

# CCID Consulting

## CCID Consulting Company Limited

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

Stock Code: 08235

# 思維創造世界

• 城市經濟第一智庫

• 企業戰略第一顧問

• 資本運作第一專家

2020 THIRD QUARTERLY REPORT

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

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “Director(s)”) of CCID Consulting Company Limited\* (“we” or “our” or “us” or the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

*This report will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the “Investor Relations” page of the Company’s website at [www.ccidconsulting.com](http://www.ccidconsulting.com).*



## HIGHLIGHTS

- For the nine months ended 30 September 2020, the unaudited turnover of the Group amounted to approximately RMB96,599,000, representing a decrease of approximately 27% over the corresponding period of last year;
- For the nine months ended 30 September 2020, the gross profit of the Group was approximately RMB40,854,000. The gross profit margin was approximately 42%. The gross profit decreased by approximately 33% over the corresponding period of last year;
- For the nine months ended 30 September 2020, the profit of the Group was approximately RMB819,000, representing a decrease of approximately 96% over the corresponding period of last year, of which profit attributable to equity holders of the Company was approximately RMB3,423,000;
- For the nine months ended 30 September 2020, the basic earnings per share of the Group was approximately RMB0.49 cents;
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2020.

### THIRD QUARTERLY 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 nine months and three months both ended 30 September 2020, together with the unaudited comparative figures for the corresponding periods of 2019 as follows:

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

	Notes	Unaudited For the three months ended 30 September		Unaudited For the nine months ended 30 September	
		2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Turnover	3	<b>56,344</b>	44,176	<b>96,599</b>	132,201
Cost of sales		<b>(27,778)</b>	(20,364)	<b>(55,745)</b>	(71,460)
Gross profit		<b>28,566</b>	23,812	<b>40,854</b>	60,741
Other revenue		<b>695</b>	557	<b>854</b>	631
Selling and distribution expenses		<b>(3,549)</b>	(3,067)	<b>(8,199)</b>	(9,708)
Administrative expenses		<b>(7,509)</b>	(9,213)	<b>(30,132)</b>	(24,250)
Profit before tax		<b>18,203</b>	12,089	<b>3,377</b>	27,414
Taxation	4	<b>(2,151)</b>	(2,595)	<b>(2,558)</b>	(4,264)
Profit for the period		<b>16,052</b>	9,494	<b>819</b>	23,150
Attributable to:					
Equity holders of the Company		<b>14,339</b>	14,863	<b>3,423</b>	22,110
Non-controlling interests of the Group		<b>1,713</b>	(5,369)	<b>(2,604)</b>	1,040
		<b>16,052</b>	9,494	<b>819</b>	23,150
Earnings per share					
— Basic (RMB cents)	5	<b>2.05</b>	2.12	<b>0.49</b>	3.16
Dividends		—	—	—	—



## **NOTES TO THE CONDENSED CONSOLIDATED THIRD QUARTERLY 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 H shares of the Company were listed on GEM since 12 December 2002. 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 Floor of CCID Plaza, 66 Zizhuyuan Road, Haidian District, Beijing, the PRC. Its principal place of business in Hong Kong is located at 40th Floor, Sunlight Tower, 248 Queen's Road East, Wanchai, Hong Kong.

The Group's unaudited results have been prepared in accordance with applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and its 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 GEM 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 used in preparing these unaudited consolidated financial statements for the nine months ended 30 September 2020 are consistent with those used by the Group in the annual consolidated financial statements for the year ended 31 December 2019.

### **2. 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 successively 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 any significant impact on the consolidated financial statements in the period of initial application.

### 3. TURNOVER

The Group is a provider of modern consultancy. The Group principally engages in the provision of management and strategy consultancy, market consultancy, data information management, design consulting and information engineering supervision services.

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.

