

# **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: 02176)

[www.ccidconsulting.com](http://www.ccidconsulting.com)

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

### **ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022**

The board of Directors (the “**Board**”) of the Company hereby announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2022 (the “**Reporting Period**”), together with the audited comparative figures for the corresponding period of 2021 as follows.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the year ended 31 December 2022*

|   | <i>Notes</i> | <b>2022</b><br><b>RMB'000</b> | 2021<br><i>RMB'000</i><br>(restated) |
|---|--------------|-------------------------------|--------------------------------------|
| Revenue   | 3            | <b>203,836</b>                | 281,800                              |
| Cost of sales   |              | <b>(108,982)</b>              | (134,174)                            |
| Gross profit  |              | <b>94,854</b>                 | 147,626                              |
| Other income and gains  | 5            | <b>3,906</b>                  | 8,527                                |
| Selling and distribution expenses   |              | <b>(18,416)</b>               | (22,964)                             |
| Administrative and other operating expenses   |              | <b>(48,997)</b>               | (77,114)                             |
| Impairment loss recognised on accounts and<br>other receivables, net                          | 6            | <b>(1,501)</b>                | (81)                                 |
| Profit before taxation  |              | <b>29,846</b>                 | 55,994                               |
| Income tax expense  | 7            | <b>(5,230)</b>                | (10,026)                             |
| Profit for the year   | 8            | <b>24,616</b>                 | 45,968                               |
| <b>Other comprehensive (expense) income for the year</b>                                      |              |                               |                                      |
| <i>Item that will not be reclassified subsequently to<br/>profit or loss:</i>                 |              |                               |                                      |
| Changes in fair value of financial assets at<br>fair value through other comprehensive income |              | <b>(156)</b>                  | —                                    |
| Income tax relating to items that will not be<br>reclassified subsequently to profit or loss  |              | <b>39</b>                     | —                                    |
|   |              | <b>(117)</b>                  | —                                    |
| <b>Total comprehensive income for the year</b>  |              | <b>24,499</b>                 | 45,968                               |
| <b>Profit (loss) for the year attributable to:</b>  |              |                               |                                      |
| Owners of the Company   |              | <b>30,098</b>                 | 42,921                               |
| Non-controlling interests   |              | <b>(5,482)</b>                | 3,047                                |
|   |              | <b>24,616</b>                 | 45,968                               |
| <b>Total comprehensive income (expense) for the year<br/>attributable to:</b>                 |              |                               |                                      |
| Owners of the Company   |              | <b>29,981</b>                 | 42,921                               |
| Non-controlling interests   |              | <b>(5,482)</b>                | 3,047                                |
|   |              | <b>24,499</b>                 | 45,968                               |
| Earnings per share ( <i>RMB cents</i> ):  | 9            |                               |                                      |
| Basic   |              | <b>4.30</b>                   | 6.13                                 |
| Diluted   |              | <b>4.30</b>                   | 6.13                                 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

|   |              | 31 December<br>2022 | 31 December<br>2021          | 1 January<br>2021            |
|---|--------------|---------------------|------------------------------|------------------------------|
|   | <i>Notes</i> | <i>RMB'000</i>      | <i>RMB'000</i><br>(restated) | <i>RMB'000</i><br>(restated) |
| <b>Non-current assets</b>   |              |                     |                              |                              |
| Property, plant and equipment   |              | 12,872              | 14,993                       | 16,373                       |
| Intangible asset  |              | 14,681              | 14,681                       | 14,681                       |
| Financial assets at fair value<br>through other comprehensive<br>income |              | 1,524               | 1,680                        | 1,680                        |
| Pledged bank deposits   |              | —                   | —                            | 1,336                        |
| Deferred tax assets   |              | 1,640               | 1,773                        | 1,632                        |
|   |              | <u>30,717</u>       | <u>33,127</u>                | <u>35,702</u>                |
| <b>Current assets</b>   |              |                     |                              |                              |
| Accounts receivables  | 11           | 27,391              | 26,436                       | 28,742                       |
| Prepayments, deposits and other<br>receivables                          |              | 3,040               | 12,353                       | 11,720                       |
| Financial assets at fair value<br>through profit or loss                |              | 104                 | 149                          | 60,087                       |
| Tax recoverable   |              | 181                 | 6,301                        | 3,066                        |
| Amounts due from related parties  |              | 505                 | 10,017                       | 11,000                       |
| Pledged bank deposits   |              | —                   | 3,163                        | 1,862                        |
| Cash and cash equivalents   |              | 247,653             | 389,973                      | 281,480                      |
|   |              | <u>278,874</u>      | <u>448,392</u>               | <u>397,957</u>               |
| <b>Current liabilities</b>  |              |                     |                              |                              |
| Accounts payables   | 12           | 1,245               | 2,381                        | 3,983                        |
| Accruals and other payables   |              | 27,485              | 49,123                       | 54,306                       |
| Contract liabilities  | 13           | 113,460             | 106,766                      | 85,414                       |
| Amounts due to related parties  |              | 157                 | 25,782                       | 4,471                        |
| Income tax payable  |              | 751                 | 3,349                        | 997                          |
|   |              | <u>143,098</u>      | <u>187,401</u>               | <u>149,171</u>               |
| <b>Net current assets</b>   |              | <u>135,776</u>      | <u>260,991</u>               | <u>248,786</u>               |
| <b>Total assets less current liabilities</b>                            |              | <u>166,493</u>      | <u>294,118</u>               | <u>284,488</u>               |

|   | <b>31 December<br/>2022<br/>RMB'000</b> | 31 December<br>2021<br>RMB'000<br>(restated) | 1 January<br>2021<br>RMB'000<br>(restated) |
|---|---|--|--|
| <b>Non-current liability</b>                          |   |  |  |
| Deferred tax liabilities                              | —                                       | 4  | —  |
| <b>Net assets</b>                                     | <b><u>166,493</u></b>                   | <b><u>294,114</u></b>                        | <b><u>284,488</u></b>                      |
| <b>Equity</b>   |   |  |  |
| Share capital   | <b>70,000</b>                           | 70,000                                       | 70,000                                     |
| Reserves  | <b><u>70,605</u></b>                    | <u>158,805</u>                               | <u>141,813</u>                             |
| Total equity attributable to owners<br>of the Company | <b>140,605</b>                          | 228,805                                      | 211,813                                    |
| Non-controlling interests                             | <b><u>25,888</u></b>                    | <u>65,309</u>                                | <u>72,675</u>                              |
| <b>Total equity</b>                                   | <b><u>166,493</u></b>                   | <b><u>294,114</u></b>                        | <b><u>284,488</u></b>                      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL AND BASIS OF PREPARATION

CCID Consulting Company Limited (the “**Company**”) registered in the People’s Republic of China (the “**PRC**”) as a joint stock company with limited liability and its H shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (Stock code: 08235) since 12 December 2002. On 14 May 2021, the listing of shares was transferred from GEM to the Main Board of the Stock Exchange (Stock code: 02176).

