清　科　创　业

Zero2IPO Ventures

清科創業控股有限公司*

ZERO2IPO HOLDINGS INC.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1945

2020

Annual Report

*For identification purpose only

Contents

Definitions

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings.

"2021 AGM"	the AGM to be held on June 4, 2021
"AGM"	annual general meeting of the Company
"Articles"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Beijing Huchuang"	Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd. (北京清科互創管理諮詢服務有限公司), a limited liability company established under the laws of the PRC on June 8, 2020 and an indirect wholly-owned subsidiary of the Company
"Board"	the board of Directors
"Cayman Companies Act"	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"CEO"	chief executive officer of the Company
"CG Code"	the "Corporate Governance Code" as contained in Appendix 14 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this annual report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Company", "Group" or "we"	Zero2IPO Holdings Inc. (清科創業控股有限公司*), formerly known as Zero2ipo Holdings, an exempted company incorporated under the laws of Cayman Islands with limited liability on August 1, 2019, and, except where the context indicated otherwise, all of its subsidiaries
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely Zero2IPO Ventures and its subsidiaries, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of the Contractual Arrangements
"Contractual Arrangements"	a series of contractual arrangements we entered into to allow our Company to exercise control over the business operation of the Consolidated Affiliated Entities and enjoy all the economic interests derived therefrom

* *For identification purposes only*

Definitions (Continued)

"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Ni and JQ Brothers Ltd.
"Director(s)"	the director(s) of the Company
"Global Offering"	the Hong Kong public offering and the international offering of shares in connection of the IPO
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"ICP License"	Value-added Telecommunications Service Operating Permit for Internet Information Services
"IPO"	the Company's initial public offering of its Shares
"Listing Date"	30 December 2020, on which the Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 to the Listing Rules
"Mr. Ni"	Mr. NI Zhengdong (倪正東), our chairman of the Board, executive Director, chief executive officer and one of our Controlling Shareholders
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of the Company dated 16 December 2020
"Relevant Period"	the Period from the Listing Date to 31 December 2020
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year ended 31 December 2020
"RMB"	Renminbi, the lawful currency of the PRC
"RSU"	restricted share unit
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of par value US$0.0001 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of Shares

Definitions (Continued)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollars, the lawful currency of the United States of America
"VATS"	value-added telecommunication services
"VATS license"	value-added telecommunication service operating permit, which includes without limitation, the ICP License
"Zero2IPO Group"	Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司), formerly known as Zero2IPO Finance Management and Consulting (Beijing) Co., Ltd. (清科財務管理諮詢(北京)有限公司), a limited liability company established under the laws of the PRC on November 22, 2005, which holds 100% of the equity interests in Zero2IPO Ventures
"Zero2IPO Ventures"	Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司), a limited liability company established under the laws of the PRC on September 10, 2013, one of the Consolidated Affiliated Entities, whose sole registered shareholder is Zero2IPO Group
"%"	per cent

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. NI Zhengdong *(Chairman and CEO)*
Ms. FU Xinghua
Ms. ZHANG Yanyan

Non-executive Director

Mr. KUNG Hung Ka

Independent Non-executive Directors

Mr. XU Shaochun
Mr. ZHANG Min
Ms. YU Bin

JOINT COMPANY SECRETARIES

Ms. YANG Zhen
Mr. CHENG Ching Kit

AUTHORISED REPRESENTATIVES UNDER THE LISTING RULES

Ms. ZHANG Yanyan
Ms. YANG Zhen

AUDIT COMMITTEE

Ms. YU Bin *(Chairwoman)*
Mr. XU Shaochun
Mr. ZHANG Min

REMUNERATION COMMITTEE

Mr. XU Shaochun *(Chairman)*
Mr. NI Zhengdong
Mr. ZHANG Min

NOMINATION COMMITTEE

Mr. NI Zhengdong *(Chairman)*
Mr. ZHANG Min
Ms. YU Bin

AUDITOR

PricewaterhouseCoopers
Certified Public Accountant
Registered Public Interest Entity Auditor
22/F, Prince's Building Central
Central
Hong Kong

REGISTERED OFFICE

PO Box 309
Ugland House, Grand Cayman
KY1–1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

10th Floor, Air China Century Building
Building No.1, No.40 Xiaoyun Road
Chaoyang District
Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANK

Shanghai Pudong Development Bank
Beijing East Third Ring Road Branch
Pengrun Building, No. 26 Xiaoyun Road
Chaoyang District, Beijing
the PRC

Corporate Information (Continued)

LEGAL ADVISOR

As to Hong Kong law:
Wilson Sonsini Goodrich & Rosati
Suite 1509, 15/F, Jardine House
1 Connaught Place, Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman KY1–1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

Stock code: 1945

WEBSITE

www.zero2ipo.cn

Chairman's Statement

Dear Shareholders,

2020 is the first year of our listing and the 20th year since our establishment. On behalf of the Company, I would like to express our sincere gratitude to our Shareholders, employees and partners.

BUSINESS OVERVIEW

Despite the adverse influence of COVID-19, we have seen a steady growth of the Company for the year of 2020. In 2020, our total revenue has increased by 6.6% from RMB167.4 million in 2019 to RMB178.5 million in 2020, and the gross profit has increased by 27.3% from RMB81.4 million in 2019 to RMB103.6 million in 2020. The adjusted net profit has reached RMB50.2 million in 2020, representing an increase of 29.3% from 2019.

As of December 31, 2020, the Company has recorded total assets in the amount of RMB557.9 million and total equity in the amount of RMB431.0 million, representing an increase of 227% and 450%, respectively, from the year of 2019.

At the moment, we are able to offer a diverse set of services to our clients, and we strive to extend and adapt our services to meet their needs in the ever-changing investment horizon. We are also able to serve a variety of clients, including governments, institutional investors, universities, and individuals. We have maintained a stable client base in the past and we aim to expand our clientele even more in the future.

OUTLOOK

Our Company has created unique value in the equity investment service industry. As a pioneer in building an integrated service platform for equity investment industry, we experience all things together with equity investment industry and reaped the fruits of its growth.

In the next three years, China's equity investment industry is expected to recover starting from 2021 and the market size is expected to reach RMB1,730 billion in 2024, representing a compound annual growth rate of 13%. We aim to seize this opportunity to expand our geographical coverage in both China and overseas, and upgrade our online services, increase synergies between our products and services, and continuously expand our products and services portfolio.

With our distinctive data resources, network and brand recognition, we are confident that we will maintain our momentum to become a leading service platform for equity investment industry in the global market, help entrepreneurs and investors in their pursuit of more business success, and propel innovation driven by investment.

ACKNOWLEDGEMENTS

We are grateful to all members of the Board and, on behalf of the Board, to the management and employees for their support and trust. We are also grateful to our Shareholders for their confidence in the Company and support for years. "Never forget why you started, and you can accomplish your mission." We will always devote ourselves to creating value to our Shareholders and users.

Chairman of the Board
NI Zhengdong

March 30, 2021

Financial Highlights

RESULTS OF OPERATION

	For the Year Ended December 31,			
	2017	2018	2019	**2020**
	RMB'000	*RMB'000*	*RMB'000*	***RMB'000***
Revenue	129,343	164,130	167,442	**178,465**
Profit before income tax	24,242	34,461	43,172	**39,126**
Profit for the year	18,413	27,161	34,525	**31,448**
Non-HKFRS measure*				
Adjusted net profit	22,064	27,161	38,794	**50,171**

Note:

* See "Management Discussion and Analysis–Adjusted net profit (non-HKFRS measure)" in this annual report.

ASSETS AND LIABILITIES

	As at December 31,			
	2017	2018	2019	**2020**
	RMB'000	*RMB'000*	*RMB'000*	***RMB'000***
Total assets	152,340	190,295	170,551	**557,856**
Total liabilities	(105,175)	(114,820)	(92,202)	**(126,824)**
Equity attributable to the owners of the Company	47,165	75,475	78,349	**431,032**

Management Discussion and Analysis

BUSINESS OVERVIEW AND OUTLOOK

Overview

The Company was successfully listed on the Main Board of the Stock Exchange on the Listing Date.

We are an integrated service platform for equity investment industry, which provides data, marketing, consulting and training services to participants in the equity investment industry[1]. We offer a broad range of services through both online and offline channels for all participants in the equity investment industry, including investors, entrepreneurs, growth enterprises and government agencies.