### 4. TAXATION

	Unaudited For the three months ended 30 September		Unaudited For the nine months ended 30 September	
	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
PRC enterprise income tax	<b>2,151</b>	2,595	<b>2,558</b>	4,264

No provision for Hong Kong profits tax has been made as the Group had no profits assessable arising in Hong Kong during the nine months ended 30 September 2020 (during the nine months ended 30 September 2019: 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 relevant periods.

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 2019: 25%).

The Company and CCID Supervision are high and new technology enterprises registered in the Beijing High and New Technology Enterprise Development Experimental 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 2019: 15%).

There was no material unprovided deferred tax for the nine months ended 30 September 2020 (during the corresponding period of 2019: Nil).



## 5. EARNINGS PER SHARE

Earnings per share were calculated by the profits attributable to equity holders of the Company of approximately RMB3,423,000 for the nine months ended 30 September 2020 (during the corresponding period of 2019: approximately RMB22,110,000) and the weighted average of 700,000,000 shares in issue during the period (during the corresponding period of 2019: 700,000,000 shares).

No calculation of diluted earnings per share for the nine months ended 30 September 2020 involved as no diluting events existed during the period (during the corresponding period of 2019: Nil).

## 6. RESERVES

	Issued share capital	Capital reserve	Statutory reserves	Investment revaluation reserve	Retained profits	Non- controlling interests of the Group	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2019	70,000	18,100	16,455	1,835	41,370	24,802	172,562
Change for the period	—	—	—	—	22,110	1,040	23,150
As at 30 September 2019	70,000	18,100	16,455	1,835	63,480	25,842	195,712
As at 1 January 2020	<b>70,000</b>	<b>18,100</b>	<b>20,062</b>	<b>3,727</b>	<b>92,075</b>	<b>30,962</b>	<b>234,926</b>
Change for the period	—	—	—	—	<b>3,423</b>	<b>(2,604)</b>	<b>819</b>
As at 30 September 2020	<b>70,000</b>	<b>18,100</b>	<b>20,062</b>	<b>3,727</b>	<b>95,498</b>	<b>28,358</b>	<b>235,745</b>

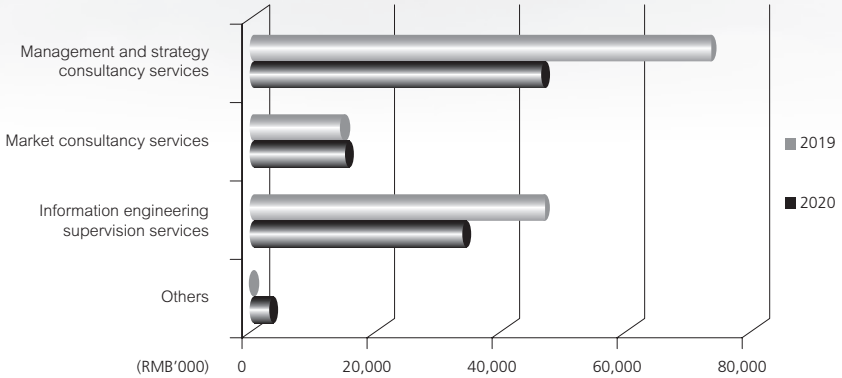
## 7. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2020 (during the corresponding period of 2019: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Turnover Analysis

For the nine months ended 30 September 2020, the turnover by operations of the Group can be analyzed as follows:



	(Unaudited) For nine months ended 30 September 2020		(Unaudited) For nine months ended 30 September 2019	
	Turnover RMB'000	Approximate Percentage	Turnover RMB'000	Approximate Percentage
Management and strategy consultancy services	<b>44,337</b>	<b>46%</b>	72,001	54%
Market consultancy services	<b>14,972</b>	<b>15%</b>	14,425	11%
Information engineering supervision services	<b>33,806</b>	<b>35%</b>	45,775	35%
Others	<b>3,484</b>	<b>4%</b>	—	—
<b>Total</b>	<b>96,599</b>	<b>100%</b>	132,201	100%





## Business Review

For the nine months ended 30 September 2020, the turnover and gross profit of the Group amounted to approximately RMB96,599,000 and RMB40,854,000 respectively (approximately RMB132,201,000 and RMB60,741,000 respectively during the corresponding period of 2019). The turnover decreased by approximately 27% and the gross profit decreased by approximately 33% as compared to the corresponding period of last year.