The Company’s immediate holding company is 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**”), a company established in the PRC and ultimately held by China Center of Information Industry Development\* (中國電子信息產業發展研究院) (“**CCID**”), a company established in the PRC and the ultimate controlling party of which is the Ministry of Industry and Information Technology of the PRC.

Upon completion of the restructuring of equity interests held by Research Centre to 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**”) during the year ended 31 December 2022, CCID Group Co becomes the immediate holding company of the Group. As the Research Centre held 50% equity interest in CCID Group Co, Research Centre become the intermediate holding company of the Company. The ultimate parent company and ultimate controlling party remain unchanged.

The address of the registered office of the Company is Room 311, No.2 Building, No. 28 Zhen Xing Road, Chang Ping District, Beijing, the PRC. Its principal place of business in the PRC is located at 10th Floor, CCID Plaza, 66 Zizhuyuan Road, Haidian District, Beijing, PRC. Its principal place of business in Hong Kong is changed from 40th Floor, Sunlight Tower, 248 Queen’s Road East, Wanchai, Hong Kong to 40th Floor, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong with effective from 23 March 2021.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are the provision of management and strategic consultancy services, market consultancy services, information engineering supervision services, data information design services, training courses services and subscription to information system services, and conference consultation and exhibition services. The Group is also engaged in the provision of industry spatial management services which is included in management and strategic consultancy services segment since the merger with Guangdong CCID Industrial and Information Research Center Company Limited\* (廣東賽迪工業和信息化研究院有限公司) (“**Guangdong CCID**”) in September 2020.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and its subsidiaries.

\* *The English translation is for identification only*

On 31 May 2022, a sale and purchase agreement was entered into by Beijing CCID Industry and Information Engineering Design Center Company Limited (“**CCID Design**”), a non wholly-owned subsidiary of the Company 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**”) in relation to the acquisition of 19.9% equity interest of Beijing CCID Exhibition Co. Ltd. (“**CCID Exhibition**”) at a cash consideration of approximately RMB14,684,000.

On 31 May 2022, a sale and purchase agreement was entered into by CCID Design with CCID Academy for Industry and Information Technology Limited (“**CCID Group Co**”) and Beijing CCID Venture Investment Company Limited\* (“**CCID Venture Investment**”) (北京賽迪創業投資有限公司) in relation to (i) the acquisition of 53.5% equity interest of CCID Exhibition at a consideration of 44.797% equity interests in CCID Supervision to CCID Group Co together with a cash consideration of approximately RMB4,590,000 and (ii) the acquisition of 26.6% equity interest of CCID Exhibition at a consideration of 25.203% equity interests in CCID Supervision to CCID Venture Investment. The transactions have been approved on the extraordinary general meeting convened on 9 August 2022 and have been completed on 9 August 2022.

Upon the completion, the CCID Exhibition became a subsidiary of the Group. As CCID Exhibition and the Group are commonly controlled by the CCID Group Co both before and after the acquisitions, the acquisitions of CCID Exhibition were considered as business combination involving entities under common control. Accordingly, the Company applied the principle of merger accounting to account for the acquisitions of CCID Exhibition in preparing these consolidated financial statements.

The assets and liabilities of CCID Exhibition acquired by the Group are stated at predecessor value, and were included in the Group’s financial statements from the beginning of the earliest period presented as if CCID Exhibition had always been part of the Group. No amount is recognised as consideration for goodwill or excess of Group’s interest in the net fair value of CCID Exhibition’s identified assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of CCID Supervision’s interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of CCID Exhibition since the date when CCID Exhibition first came under the common control of the Group. Comparative figures in the Group’s consolidated financial statements for the year ended 31 December 2021 have been restated to include the results of CCID Exhibition for the year ended 31 December 2021 and its assets and liabilities as at 31 December 2021.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for its first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning 1 January 2022.

|                       |  |
|-----------------------|--|
| Amendment to HKFRS 16 | Covid-19-Related Rent Concessions beyond 30 June 2021        |
| Amendments to HKFRS 3 | Reference to the Conceptual Framework                        |
| Amendments to HKAS 16 | Property, Plant and Equipment — Proceeds before Intended Use |
| Amendments to HKAS 37 | Onerous Contracts — Cost of Fulfilling a Contract            |
| Amendments to HKFRSs  | Annual Improvements to HKFRSs 2018–2020 cycle                |

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

### **New and amendments to HKFRSs issued but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective.

|  |  |
|--|--|
| HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17) | Insurance Contracts <sup>1</sup>   |
| Amendments to HKFRS 16   | Lease Liability in a Sale and Leaseback <sup>2</sup>   |
| Amendments to HKFRS 10 and HKAS 28   | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>   |
| Amendments to HKAS 1   | Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup> |
| Amendments to HKAS 1   | Non-current Liabilities with Covenants <sup>2</sup>  |
| Amendments to HKAS 1 and HKFRS Practice Statement 2                            | Disclosure of Accounting Policies <sup>1</sup>   |
| Amendments to HKAS 8   | Definition of Accounting Estimates <sup>1</sup>  |
| Amendments to HKAS 12  | Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>  |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

### 3. REVENUE

Revenue mainly represents revenue arising from provision of management and strategic consultancy services, market consultancy services, information engineering supervision services, industry spatial management services, conference consultation and exhibition services and other services for the year. An analysis of the Group's revenue for the year is as follows:

|  | <b>2022</b><br><b>RMB'000</b> | 2021<br><i>RMB'000</i><br>(restated) |
|--|-------------------------------|--------------------------------------|
| Revenue from contracts with customers within the scope of HKFRS 15 |                               |                                      |
| Disaggregated by major services lines                              |                               |                                      |
| — Provision of management and strategic consultancy services       | <b>115,182</b>                | 113,320                              |
| — Provision of market consultancy services                         | <b>32,626</b>                 | 32,956                               |
| — Provision of information engineering supervision services        | <b>37,483</b>                 | 76,514                               |
| — Provision of industry spatial management services                | <b>8,655</b>                  | 10,369                               |
| — Provision of conference consultation and exhibition services     | <b>9,297</b>                  | 46,041                               |
| — Provision of other services                                      | <b>593</b>                    | 2,600                                |
|  | <b>203,836</b>                | 281,800                              |
|  | <b>2022</b><br><b>RMB'000</b> | 2021<br><i>RMB'000</i><br>(restated) |
| Disaggregation of revenue from contracts with customers by:        |                               |                                      |
| Timing of revenue recognition                                      |                               |                                      |
| At a point in time   | <b>157,698</b>                | 194,917                              |
| Overtime   | <b>46,138</b>                 | 86,883                               |
| Total revenue from contracts with customers                        | <b>203,836</b>                | 281,800                              |

#### Transaction price allocated to the remaining performance obligations for contracts with customers

As at 31 December 2022, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately RMB132,870,000 (2021 restated: RMB114,411,000). The amount mainly represents revenue expected to be recognised in the future from provision of information engineering supervision services and industry spatial management services. The Group will recognise this revenue in the next 12 months (2021: next 12 months).