- **Data Services.** We enable convenient and easy-to-navigate access to industry data and informed decision-making through our PEdata Database and research report services, leveraging our extensive data resources as well as our robust data collection, analytics and research capabilities. As of December 31, 2020, our proprietary PEdata Database had a total of over 248,600 registered users. We also compile customized reports to address our customers' specific information needs and support their strategic decision-making process, as well as provide periodic standardized research reports enabling industry participants to track, understand and analyze China's equity investment industry. In 2020, we compiled customized reports for approximately 132 customers.

- **Marketing Services.** We offer omni-channel marketing services through our online information platforms such as PEdaily and offline industry events, which also track industry trends and facilitate intra- and inter-industry networking. Our online information platforms offer high-quality content focused on China's equity investment industry. As of December 31, 2020, our online information platforms have accumulated over two million subscribers across our mobile applications, websites and major third-party platforms including WeChat, Weibo, Toutiao, NetEase and Sohu. We organize offline industry events, including Zero2IPO events and customized events, offering industry participants the opportunities to interact and socialize face-to-face. In 2020, we organized two offline Zero2IPO events, covering an aggregate of over 2,400 participants. We also organized 18 offline customized events in 2020, covering over 3,200 participants.

- **Consulting Services.** We connect entrepreneurs and growth enterprises with investors through our online investor-entrepreneur matching platform Deal-Market and offline consulting services, providing them with business development solutions and capital resources throughout their lifecycles. Our consulting services also enable investors to locate appropriate investment targets. Deal-Market covered over 99,900 business projects as well as over 13,000 investors as of December 31, 2020. We also served approximately 88 entrepreneurs and growth enterprises with our offline consulting services.

- **Training Services.** We offer a variety of equity investment-related online and offline training courses primarily through SandHill University, SandHill College and Investment College, targeting at a wide variety of audience including investment professionals, entrepreneurs, government officials, and college students seeking a career in the equity investment industry. We also provide customized training services targeting institutional customers, especially government agencies and large enterprises. In 2020, our online and offline training services provided over 13,800 new entrants and experienced professionals with foundational knowledge of and perceptive insights into China's equity investment industry.

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1 Not licensed to provide intermediary services in the equity investment market such as brokerage and asset management services.

Management Discussion and Analysis (Continued)

Outlook

Looking forward, we will continue to devote to serving the equity investment industry and reinforce our competitive strengths which have contributed to our industry-leading position. We plan to strengthen and complement our business portfolio and service content, to deliver professional and comprehensive one-stop services. Our unique business model enables indispensable value propositions to our customers and business partners. Based on our research, along with the effective containment of the COVID-19 outbreak in 2021, the market size of the equity investment industry is expected to increase, which in turn is expected to drive the development of the equity investment service industry.

We believe our Company is of distinctive value in the equity investment service industry. Tracing back our 20 years of corporate history, we have established a good track record in creating compelling values to our customers, business partners and Shareholders. Leveraging our solid brand recognition and market presence, we achieved year-over-year revenue growth despite the impact of the outbreak. As we accumulate our business networks and capital and other resources, we believe we are well-positioned to further grow our business in the equity investment service industry.

We will seize the market opportunity to explore and promote our equity investment services. We expect to expand our geographical coverage in China and overseas, and plan to continue to upgrade our online platforms and enrich our online service offerings. In addition, we intend to improve our offline services and enhance online-offline synergy. We are confident in the prospect of our business in future.

FINANCIAL REVIEW

Revenue

Our revenue increased by 6.6% from RMB167.4 million in 2019 to RMB178.5 million in 2020, mainly contributed by an increase in revenue generated from marketing services, which was in turn due to (1) a large-scale customized event we organized in 2020, and (2) increased event sponsorship fees we collected from our China Venture Capital and Equity Investment Annual Forum as a result of its increased scale and exposure.

Cost of revenue

Our cost of revenue decreased by 12.9% from RMB86.0 million in 2019 to RMB74.9 million in 2020, primarily due to decreases in (1) employee benefit expenses as a result of exempted or reduced social insurance contribution in accordance with a government policy during the COVID-19 outbreak and (2) depreciation and amortization in relation to our surrender of leased property in 2019, and our enhanced cost control.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 27.3% from RMB81.4 million in 2019 to RMB103.6 million in 2020. Our gross profit margin increased from 48.6% in 2019 to 58.0% in 2020, primarily because our revenue increased as we continued to grow our business while the cost of revenue decreased.