The decrease in profit during the Period when compared to the corresponding period of last year was mainly attributable to quarantine measures adopted in a number of cities in China because of the outbreak of the Novel Coronavirus (“COVID-19”) in the first half of 2020, which has adversely affected the business operation of the Group to a certain extent. As at the date of this report, the Group has fully resumed its business and accelerated its business expansion. In view of the current global development of the COVID-19 pandemic, there are still uncertainties in the market demand and prospect in the future, the Group is closely monitoring market conditions and will adjust its strategies in due course.

In terms of management and strategy consultancy services, the Group’s management and strategic consulting service department provides services related to digital application and implementation of corporate management information, including business process reorganization, corporate resource planning, customer relationship management, supply chain management, brand promotion and public relations management. The Group has been committed to keeping abreast of the development trend which focuses on national policies and IT technology industries, and persistently promoting businesses development related to IT consultancy, investment and merger and acquisition consultancy, corporate management and urban planning by encompassing the strategically emerging industries, while at the same time, continuously expanding customer bases, so as to enable the Group to acquire more sales channels and technical support in the course of developing management and strategy consultancy services. The Group recorded revenue of approximately RMB44,337,000 for the nine months ended 30 September 2020 (approximately RMB72,001,000 during the corresponding period of 2019) from the management and strategy consultancy services, amounting to approximately 46% of the Group’s turnover and representing a decrease of approximately 38% as compared to the corresponding period of last year. The Group’s management and strategy consultancy mainly focuses on offline services. Due to the quarantine and inspection measures against the COVID-19 pandemic introduced in various cities during the year, our business expansion and project implementation were both adversely affected, as a result of which, some project completions have been delayed for inspection and acceptance. In accordance to the accounting standards, such revenue has not been recognized, and therefore turnover from such segment declined.

For the market consultancy services, by virtue of the competitive advantages of the industry resources, information technology and data channels, the Group provides data information, market research and industry research services to the government and enterprises and assists customers to develop the market data operation and supervision services related to the electronic information product industries. For the nine months ended 30 September 2020, the Group recorded a basically stable revenue of approximately RMB14,972,000 (approximately RMB14,425,000 during the corresponding period of 2019), amounting to approximately 15% of the Group's turnover and representing a slight increase of approximately 4% as compared to the corresponding period of last years.

In respect of information engineering supervision services, as a professional provider of supervision services in the information engineering sector, the Group is able to provide professional supervision services to the government or enterprises on various projects such as software, networks, communications and information security management systems. The Group also monitors and manages the quality, schedule and cost of information system projects throughout the entire process or specific stages of the projects. CCID Supervision is an operating entity of supervision services of the Group. Through the bidding process and after the signing of agreement, the Group will begin on-site supervision and management of project construction, and provide quality control and other support services. For the nine months ended 30 September 2020, the Group's turnover of the information engineering supervision services was approximately RMB33,806,000 (approximately RMB45,775,000 during the corresponding period of 2019), amounting to approximately 35% of the Group's turnover and representing a decrease of approximately 26% as compared to the corresponding period of last year. The Group has been exploring new business models and development directions for the information engineering supervision services, during which, a milestone has been achieved but the information engineering supervision services require a longer cycle and more funding for projects in comparison to other business types. Due to the COVID-19, many projects have slowed down in progress and cannot collect the monies as scheduled. In the meantime, the tender, bidding, and contracting procedures in respect to new projects also cannot proceed as scheduled, affecting the contract orders of new projects, and thereby turnover from such segment declined.