#### 4. SEGMENT INFORMATION

##### Segment revenue and result

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 December 2022

|  | Management<br>and strategic<br>consultancy<br>services<br><i>RMB'000</i> | Market<br>consultancy<br>services<br><i>RMB'000</i> | Information<br>engineering<br>supervision<br>services<br><i>RMB'000</i> | Conference<br>consultation<br>and<br>exhibition<br>services<br><i>RMB'000</i> | Others<br>services<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|--|--|---|---|---|--------------------------------------|-------------------------|
| External sales   | 123,837  | 32,626  | 37,483  | 9,297   | 593                                  | 203,836                 |
| Inter-segment sales  | —  | —   | —   | —   | 3,538                                | 3,538                   |
| Segment revenue  | <u>123,837</u>   | <u>32,626</u>                                       | <u>37,483</u>   | <u>9,297</u>  | <u>4,131</u>                         | 207,374                 |
| Eliminations   |  |   |   |   |                                      | <u>(3,538)</u>          |
| Group revenue  |  |   |   |   |                                      | <u>203,836</u>          |
| Segment profit   | <u>62,547</u>  | <u>16,800</u>                                       | <u>11,883</u>   | <u>1,814</u>  | <u>471</u>                           | <u>93,515</u>           |
| Impairment loss<br>recognised on other<br>receivables, net |  |   |   |   |                                      | (162)                   |
| Unallocated income   |  |   |   |   |                                      | 3,906                   |
| Unallocated expenses                                       |  |   |   |   |                                      | <u>(67,413)</u>         |
| Profit before taxation                                     |  |   |   |   |                                      | <u>29,846</u>           |

For the year ended 31 December 2021 (restated)

|  | Management<br>and strategic<br>consultancy<br>services<br><i>RMB'000</i> | Market<br>consultancy<br>services<br><i>RMB'000</i> | Information<br>engineering<br>supervision<br>services<br><i>RMB'000</i> | Conference<br>consultation<br>and<br>exhibition<br>services<br><i>RMB'000</i> | Others<br>services<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|--|--|---|---|---|--------------------------------------|-------------------------|
| External sales   | 123,689  | 32,956  | 76,514  | 46,041  | 2,600                                | 281,800                 |
| Inter-segment sales                                      | <u>17</u>  | <u>521</u>  | <u>—</u>  | <u>—</u>  | <u>5,094</u>                         | <u>5,632</u>            |
| Segment revenue  | <u>123,706</u>   | <u>33,477</u>                                       | <u>76,514</u>   | <u>46,041</u>   | <u>7,694</u>                         | 287,432                 |
| Eliminations   |  |   |   |   |                                      | <u>(5,632)</u>          |
| Group revenue  |  |   |   |   |                                      | <u>281,800</u>          |
| Segment profit   | <u>64,851</u>  | <u>18,868</u>                                       | <u>33,532</u>   | <u>27,694</u>   | <u>2,310</u>                         | <u>147,255</u>          |
| Impairment loss<br>reversed on other<br>receivables, net |  |   |   |   |                                      | 290                     |
| Unallocated income                                       |  |   |   |   |                                      | 8,527                   |
| Unallocated expenses                                     |  |   |   |   |                                      | <u>(100,078)</u>        |
| Profit before taxation                                   |  |   |   |   |                                      | <u>55,994</u>           |

Segment profit represents the profit earned by each segment without allocation of other income and gains, selling and distribution expenses, administrative and other operating expenses and impairment loss recognised on accounts and other receivables, net. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market price.

## Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

### *Segment assets*

|   | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i><br>(restated) |
|---|------------------------|--------------------------------------|
| Management and strategic consultancy services   | 21,196                 | 15,732                               |
| Market consultancy services                     | 5,563                  | 823                                  |
| Information engineering supervision services    | —                      | 9,634                                |
| Conference consultation and exhibition services | 584                    | 150                                  |
| Other services                                  | 48                     | 97                                   |
|   | <hr/>                  | <hr/>                                |
| Total segment assets                            | 27,391                 | 26,436                               |
| Unallocated assets                              | 282,200                | 455,083                              |
|   | <hr/>                  | <hr/>                                |
| Consolidated assets                             | <u>309,591</u>         | <u>481,519</u>                       |

### *Segment liabilities*

|   | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i><br>(restated) |
|---|------------------------|--------------------------------------|
| Management and strategic consultancy services   | 52,225                 | 52,647                               |
| Market consultancy services                     | 14,938                 | 2,230                                |
| Information engineering supervision services    | —                      | 43,840                               |
| Conference consultation and exhibition services | 47,067                 | 10,034                               |
| Other services                                  | 475                    | 396                                  |
|   | <hr/>                  | <hr/>                                |
| Total segment liabilities                       | 114,705                | 109,147                              |
| Unallocated liabilities                         | 28,393                 | 78,258                               |
|   | <hr/>                  | <hr/>                                |
| Consolidated liabilities                        | <u>143,098</u>         | <u>187,405</u>                       |

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, intangible asset, financial assets at FVTOCI, deferred tax assets, prepayments, deposits and other receivables, financial assets at FVTPL, tax recoverable, pledged bank deposits, amounts due from related parties and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than accruals and other payables, amounts due to related parties, income tax payable and deferred tax liabilities.

**Other segment information**

**For the year ended 31 December 2022**

|  | Management<br>and strategic<br>consultancy<br>services<br><i>RMB'000</i> | Market<br>consultancy<br>services<br><i>RMB'000</i> | Information<br>engineering<br>supervision<br>services<br><i>RMB'000</i> | Conference<br>consultation<br>and<br>exhibition<br>services<br><i>RMB'000</i> | Others<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|--|--|---|---|---|--------------------------|-------------------------|
| <b>Amounts included in the measure of segment profit or segment assets:</b>  |  |   |   |   |                          |                         |
| Impairment loss recognised<br>(reversed) on accounts<br>receivables, net   | 1,212  | 99  | —   | (8)   | 36                       | 1,339                   |
| <b>Amounts regularly provided to the CODM but not included in the measure of segment profit or segment assets:</b> |  |   |   |   |                          |                         |
| Additions to non-current assets<br>(Note)  | 57   | 14  | 13  | 18  | —                        | 102                     |
| Depreciation of property, plant<br>and equipment   | 1,364  | 387   | 92  | 59  | 28                       | 1,930                   |
| Other receivables written off  | 1,092  | 299   | —   | —   | —                        | 1,391                   |
| Impairment loss recognised on<br>other receivables, net  | 127  | 35  | —   | —   | —                        | 162                     |
| Income tax expense   | <u>4,216</u>   | <u>950</u>  | <u>—</u>  | <u>3</u>  | <u>61</u>                | <u>5,230</u>            |