Management Discussion and Analysis (Continued)

Data services

Our gross profit for data services increased by 17.1% from RMB27.5 million in 2019 to RMB32.2 million in 2020. Our gross profit margin for data services increased from 51.7% in 2019 to 62.3% in 2020.

Marketing services

Our gross profit for marketing services increased by 53.3% from RMB36.2 million in 2019 to RMB55.5 million in 2020. Our gross profit margin for marketing services increased from 53.4% in 2019 to 64.6% in 2020.

Consulting services

Our gross profit for consulting services decreased by 7.8% from RMB11.5 million in 2019 to RMB10.6 million in 2020. Our gross profit margin for consulting services increased from 47.7% in 2019 to 53.9% in 2020.

Training services

Our gross profit for training services decreased by 15.9% from RMB6.3 million in 2019 to RMB5.3 million in 2020. Our gross profit margin for training services decreased from 28.0% in 2019 to 24.9% in 2020, primarily because revenue generated from training services decreased as a result of postponed course delivery and revenue recognition of SandHill College in the first half of 2020 caused by the COVID-19 outbreak, while its cost of revenue, which mainly included employee benefit expenses and depreciation and amortization, remained relatively stable. We nevertheless experienced a significant increase in contract liabilities relating to prepayments we received for courses at SandHill College in 2020.

Selling and marketing expenses

Our selling and marketing expenses increased by 60.2% from RMB10.3 million in 2019 to RMB16.5 million in 2020, primarily due to increases in (1) employee benefit expenses as a result of the increased compensation level for new hires in order to attract talents, and (2) advertising expenses in an effort to enlarge the customer base of our SandHill College, which has proven to lead to a significant increase in related contract liabilities.

General and administrative expenses

Our general and administrative expenses increased by 86.3% from RMB21.2 million in 2019 to RMB39.5 million in 2020, primarily due to listing expenses in connection with the initial public offering of the Company of RMB25.0 million.

Research and development expenses

Our research and development expenses increased by 15.6% from RMB7.7 million in 2019 to RMB8.9 million in 2020, primarily due to internal responsibility re-allocation in an effort to reinforce our research and development capability.

Management Discussion and Analysis (Continued)

Income tax expense

Our income tax expense decreased by 10.5% from RMB8.6 million in 2019 to RMB7.7 million in 2020, primarily due to (1) a decrease in profit before income tax caused by the listing expenses in connection with the initial public offering of the Company, and (2) an increase in tax deductible research and development expenses.

Profit for the year

As a result of the foregoing, our net profit decreased by 9.0% from RMB34.5 million in 2019 to RMB31.4 million in 2020. Our net margin slightly decreased from 20.6% in 2019 to 17.6% in 2020, primarily due to listing expenses in connection with the initial public offering of the Company of RMB25.0 million.

Adjusted net profit (non-HKFRS measure)

To supplement our consolidated financial statements which are presented in accordance with HKFRSs and consistent with the measures adopted by our industry peers listed on the Stock Exchange, we also use a non-HKFRS measure, adjusted net profit, as an additional financial measure, which is not required by, or presented in accordance with, HKFRSs. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management do not consider to be indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit may not be comparable to similarly titled measures presented by other companies, as companies may not calculate adjusted net profit in the same manner. The use of such non-HKFRS measure has limitations as an analytical tool, because it does not reflect all items of income and expense that affect our operations. The item that is adjusted for may continue to be incurred and should be considered in the overall understanding and assessment of our operating performance. You should not consider adjusted net profit in isolation, or as substitute for analysis of, our results of operations or financial position as reported under HKFRSs. Adjusted net profit, as we present it, represents our profit for the year excluding the effect of listing expenses.

The following table reconciles our adjusted net profit, a non-HKFRS measure, presented to profit for the year under HKFRSs.

	Year ended December 31,	
	2020	2019
	(RMB in thousands)	
Profit for the year	**31,448**	34,525
Add: Listing expenses	**24,964**	5,692
Less: Tax effect of adjustments	**(6,241)**	(1,423)
Adjusted net profit	**50,171**	38,794

Our adjusted net profit increased by 29.3% from RMB38.8 million in 2019 to RMB50.2 million in 2020. Our adjusted net profit was RMB38.8 million and RMB50.2 million in 2019 and 2020, respectively. Our adjusted net profit margin was 23.2% and 28.1% in 2019 and 2020, respectively.