For other services, the Group also provides data and information management services for governments and enterprises by establishing a data platform to update information and data on a regular basis. Such services are designed to support the development of the industrial chain and provide the local government or enterprises with meaningful information about the industry. For the nine months ended 30 September 2020, the Group's turnover of other services was approximately RMB3,484,000 (during the corresponding period of 2019: Nil), amounting to approximately 4% of the Group's turnover. For the nine months ended 30 September 2019, no revenue from this segment was recognised as certain conditions of revenue recognition have not been fulfilled as at 30 September 2019.

## **Business outlook and recent development**

In 2020, in order to constantly enhance its competitive strength, the Group will continue to implement the “consulting+” strategy by creating the drives for digital transformation, restructuring, system innovation and brand improvement to expedite digital transformation, advance platformization and ecologization, and focus on comprehensive industrial innovation. Furthermore, the Group will expand international markets, push forward the business transformation and update, and optimize corporate governance, so as to improve operational and management level and further enhance competitiveness.

### ***Expedite digital transformation***

The Group will concentrate on the “CCID brain for industries”, and develop analytical models and evaluation algorithms by consolidating industry resources and data. Besides, through integrating massive data, diverse services and powerful function module, the Group will accelerate the construction of the industry data platform focused on industry data, mapping and resources, as well as the business capacity base focused on general tools, standard products and platform products. Furthermore, the Group will improve and upgrade the standardized function modules for data online, MTX, precision investment attraction of industry chain, industry project assessment as well as investment attraction. By closely gauging the customer demand as well as integrating the internal and external data resources and channels, the Group will improve and upgrade a customized and personalized business innovation platform powered by industry big data under the standardized function model to provide better services to the governments, parks, enterprises and investment institutions.

### ***Promote management innovation***

In reference to the progress and requirements of digital transformation, the Group will expedite the construction of the digital management platform by continuously pursuing the innovation of operation, management and service models, which will improve the management system for project, contract, finance, customer service and performance to further standardize service processes and standards, release the potential of digital transformation, and improve work efficiency and service quality. On the other hand, the Group will proceed with restructuring in due time, establish cross-field teams and business capacity profiles, and promote business process re-production. By virtue of the system innovation, independent business evaluation systems shall be introduced, while the remuneration assessment system in synchronization with our business development shall be explored. These initiatives will optimize our corporation governance structure, elevate operational management level, and render strong management support and organizational assurance for digital transformation.

### ***Strengthen brand promotion***

The Group will regard digitalization as the driver and focus on the internal organization construction of companies, strategic cooperation networks of external media, and production and promotion of high-quality contents to advance the optimization and innovation of brand promotion. The Group continued to improve the media matrix group by expanding external media partnership and media network coverage, and deepening media cooperation to enhance the efficient synergic advertising of the media matrix. To enhance the promotion influence of research content, the Group will highlight the synergic effects between the product system and brand promotion model by conducting joint research and holding seminars with the well-known enterprises, experts and media within the industry, and publishing white papers for related industries or researches.



### ***Acquisition of Guangdong CCID and Payment of Consideration for the 35.63% Equity Interest in CCID Design***

On 20 July 2020, the Company entered into the Capital Increase Agreement with CCID Exhibition Industry and Information Engineering Design Center Co., Ltd. ("CCID Design"), CCID Academy for Industry and Information Technology Limited ("CCID Group Co.") and Guangdong CCID Industry and Information Research Centre Co., Ltd. ("Guangdong CCID"), pursuant to which, CCID Group Co. agreed to make a capital contribution in the amount equivalent to approximately RMB53,710,000 to CCID Design by way of injection of the 100% equity interest in Guangdong CCID. Upon completion of the Capital Increase, (i) Guangdong CCID would be a wholly-owned subsidiary of the Company, (ii) the Company's interest in CCID Design would decrease from 95% to approximately 59.37%, and (iii) CCID Group Co.'s interest in CCID Design would increase from 5% to approximately 40.63%. On 27 September 2020, the capital increase was completed. Guangdong CCID is principally engaged in industry spatial management services including operation, management and attracting investments for industrial parks in Guangdong province with a stable and strong working relationship with local government and corporate customers. For details, please refer to the announcement dated 20 July 2020 and the circular dated 4 September 2020 of the Company.