**For the year ended 31 December 2021 (restated)**

|  | Management<br>and strategic<br>consultancy<br>services<br><i>RMB'000</i> | Market<br>consultancy<br>services<br><i>RMB'000</i> | Information<br>engineering<br>supervision<br>services<br><i>RMB'000</i> | Conference<br>consultation<br>and<br>exhibition<br>services<br><i>RMB'000</i> | Others<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|--|--|---|---|---|--------------------------|-------------------------|
| <b>Amounts included in the measure of segment profit or segment assets:</b>  |  |   |   |   |                          |                         |
| Impairment loss recognised<br>(reversed) on accounts<br>receivables, net   | 408  | (32)  | 10  | (13)  | (2)                      | 371                     |
| <b>Amounts regularly provided to the CODM but not included in the measure of segment profit or segment assets:</b> |  |   |   |   |                          |                         |
| Additions to non-current assets<br>(Note)  | 296  | 116   | 206   | 15  | 87                       | 720                     |
| Depreciation of property, plant<br>and equipment   | 1,412  | 390   | 207   | 69  | 22                       | 2,100                   |
| Reversal of impairment loss on<br>other receivables, net   | (119)  | —   | (171)   | —   | —                        | (290)                   |
| Income tax expense (credit)  | <u>4,778</u>   | <u>1,502</u>  | <u>(202)</u>  | <u>3,552</u>  | <u>396</u>               | <u>10,026</u>           |

*Note:* Non-current assets excluded financial assets and deferred tax assets.

### ***Geographical information***

The Group's revenue from external customers presented based on the location of the operations is derived solely in the PRC (country of domicile). Non-current assets of the Group presented based on the location of the assets are all located in the PRC. As a result, geographical information has not been presented.

### ***Information about major customers***

During the years ended 31 December 2022 and 2021, there is no single customer or a group of customers contributing over 10% of the total revenue of the Group.

## **5. OTHER INCOME AND GAINS**

|  | <b>2022</b><br><b><i>RMB'000</i></b> | 2021<br><i>RMB'000</i><br>(restated) |
|--|--------------------------------------|--------------------------------------|
| Interest income from bank deposits                       | 2,916                                | 5,406                                |
| Investment income arising from financial assets at FVTPL | 173                                  | 2,128                                |
| Government grant ( <i>Note (a)</i> )                     | 111                                  | 181                                  |
| Sundry income  | 706                                  | 812                                  |
|  | <u>3,906</u>                         | <u>8,527</u>                         |

*Notes:*

- (a) Government grants recognised as other income and gains are awarded to the Group by the PRC government as incentives primarily to encourage the development of the Group and the contribution to the local economic development. The government grants are one-off with no specific condition attached.

## **6. IMPAIRMENT LOSS RECOGNISED ON ACCOUNTS AND OTHER RECEIVABLES, NET**

|                      | <b>2022</b><br><b><i>RMB'000</i></b> | 2021<br><i>RMB'000</i><br>(restated) |
|----------------------|--------------------------------------|--------------------------------------|
| Accounts receivables | 1,339                                | 371                                  |
| Other receivables    | 162                                  | (290)                                |
|                      | <u>1,501</u>                         | <u>81</u>                            |

## 7. INCOME TAX EXPENSE

### (a) Income tax expense (credit):

|                             | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i><br>(restated) |
|-----------------------------|------------------------|--------------------------------------|
| Current tax:                |                        |                                      |
| — PRC Enterprise Income Tax | 5,538                  | 10,163                               |
| Deferred tax                |                        |                                      |
| — Current year              | <u>(308)</u>           | <u>(137)</u>                         |
|                             | <u>5,230</u>           | <u>10,026</u>                        |

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25%. During the years ended 31 December 2022 and 2021, the Company and CCID Supervision, a subsidiary of the Company, are high and new technology enterprises (the “HNTE”) registered in Beijing New Technology Enterprise Development Zone. During the year ended 31 December 2022, Beijing CCID Industrial Brain Technology Co., Ltd.\* (“北京賽迪產業大腦科技有限公司”), a subsidiary of the Company, is registered as HNTE. Pursuant to the EIT Law, the enterprise income tax of those entities registered as HNTE is at a rate of 15%.

\* *The English translation is for identification only.*

## 8. PROFIT FOR THE YEAR

|   | 2022<br><i>RMB'000</i> | 2021<br><i>RMB'000</i><br>(restated) |
|---|------------------------|--------------------------------------|
| Profit for the year has been arrived at after charging (crediting):               |                        |                                      |
| Directors’, supervisors’ and general manager’s emoluments                         | 630                    | 658                                  |
| Staff costs (excluding directors’, supervisors’ and general manager’s emoluments) |                        |                                      |
| — Salaries, wages, allowances and other benefits                                  | 100,653                | 118,027                              |
| — Contributions to retirement benefits scheme                                     | <u>25,994</u>          | <u>29,517</u>                        |
| Total staff costs   | <u>126,647</u>         | <u>147,544</u>                       |
| Auditor’s remuneration  | 800                    | 800                                  |
| Depreciation of property, plant and equipment                                     | 1,930                  | 2,100                                |
| Loss on written off of property, plant and equipment                              | 43                     | —                                    |
| Fair value loss (gain) arising from FVTPL   | 45                     | (62)                                 |
| Other receivables written off   | 1,391                  | —                                    |
| Research and development expenses   | 18,766                 | 28,942                               |
| Rental expenses on short term leases in respect of rented office premises         | <u>2,681</u>           | <u>4,820</u>                         |

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

|  | 2022               | 2021<br>(restated) |
|--|--------------------|--------------------|
| Profit for the year attributable to owners of the Company<br>(RMB'000)                                       | <u>30,098</u>      | <u>42,921</u>      |
| Weighted average number of ordinary shares for the purpose of<br>basic and diluted earnings per share ('000) | <u>700,000</u>     | <u>700,000</u>     |
| Basic and diluted earnings per share (RMB cent)  | <u><u>4.30</u></u> | <u><u>6.13</u></u> |

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the years ended 31 December 2022 and 2021.

## 10. DIVIDENDS

|                                  | 2022<br>RMB'000 | 2021<br>RMB'000 |
|----------------------------------|-----------------|-----------------|
| 2022 final dividend (Note (a))   | <u>18,200</u>   | <u>—</u>        |
| 2022 interim dividend (Note (b)) | <u>45,010</u>   | <u>—</u>        |
| 2022 special dividend (Note (c)) | <u>35,000</u>   | <u>—</u>        |
| 2020 final dividend (Note (d))   | <u>—</u>        | <u>10,710</u>   |

Notes:

- (a) Subsequent to the end of the reporting period, the Company has proposed cash dividends of RMB2.6 cents per share (tax included) based on 700,000,000 shares held amounting to approximately RMB18,200,000 during the year ended 31 December 2022. The dividends on domestic shares were paid in RMB and dividends on H shares were paid in Hong Kong dollars. The dividends are subject to approval by the shareholders in the forthcoming general meeting. (2021: nil)
- (b) Pursuant to the resolution of the shareholders meeting on 10 October 2022, the Company distributed interim cash dividends of RMB6.43 cents per share (tax included) based on 700,000,000 shares held amounting to approximately RMB45,010,000 during the year ended 31 December 2022. The dividends on domestic shares were paid in RMB and dividends on H shares were paid in Hong Kong dollars.
- (c) Pursuant to the resolution of the shareholders meeting on 14 July 2022, the Company distributed special cash dividends of RMB5 cents per share (tax included) based on 700,000,000 shares held amounting to approximately RMB35,000,000 during the year ended 31 December 2022. The dividends on domestic shares were paid in RMB and dividends on H shares were paid in Hong Kong dollars.