Management Discussion and Analysis (Continued)

Total liabilities

Our total liabilities increased by 37.5% from RMB92.2 million as of December 31, 2019 to RMB126.8 million as of December 31, 2020, primarily due to the increase in our contract liabilities from RMB25.2 million as of December 31, 2019 to RMB45.1 million as of December 31, 2020 as a result of the significant increase in contract liabilities relating to prepayments we received in connection with our training and marketing services in 2020 and the postponed delivery and revenue recognition of in 2020 caused by the COVID-19 outbreak.

Liquidity and Capital Resources

In 2020, our primary uses of cash are to fund the daily operations of our business. We financed our capital expenditures and working capital requirements principally with cash generated from our operations.

Our net current assets increased from approximately RMB64.5 million as of December 31, 2019 to approximately RMB413.8 million as of December 31, 2020. Our cash and cash equivalents increased from approximately RMB21.0 million as of December 31, 2019 to approximately RMB403.1 million as of December 31, 2020.

In order to manage liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our senior management to finance our operations and mitigate the effects of fluctuations in cash flows.

Exposure to Exchange Rate Fluctuation

Currently, all of our operations are in China with all of our transactions being settled in RMB. We did not experience any impact or difficulties in liquidity on our operations resulting from currency exchange and we made no hedging transaction or forward contract arrangement in 2019 and 2020. In this respect, we are not exposed to any significant foreign currency exchange risk. However, our management will closely monitor foreign exchange risk to ensure that appropriate measures are implemented in a timely and effective manner.

Capital Commitments

As of December 31, 2020, we had a capital investment commitment to an investee amounting to RMB3.0 million.

Contingent Liabilities

As of December 31, 2020, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Prospectus, we did not have other substantial future plans for material investments and capital assets.

Management Discussion and Analysis (Continued)

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

In 2020, we did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Significant Investments and Acquisition of Capital Assets

In 2020, we did not hold any significant investments nor made any significant acquisition of capital assets, except the wealth management products we invested in to preserve the time value of our cash reserves.

Charge on Group's Assets

As of December 31, 2020, we had no charges on our assets.

Principal Risks and Uncertainties

COVID-19 outbreak

The major difficulty we encountered in 2020 was the COVID-19 outbreak. Our revenue in the first half of 2020 was adversely affected by the COVID-19 outbreak, primarily because the provision of our offline services such as Zero2IPO events and SandHill College, was disturbed by the government measures requiring quarantine and social distancing in order to contain the spread of the pandemic. Further, we experienced extended payment cycle of customers as a result of the COVID-19 outbreak. In addition, the overall economic conditions in China are also subject to the risk of a general slowdown, which could adversely affect the equity investment service industry and our business operations.

On the other side, the COVID-19 outbreak and relevant government measures accelerated a growing demand for online services, which also facilitated the rapid expansion of our online platforms. Prompted by the pressing needs for equity investment services during the COVID-19 outbreak, we had also been exploring online delivery of our offline services as an alternative and had successfully organized various online roadshows, online industry events and online training sessions.

While facing the challenges brought by the COVID-19 outbreak, we have taken our corporate social responsibility and did not lay off any employee or cut salary of our employees, which leads to relatively stable costs for us. Notwithstanding the business disruptions caused by the COVID-19 outbreak as described above, our business has been recovering since the second half of 2020 given the improved situation in China, and for the postponed events and courses, many of them have been held in the second half of 2020 online or offline. As we generally record a higher level of revenue in the second half of a year, the COVID-19 outbreak did not have a material adverse effect on the operations of our offline services and our overall business operations for the year of 2020. In 2020, our revenue increased by 6.6% from RMB167.4 million in 2019 to RMB178.5 million despite the impact of the COVID-19 outbreak.

