCID Riyue (directly and indirectly, wholly-owned by CCID), had effective interests in 491,000,000 Domestic Shares of the Company comprising 392,610,000 Domestic Shares directly held by CCID Group Co and 98,390,000 Domestic Shares directly held by CCID Riyue. Research Centre was formerly known as China Software Testing Center (Research Centre of Ministry of Industry and Information Technology Computer and Microelectronics Industry Development)\* (中國軟件評測中心(工業和信息化部計算機與微電子發展研究中心)).
3. Lenovo Manufacturing Limited, a wholly-owned subsidiary of Legend Holdings (BVI) Limited, directly held 20,000,000 H Shares of the Company. Legend Holdings (BVI) Limited was a wholly-owned subsidiary of Lenovo Group Limited.

Save as disclosed above, as at 30 June 2022, no other person had any interest and short position in the shares or underlying shares of the Company that was required to be recorded in the register pursuant to Section 336 of the SFO.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2022.

## **COMPETING INTEREST**

None of the Directors or the controlling shareholders (as defined in the Listing Rules) of the Company and their respective close associates has any interests in a business which competes with or may compete with the business of the Group.

## **SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS**

The Company has adopted the "Model Code for Securities Transactions by the Directors and Supervisors" in Appendix 10 to the Listing Rules as the Model Code for securities transactions by the Directors and Supervisors, and regulates the securities transactions by the Directors and Supervisors pursuant to the requirements thereof. The Company, having made due enquiries with all the Directors and Supervisors, confirmed that, during the six months ended 30 June 2022, all Directors and Supervisors have complied with such code. The Company was not aware of any non-compliance during the period.

\* For identification purpose only

## **CHANGE IN INFORMATION REGARDING DIRECTORS AND SUPERVISORS ACCORDING TO RULE 13.51B(1) OF THE LISTING RULES**

Save as disclosed below, there has been no change in the information of the Directors and Supervisors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.

Mr. Chen Yung-cheng, an independent non-executive Director of the Company, resigned as the independent non-executive director of BeiGene, Ltd. on 22 June 2022.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "Audit Committee") in accordance with Rule 3.21 of the Listing Rules, for the purposes of reviewing and supervising the Group's financial reporting process, risk management and internal control systems. The Audit Committee is comprised of three independent non-executive Directors of the Company, namely, Ms. Li Xuemei, Mr. Chen Yung-cheng and Mr. Hu Bin. Ms. Li Xuemei is the chairlady of the Audit Committee. The Audit Committee has reviewed the Group's unaudited consolidated results for the six months ended 30 June 2022 and considered that the preparation of those results is in compliance with the appropriate accounting standards and relevant regulations and laws.

## **MATERIAL EVENTS AFTER THE END OF THE REPORTING PERIOD**

Save as disclosed in material acquisitions and disposals, there are no material events affecting the Group which has occurred after the end of the reporting period.

## **CORPORATE GOVERNANCE**

The Company has been in compliance with the provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2022.

## **FUTURE PLANS FOR MATERIAL ACQUISITION AND DISPOSALS**

The Group has no material acquisition and disposal plan.

## **RISK MANAGEMENT AND INTERNAL CONTROL**

The Board has conducted regular review of the risk management and internal control systems of the Group to ensure that the systems are effective and appropriate. The Board held regular meetings to discuss matters concerning finance, operation and risk management and monitoring.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information publicly available to the Company and within the knowledge of the Directors, the Company has maintained the sufficiency of public float requirement as specified in the Listing Rules as at the latest practicable date prior to the issue of this report.

## **ACKNOWLEDGEMENT**

Hereby, I avail myself of this opportunity to thank all Directors, management of the Group and all the employees for their dedication and commitment and all suppliers, customers, bankers and shareholders for their continued support.

By Order of the Board  
**CCID CONSULTING COMPANY LIMITED\***  
**Ms. Ma Yaqing**  
*Chairman*

Beijing, The People's Republic of China  
23 August 2022

*As at the date of this report, the Board comprises two executive Directors namely Ms. Ma Yaqing and Mr. Qin Hailin; and three independent non-executive Directors namely Ms. Li Xuemei, Mr. Chen Yung-cheng and Mr. Hu Bin.*

\* *For identification purposes only*