- (d) Pursuant to the resolution of the shareholders meeting on 11 June 2021, the Company distributed cash dividends of RMB1.53 cents per share (tax included) based on 700,000,000 shares held amounting to approximately RMB10,710,000 during the year ended 31 December 2021. The dividends on domestic shares were paid in RMB and dividends on H shares were paid in Hong Kong dollars.

## 11. ACCOUNTS RECEIVABLES

|  | <b>2022</b><br><b>RMB'000</b> | 2021<br><b>RMB'000</b><br>(restated) |
|--|-------------------------------|--------------------------------------|
| Receivables at amortised cost comprise:                |                               |                                      |
| Accounts receivables                                   | <b>36,860</b>                 | 34,760                               |
| Less: allowance for impairment of accounts receivables | <b>(9,469)</b>                | (8,324)                              |
| Net accounts receivables                               | <b><u>27,391</u></b>          | <b><u>26,436</u></b>                 |

As at 31 December 2022, the gross amount of accounts receivable arising from contracts with customers amounted to approximately RMB36,860,000 (2021 restated: RMB34,760,000).

The Group allows an average credit period of 60 to 365 days to its trade customers. The Group may, on a case by case basis and after evaluation of the business relationship and creditworthiness, extend the credit period upon clients' request. The following is an aged analysis of accounts receivables, net of allowance for impairment of accounts receivable, presented based on the invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period:

|                        | <b>Related parties</b><br><b>RMB'000</b> | <b>Third parties</b><br><b>RMB'000</b> | <b>Total</b><br><b>RMB'000</b> |
|------------------------|--|--|--------------------------------|
| <b>2022</b>            |  |  |                                |
| 0 to 60 days           | <b>1,636</b>                             | <b>16,173</b>                          | <b>17,809</b>                  |
| 61 to 180 days         | —  | <b>624</b>                             | <b>624</b>                     |
| 181 to 365 days        | —  | <b>164</b>                             | <b>164</b>                     |
| More than 365 days     | <b>476</b>                               | <b>8,318</b>                           | <b>8,794</b>                   |
|                        | <b><u>2,112</u></b>                      | <b><u>25,279</u></b>                   | <b><u>27,391</u></b>           |
|                        | <b>Related parties</b><br><b>RMB'000</b> | <b>Third parties</b><br><b>RMB'000</b> | <b>Total</b><br><b>RMB'000</b> |
| <b>2021 (restated)</b> |  |  |                                |
| 0 to 60 days           | 533                                      | 4,400                                  | 4,933                          |
| 61 to 180 days         | —  | 3,143                                  | 3,143                          |
| 181 to 365 days        | —  | 3,140                                  | 3,140                          |
| More than 365 days     | —  | 15,220                                 | 15,220                         |
|                        | <b><u>533</u></b>                        | <b><u>25,903</u></b>                   | <b><u>26,436</u></b>           |



The Group measures the loss allowance at an amount equal to lifetime ECL, which is based on the categories of customers, expected credit loss rates and ageing analysis of gross carrying amount. Expected loss rates are determined by reference to historical data over the past 3 years (2021: 3 years) adjusted with the credit quality of grouped debtors, current economic conditions and the forecast economic conditions over the expected lives of the accounts receivables. In view of the macroeconomic in the PRC showing no material unfavourable factors to the customers of the Group, the management does not expect significant credit loss due to credit curtailment. There has been no change in the estimation techniques or significant assumptions made during the year from preceding reporting period.

As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The Group recognised lifetime ECL for accounts receivables based on ageing of customers collectively that are not individually significant as follows:

As at 31 December 2022, the directors of the Company considered the ECL rate is 3.6% (2021: 1.4%) for accounts receivables from low risk customers past due within 365 days with gross carrying amount of approximately RMB26,346,000 (2021 restated: RMB24,837,000) and ECL allowance amounted to RMB949,000 (2021 restated: RMB348,000).

As at 31 December 2022, the directors of the Company considered the ECL rate is 81% (2021: 80.3%) for accounts receivables from high risk customers past due for more than 365 days with gross carrying amount of approximately RMB10,514,000 (2021: RMB9,923,000) and ECL allowance amount of RMB8,520,000 (2021: RMB7,976,000).

Amounts due from related parties are analysed as follows:

|  | <b>2022</b><br><b>RMB'000</b> | 2021<br><b>RMB'000</b><br>(restated) |
|--|-------------------------------|--------------------------------------|
| Name of ultimate holding company   |                               |                                      |
| CCID   | <b>834</b>                    | —                                    |
| Name of fellow subsidiaries  |                               |                                      |
| CCID Network Information Technology Co., Ltd.*<br>(北京賽迪網信息技術有限公司)  | <b>8</b>                      | 68                                   |
| CCID Group Co ( <i>Note</i> )  | —                             | 465                                  |
| CCID Supervision   | <b>470</b>                    | —                                    |
| CCID Industrial and Information Technology Research<br>Institute Group (Suzhou) Co. Ltd.*<br>(賽迪工業和信息化研究院集團(蘇州)有限公司) | <b>800</b>                    | —                                    |
| Total  | <b>2,112</b>                  | 533                                  |

*Note:* CCID Group Co is immediate holding company of the Group in 2022 (2021: a fellow subsidiary). Details are set out in note 1.

\* *The English translation is for identification only*

The amounts due from related parties are trade nature, unsecured, interest-free and repayable at a credit period of 60 days as at 31 December 2022 and 2021.

The movement in lifetime ECL that has been recognised for accounts receivables under the simplified approach is set out below:

|                                     | <b>2022</b><br><b><i>RMB'000</i></b> | 2021<br><i>RMB'000</i><br>(restated) |
|-------------------------------------|--------------------------------------|--------------------------------------|
| At the beginning of the year        | <b>8,324</b>                         | 8,596                                |
| Impairment losses recognised        | <b>1,925</b>                         | 1,355                                |
| Amounts reversed                    | <b>(586)</b>                         | (984)                                |
| Amount written off as uncollectible | <b>(194)</b>                         | (643)                                |
|                                     | <hr/>                                | <hr/>                                |
| At the end of the year              | <b>9,469</b>                         | 8,324                                |
|                                     | <hr/> <hr/>                          | <hr/> <hr/>                          |

The Group writes off accounts receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the accounts receivables are over 4 years past due, whichever occurs earlier. The Group has taken legal action against the debtors to recover the amount due.