### **DIVIDEND**

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2020 (during the corresponding period of 2019: Nil).

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

As at 30 September 2020, none of the Directors, supervisors (the "Supervisor(s)") and chief executives of the Company 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 required standards of dealings by the Directors and Supervisors mentioned to in Rules 5.46 to 5.67 of the GEM Listing Rules.

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

At no time during the nine months ended 30 September 2020 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 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 up to 30 September 2020.



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

As at 30 September 2020, so far as the Directors, supervisors and chief executives of the Company are aware, the following corporations and 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, which were required to be disclosed pursuant to the provisions of Division 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

### 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 ("CCID") <sup>2</sup>	Interest of controlled corporation	491,000,000 (L) domestic shares	100%	70.14%
Research Center of Ministry of Industry and Information Technology Computer and Microelectronics Development ("Research Center") <sup>2</sup>	Beneficial owner	392,610,000 (L) domestic shares	79.96%	56.09%
Beijing CCID Riyue Investment Co., Ltd. ("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%	2.86%
Legend Holdings (BVI) Limited <sup>3</sup>	Interest of controlled corporation	20,000,000 (L) H shares	9.57%	2.86%
Lenovo Group Limited <sup>3</sup>	Interest of controlled corporation	20,000,000 (L) H shares	9.57%	2.86%

#### Notes:

- The letter "L" represents the substantial Shareholder's long position in the Shares.
- CCID, through Research Center (controlled and supervised by CCID) and CCID Riyue (directly and indirectly, wholly-owned by CCID), has effective interests in 491,000,000 domestic shares of the Company, comprising 392,610,000 domestic shares directly held by Research Center and 98,390,000 domestic shares directly held by CCID Riyue.
- Lenovo Manufacturing Limited, a wholly-owned subsidiary of Legend Holdings (BVI) Limited, directly holds 20,000,000 H shares of the Company. Legend Holdings (BVI) Limited is a wholly-owned subsidiary of Lenovo Group Limited.



Save as disclosed above, as at 30 September 2020, so far as is known to the Directors, supervisors and chief executives of the Company, there was no other corporation or person (other than the Directors, supervisors and chief executives of the Company) had any interest or short position in the shares and underlying shares of the Company, which were required to be disclosed to the Company pursuant to Part XV of the SFO or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## **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 nine months ended 30 September 2020.

## **COMPETING INTEREST**

None of the Directors or the controlling shareholders (as defined in the GEM 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 "Required Standard of Dealings" as required by Rules 5.48 to 5.67 of the GEM Listing Rules as the standard of conducts 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 confirmed that, during the nine months ended 30 September 2020, all Directors and Supervisors have complied with the "Required Standard of Dealings" upon specific enquiries with all the Directors and Supervisors. The Company was not aware of any non-compliance during the period.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "Audit Committee") in accordance with Rule 5.28 of the GEM 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. Guo Xiping and Mr. Chen Yung-cheng. Ms. Li Xuemei is the chairlady of the Audit Committee. The Audit Committee has reviewed the Group's unaudited consolidated results for the nine months ended 30 September 2020 and considered that the preparation of those results is in compliance with the appropriate accounting standards and relevant regulations and laws.





## **CORPORATE GOVERNANCE**

The Company has been in compliance with the provisions set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during the nine months ended 30 September 2020.

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

Currently, the Group has no major acquisition and disposal plan.

## **RISK MANAGEMENT AND INTERNAL CONTROL**

The Board has conduct regular review on the risk management and internal control systems of the Group to ensure that the systems are effective and appropriate. The Board holds meetings regularly 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 GEM Listing Rules as at the date of this report.

## **ACKNOWLEDGEMENT**

Hereby, I avail myself of this opportunity to thank all Directors, management and employees of the Group 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. Xia Lin**  
*Chairman*

Beijing, The PRC  
13 November 2020

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

\* For identification purposes only