## 12. ACCOUNTS PAYABLES

Accounts payables represented payables to suppliers. The credit terms granted by suppliers and immediate holding company were stipulated in the relevant contracts and the payables were usually due for settlement from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is the aged analysis of accounts payables presented based on the invoice date at the end of the reporting period:

|                | <b>2022</b><br><b><i>RMB'000</i></b> | 2021<br><i>RMB'000</i><br>(restated) |
|----------------|--------------------------------------|--------------------------------------|
| Within 30 days | <b>1,080</b>                         | 2,233                                |
| Over 365 days  | <b>165</b>                           | 148                                  |
|                | <hr/>                                | <hr/>                                |
| <b>Total</b>   | <b>1,245</b>                         | 2,381                                |
|                | <hr/> <hr/>                          | <hr/> <hr/>                          |

### 13. CONTRACT LIABILITIES

Contract liabilities represents advances received from customer for unsatisfied or partially satisfied service contracts.

Information about the significant payment terms of the revenue from contracts with customers is set out below:

| <b>Type of revenue</b>  | <b>Significant payment terms</b>  |
|---|---|
| Management and strategic consultancy services, market consultancy services, conference consultation and exhibition services and other services (data information design services, training course services and subscription to information system services) | By milestone payments per agreed terms at contract inception (ranging from 20% to 40% deposits), delivery of first draft, revised draft and final report upon acceptance                |
| Information engineering supervision services and industry spatial management services   | By milestone payments per agreed terms at contract inception (ranging from 20% to 40% deposits), project implementation, progress acceptance and final acceptance check upon completion |

The significant changes in contract liabilities in 2022 were mainly due to the continuous increase in the Group's customer base.

Revenue recognised during the year ended 31 December 2022 that was included in the contract liabilities at the beginning of the year is approximately RMB63,132,000 (2021 restated: RMB69,681,000). There was no revenue recognised in the current year that related to performance obligations that were satisfied in prior year.

## **BUSINESS REVIEW**

### **Create new momentum for digitalized business**

In 2022, the Group increased its effort in the research and development of digital products, continued to promote the iterative upgrade of standardized products and made new achievements. “CCID brain” for industries focuses on “digitalizing basic capacity building, digitalizing consulting product system construction, and digitalizing operation ecological construction”, creates a three-in-one digitalized consulting service system, and improves the level of expansion of digital consulting business empowerment. It monitors more than 5 million pieces of enterprise data, including patent data, investment and financing data, corporate relationship graphs, etc. to construct the enterprise database with specialization and newness as the main theme, and has successfully signed the projects with Pengzhou, Shehong, and other cities and counties. The “CCID brain” takes user needs as its purpose, improves pre-sales services, clarifies optional functional modules of the project, while continuously improving after-sales services, establishes backstage data for operation and maintenance updates to ensure dynamic updates, uses small program development, short video production, etc. to enhance the value of product operation and increase user stickiness. CCID’s “Mantianxing” added the “Industrial Big Data” item to realize the dynamic display of industry data and established the “2022 IT Market Annual Conference” and “CCTV Authoritative Report” video items to classify videos based on industry fields, time ranges and other elements to allow easier search for users. We launched the CCID Mantianxing “specialized, special and new power bank” mini program to promote the iterative upgrade of the platform.

### **Create distinctive research results and products**

In 2022, the Group made every effort to create distinctive research results and products. We insisted on being research-oriented, consolidated basic research capabilities, grasped hot issues to carry out forward-looking research, established a multi-product matrix, and further enhanced brand influence through research results.

We issued 78 annual reports, focusing on key areas such as software information, county economy, big data, new materials, artificial intelligence, investment and financing, and digital transformation. We published 25 issues of Insights, and their research areas included semiconductor materials, intelligent networked vehicles, clean energy and other fields. 172 Shushuo articles were published, and their research areas included electronic information, integrated circuits, dual-carbon economy, park economy, investment and financing and other popular research fields. 90 Xinrui reviews were published, and their research areas covered real-time hotspots such as AI digital, virtual reality, 5G applications, finance and hard technology, and ESG. 197 CCID Quick Reviews were published, including the Winter Olympics series, the double-carbon economy series, the consumer economy series, the 2022 ICT trend forecast series, the hard technology series, and the ten-year struggle series. At the same time, the Group continuously optimized research product carriers, used high-quality media such as new media, and combined

current events and the Company's business to create a series of high-quality short videos. 41 research videos were published, including special new series, Mantianxing industry expert series, etc.

### **Promote management innovation**

In 2022, the Group continued to promote management innovation. We improved the management mechanism system, formulated lead management, execution management, and revenue confirmation management systems, optimized group research and project collaboration mechanisms, implemented a pilot "two-way mutual selection system" for project managers and project members, and a project manager responsibility system to encourage healthy competition among team members. The project management department strengthened the management of the entire life cycle of projects such as regular contracts, signing and registration, and sorted out the entire life cycle of multi-department cooperation projects from contract signing, project signing and project approval to completion, and cleaned up old projects. The existing regular statistics were standardized and programmed. We promoted the smooth progress of qualification management, completed the annual internal and external audits of ISO9001 quality certification, and ensured the continuous validity of qualifications.

### **Improve brand influence continuously**

In 2022, the Group continued to enhance its brand influence. We successfully held the "2022 • IT Market Annual Conference" which focused on "Key Technology Innovation • Evolving Digital Momentum", invited industry experts to conduct on-site exchanges through scrolling public speeches, dynamic concept walls, and 11 video results publication. We successfully hosted the "2022 Nanjing World Semiconductor Conference" to further enhance the influence of the CCID brand in the semiconductor field across the country and abroad. We undertook the "2022 Hefei World Integrated Circuit Conference", "Semiconductor Market Annual Conference Main Forum", "Investment and Financing Forum", "China-Korea Semiconductor Cooperation Forum" and other events, and the brand influence continued to increase.

## **BUSINESS OUTLOOK**

In 2023, the Group will build four major service systems of research, consultation, implementation and digitalization, and provide an innovative and comprehensive service and digital empowerment service in relation to "research + consultation+ implementation".

### **Consolidate the foundation for research**

The Group will carry out optimization on its research product systems, such as annual reports, Insights, and reviews, and the promotion of the construction of industrial databases, while strengthening the methodological construction and theoretical research to improve research quality and influence.

### **Expand the base for consultation**

The Group will put in bigger effort for regional market development and enhance its consulting services in terms of regional strategy, industrial planning, etc. In addition, the Group will accelerate digital transformation, investment and financing and other consulting services.

### **Create new momentum for implementation**

The Group will promote the implementation of plans, accelerate the layout of science and technology innovation centers, and provide industrial operation and industrial fund services. Moreover, the Group will expand the advantages of international wind energy exhibitions and explore new exhibition projects in the fields of advanced materials and consumer electronics.

### **Promote digitalized empowerment**

The Group will carry out the upgrade of CCID Mantianxing, CCID Brain, and the CCID big data platform for enterprises with specialized, refined, peculiar and novelty features, and accelerate the launch of new digital products.

## **FINANCIAL REVIEW**

### **Turnover**

For the year ended 31 December 2022, the Group recorded a turnover of approximately RMB203,836,000 (for the year ended 31 December 2021 (restated): approximately RMB281,800,000), representing a decrease of approximately 28% as compared to the corresponding period of last year.

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, financial advisory service in private equity or venture capital investment and initial public offering and so on. The Group recorded revenue of approximately RMB123,837,000 for the year ended 31 December 2022 (approximately RMB123,689,000 for the year ended 31 December 2021 (restated)) from the management and strategy consultancy services, accounting for approximately 61% of the Group's turnover and representing an increase of approximately 1% as compared to the corresponding period of last year.

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 year ended 31 December 2022, the Group had realized revenue of approximately RMB32,626,000 (approximately RMB32,956,000 for the year ended 31 December 2021 (restated)), accounting for approximately 16% of the Group's turnover and representing a decrease of approximately 1% as compared to the corresponding period of last year.

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 year ended 31 December 2022, the turnover of the information engineering supervision services of the Group was approximately RMB37,483,000 (approximately RMB76,514,000 for the year ended 31 December 2021 (restated)), accounting for approximately 18% of the Group's turnover and a decrease of approximately 51% as compared to the corresponding period of last year. It was mainly due to the recurrence of the epidemic in 2022, the central ministries and commissions have implemented the austerity policy required by the government, which has reduced general non-urgent, non-rigid expenditures, and decreased investment in information system engineering and demand for engineering supervision services, resulting in a continuous decline in the turnover of information engineering supervision services.

In terms of conference consultation and exhibition services, the Group mainly provides systematic services from planning, implementation to media cooperation and other exhibition activities to industry associations, enterprises and local governments. For the year ended 31 December 2022, the Group had realized revenue in conference consultation and exhibition services of approximately RMB9,297,000 (approximately RMB46,041,000 for the year ended 31 December 2021 (restated)), accounting for approximately 4% of the Group's turnover.

An analysis of the Group's turnover for the year is as follows:

|   | 2022           |             | 2021 (restated) |             |
|---|----------------|-------------|-----------------|-------------|
|   | <i>RMB'000</i> | %           | <i>RMB'000</i>  | %           |
| Management and strategy consultancy services    | 123,837        | 61%         | 123,689         | 44%         |
| Market consultancy services                     | 32,626         | 16%         | 32,956          | 12%         |
| Information engineering supervision services    | 37,483         | 18%         | 76,514          | 27%         |
| Conference consultation and exhibition services | 9,297          | 4%          | 46,041          | 16%         |
| Other services                                  | 593            | 1%          | 2,600           | 1%          |
| Total   | <u>203,836</u> | <u>100%</u> | <u>281,800</u>  | <u>100%</u> |



The Group continued to implement its digital transformation business strategy and focused on comprehensive industrial innovation services, particularly emphasising key industrial parks, industrial players and investment institutions. With CCID brain for industries at our core, we have built a business innovation platform driven by big data, pushed forward with the comprehensive upgrade of product lines, and enhanced our brand influence.

### **Costs and expenses**

For the year ended 31 December 2022, the Group's costs and expenses amounted to a total of approximately RMB176,395,000 (for the year ended 31 December 2021 (restated): RMB234,252,000), representing a decrease of approximately 25% as compared to the corresponding period of last year. In 2022, the recurrence of the COVID-19 resulted in a decrease in the Group's project costs and research and development.

### **Income tax**

In accordance with the requirements under the Law of the People's Republic of China on Enterprise Income Tax and its implementation regulations, the Opinions of the State Council Concerning Accelerating the Development of the Technological Service Sector (Guo Fa [2014] No. 49), the Notice of the State Taxation Administration on Issues concerning the Administration of Enterprise Income Tax Deduction and Exemption (Guo Shui Fa [2008] No. 111), the Supplementary Notice of the State Taxation Administration on Issues Concerning the Administration of Enterprise Income Tax Preferences (Guo Shui Han [2009] No. 255), the Notice of the State Taxation Administration on Issuing the Measures for the Administration of Tax Deduction or Exemption (for Trial Implementation) (Guo Shui Fa [2005] No. 129) and the Notice of the State Taxation Administration on Issues Concerning the Implementation of the Preferential Income Tax for High and New Technology Enterprises (Guo Shui Han [2009] No. 203), the Company is officially entitled to a preferential enterprise income tax rate of 15% with effect from 2016 and a income tax reduction and exemption of approximately RMB4,458,000 for the year ended 31 December 2022.

### **Profit and total comprehensive income for the year**

For the year ended 31 December 2022, the Group reported profit and total comprehensive income for the year of approximately RMB24,616,000 and RMB24,499,000 (for the year ended 31 December 2021 (restated): approximately RMB45,968,000 and RMB45,968,000), respectively, representing decrease of approximately 46% and 47%, respectively, as compared to the corresponding period of last year. The Group's business was adversely affected to a certain extent by the recurrence of COVID-19 in 2022, resulting in a decrease in profit and total comprehensive income for the year.



## Liquidity and Financial Resources

As at 31 December 2022, cash and cash equivalents of the Group amounted to approximately RMB247,653,000 (as at 31 December 2021 (restated): cash and cash equivalents amounted to approximately RMB389,973,000). The amount of cash and cash equivalents decreased by approximately 36% as compared to the corresponding period of last year. The Group's primary source of funds was cash flow generated from operating activities. The management believes that the Group had adequate working capital for its present needs.

## Capital Structure

The capital structure of the Group as at 31 December 2022 is summarised as follows:

|  | <i>RMB'000</i> | %           |
|--|----------------|-------------|
| Total shareholders' equity attributable to equity holders of the Company | <b>140,605</b> | <b>84%</b>  |
| Non-controlling interests  | <b>25,888</b>  | <b>16%</b>  |
| Total  | <b>166,493</b> | <b>100%</b> |

## Operating Segment Information

Operating segment information is set out in note 4 to this announcement.

## Capital Commitment and Contingent Liabilities

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

## Pledge of Assets

As at 31 December 2022, no assets of the Group were pledged to secure its banking facilities (as at 31 December 2021 (restated): RMB3,163,000).

## Gearing Ratio

As at 31 December 2022, the Group's gearing ratio was approximately 109% (as at 31 December 2021 (restated): 55%). It was mainly due to the fact that the Group's did not distribute final dividend in 2021 and the decline in the Company's return on capital due to the recurrence of the COVID-19 in 2022. The gearing ratio was calculated by dividing the aggregate of total liabilities and proposed final dividend less amounts due to related parties and deferred tax liabilities by total equity less proposed final dividend.

## Major Investments

For the year ended 31 December 2022 and as at the date of this announcement, the Group subscribed wealth management products as set out in the following table:

| Subscription Date | Counterparty  | Name of Wealth Management Product   | Currency of Principal and Return | Subscription | Term of Product                       | Annualised Yield Rate/Benchmark for Performance Comparison   |
|-------------------|---|---|----------------------------------|--------------|---------------------------------------|--|
| 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270天) 按日開放固定收 | RMB                              | 50,000,000   | 270 days (expiring on 9 October 2023) | Benchmarks A and B for the performance of the product are 3.45% and 4.45% per annum, respectively.<br><br>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 year ended 31 December 2022, the Company recorded gains of approximately RMB138,000 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 at 31 December 2022, there were no other major investment.

## Material Acquisition and Disposal

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 dated 31 May 2022 and the circular of the Company dated 21 July 2022.

Save as disclosed above, the Group did not have any material acquisition or disposal as of 31 December 2022.

### **Major Future Investment**

As at the date of this announcement, the Group had no major investment plan.

### **Exchange Rate Risk**

The Group has maintained a conservative policy in respect of foreign exchange risk and interest rate management with all of its deposits denominated in Renminbi.

### **Significant Event after the Reporting Period**

As at the date of this announcement, the Group had no significant events after the reporting period which need to be disclosed.

## **THE PROPOSED RESTRUCTURING**

According to the proposed restructuring announcement published on 11 March 2022, whereby 392,610,000 Domestic Shares, representing approximately 56.09% of the total number of issued Shares, shall be transferred by 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**”) to 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**”) at nil consideration (“**Proposed Restructuring**”). Upon completion of the Proposed Restructuring, Research Centre will cease to hold any Share while CCID Group Co will directly hold approximately 56.09% of the total number of issued Shares. CCID is currently interested in, and will after completion of the Proposed Restructuring be interested in, approximately 70.14% of the total number of issued Shares. Ministry of Finance of the PRC issued the approval in relation to the Proposed Restructuring in February 2022.

## **GRANT OF WAIVER**

The Proposed Restructuring may lead to a general offer for the Shares under the Takeovers Code unless otherwise waived by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegates (the “**Executive**”). As informed by CCID Group Co, (i) it already applied to the Executive for a waiver to dispense with its obligation to make a mandatory general offer for all the Shares pursuant to Rule 26 of the Takeovers Code as a result of the Proposed Restructuring; and (ii) the said waiver was granted by the Executive on 8 March 2022.

The Board announces that the Company has been informed that on 29 March 2022, the Proposal Restructuring had been completed. For the details of the Proposed Restructuring, please refer to the announcement dated 11 March 2022.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the year ended 31 December 2022.

## **FINAL DIVIDEND**

A special dividend of RMB0.05 per share was distributed on 13 September 2022 and an interim dividend of RMB0.0643 per share was distributed on 14 November 2022.

The Board has proposed the payment of a final dividend of RMB0.026 (tax inclusive) per Share for the year ended 31 December 2022 to the Shareholders whose names appear on the registers of members of the Company on Monday, 19 June 2023 (the “**2022 final dividend**”). Based on the number of issued Shares as at the date of this announcement, the 2022 final dividend, if declared and paid, will amount to an aggregate amount of RMB18,200,000 (tax inclusive). For distribution of the 2022 final dividend, dividends on Domestic Shares will be paid in RMB and dividends on 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 dividend (i.e. the date of the Company’s annual general meeting (the “**2022 AGM**”) to be held on Thursday, 8 June 2023). The proposed payment of the 2022 final dividend is subject to the approval by the Shareholders at the 2022 AGM.

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.

## **CORPORATE GOVERNANCE PRACTICES**

During the Reporting Period, the Group has adopted and complied with all applicable code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS**

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as the standard of conduct for securities transactions by the Directors and the supervisors (“**Supervisor(s)**”) of the Company, and regulates securities transactions by the Directors and Supervisors pursuant to the requirements thereof. Having made enquiry of all Directors and Supervisors, the Company confirmed that, during the year ended 31 December 2022, all Directors and Supervisors have complied with the Model Code. The Company was not aware of any non-compliances during the year.

## **COMPETING INTEREST**

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

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total issued share capital was held by the public as at the date of this announcement.

## **PRELIMINARY RESULTS ANNOUNCEMENT AGREED BY AUDITOR**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Group’s auditor, SHINEWING (HK) CPA Limited, to the amounts stated in the Group’s audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on this preliminary announcement.



## **AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS**

Pursuant to Rule 3.21 of the Listing Rules, the Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Ms. Li Xuemei, Mr. Chen Yung-cheng and Mr. Hu Bin. The main responsibility of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company’s financial reporting, risk management and internal control systems.

The Audit Committee has reviewed the annual results and the audited consolidated financial statements of the Group for the year together with the management and the independent auditor of the Company, and is of the opinion that these statements have complied with the applicable accounting standards and that adequate disclosures have been made.

## **ANNUAL GENERAL MEETING**

The AGM will be held on Thursday, 8 June 2023. A notice convening the AGM will be published and despatched to the shareholders in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to determine the shareholders who are entitled to attend and vote at the 2022 AGM, the register of members will be closed from Thursday, 1 June 2023 to Thursday, 8 June 2023, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for attending the 2022 AGM, all transfer documents of the Shares accompanied by the relevant share certificate(s) must be lodged to the Company’s principal place of business in the PRC at 10th Floor, CCID Plaza, No. 66 Zizhuyuan Road, Haidian District, Beijing, the PRC (in the case of the holders of Domestic Shares) or the Company’s H Share registrar, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in case of the holders of H Shares) not later than 4: 30 p.m. on Wednesday, 31 May 2023.

Shareholders whose names appear on the registers of members of the Company on 8 June 2023 will be entitled to attend and vote at the 2022 AGM.

In order to determine which of the Shareholders are entitled to receive the final dividend, the registers of members will be closed from Thursday, 15 June 2023 to Monday, 19 June 2023, both days inclusive, during which period no transfer of the Shares will be effected. In order to qualify for the 2022 final dividend, all transfer documents of the Shares accompanied by the relevant share certificate(s) must be lodged in the Company's principal place of business in the PRC at 10th Floor, CCID Plaza, No. 66 Zizhuyuan Road, Haidian District, Beijing, the PRC (in the case of the holders of Domestic Shares) or the Company's H Share registrar, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in case of the holders of H Shares) not later than 4:30 p.m. on Wednesday, 14 June 2023 for registration.

Shareholders whose names appear on the register of members of the Company on Monday, 19 June 2023 are entitled to receive the 2022 final dividend. The proposed 2022 final dividend will be paid on or about Friday, 14 July 2023 following the approval by the Shareholders at the 2022 AGM.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is published on the Company's website ([www.ccidconsulting.com](http://www.ccidconsulting.com)) and the Stock Exchange's website (<http://www.hkexnews.hk>). The annual report of the Company for the year ended 31 December 2022 will be dispatched to the shareholders of the Company and available on the respective websites of the Stock Exchange and the Company in due course.

## **APPRECIATION**

The Board would like to thank all our shareholders, customers and partners for their support and trust as well as all our employees for their dedication and contribution to the Group.

By Order of the Board  
**CCID Consulting Company Limited\***  
**Ms. Ma Yaqing**  
*Chairlady*

Beijing, the PRC, 30 March 2023

*As at the date of this announcement, 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 purpose only