Management Discussion and Analysis (Continued)

Credit risk

Our maximum exposure to credit risk in relation to financial assets is the carrying amounts of cash and cash equivalents, accounts receivable, contract assets and wealth management products issued by banks carried at fair value through profit or loss. To manage this risk, our deposits are mainly with state-owned or other reputable financial institutions in China. There has been no recent history of default in relation to these financial institutions. Our wealth management products are issued by banks investing in low risk underlying assets, which mainly consist of bank deposits, central bank bills, local government debts, corporate bonds and debts with high credit ratings. Thus, our Directors are of the view that the expected credit loss related to cash and cash equivalents and wealth management products is immaterial.

Our exposure to credit risk is also influenced by the characteristics of each customer. We perform credit evaluation on customer's history of making payments and current ability to pay. We do not obtain collaterals from customers. As of December 31, 2019 and 2020, approximately RMB7.8 million and RMB6.8 million of our accounts receivable were due from top five debtors. Given our strong business relationship with these customers, our senior management does not expect any significant loss from non-performance of these customers. In addition, we do not provide any guarantee that would exposes us to credit risk.

Key Financial and Business Performance Indicators

The key financial and business performances indicators comprise profitability growth and return on equity. Details of our profitability growth are shown in the paragraph headed "Profit for the year" and "Adjusted net profit (non-HKFRS measure)" in this section of this annual report. Our return on equity decreased from 44.9% for 2019 to 12.4% for 2020, primarily due to an increase in our equity.

Directors and Senior Management

OUR DIRECTORS

The Board currently consists of seven Directors, comprised of three executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets forth information regarding the Directors.

Name	Age	Position	Date of Appointment as Director
Executive Directors			
Mr. NI Zhengdong (倪正東)	46	Chairman of the Board, executive Director and chief executive officer	August 1, 2019
Ms. FU Xinghua (符星華)	39	Executive Director and senior vice president	May 29, 2020
Ms. ZHANG Yanyan (張妍妍)	39	Executive Director and senior vice president	May 29, 2020
Non-executive Director			
Mr. KUNG Hung Ka (龔虹嘉)	56	Non-executive Director	May 29, 2020
Independent Non-executive Directors			
Mr. XU Shaochun (徐少春)	57	Independent non-executive Director	December 7, 2020
Mr. ZHANG Min	52	Independent non-executive Director	December 7, 2020
Ms. YU Bin (余濱)	51	Independent non-executive Director	December 7, 2020

Executive Directors

Mr. NI Zhengdong (倪正東), aged 46, is our chief executive officer, executive Director and chairman of the Board. He is primarily responsible for the overall management of the business, strategy and corporate development of our Group. Mr. Ni started the business of our Group in 2001 and was appointed as an executive Director of our Group in August 2019. He has served as the executive director and then as the chairman of Zero2IPO Group since its inception in 2005. Mr. Ni has also served as the chairman and general manager of Zero2IPO Ventures since November 2017 and September 2013, respectively, and was the executive director of Zero2IPO Ventures from September 2013 to November 2017. He has served as a director and the general manager at Beijing Zero2IPO Innovation and Venture Consulting Co., Ltd. (北京清科新創創業諮詢有限公司) and Beijing Huchuang since August 2019 and June 2020, respectively. Mr. Ni has over 20 years of experience in the equity investment service industry.

Mr. Ni has also served as an independent director of Talkweb Information System Inc. (拓維信息系統股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002261), since September 2017, and as an independent non-executive director of Kingdee International Software Group Company Limited (金蝶國際軟件集團有限公司), a company listed on the Stock Exchange (stock code: 0268), since January 2021. He also served as an independent director of iKang Healthcare Group, Inc., a company previously listed on NASDAQ (symbol: KANG), from March 2015 to January 2019, and as a director of Beijing Sanfo Outdoor Products Co., Ltd. (北京三夫戶外用品股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002780), from June 2011 to June 2017.

Mr. Ni obtained a bachelor's degree in engineering mechanics from Hunan University (湖南大學) in July 1996, and a master's degree in engineering mechanics from Tsinghua University (清華大學) in January 2000. He also graduated from a business administration PhD programme from Tsinghua University in January 2007.

Directors and Senior Management (Continued)

Ms. FU Xinghua (符星華), aged 39, is our executive Director and senior vice president. She is primarily responsible for the overall management of the data services of our Group. Ms. Fu joined our Group in August 2009 and was appointed as an executive Director in May 2020. She has served as a director of Zero2IPO Ventures and Beijing Zero2IPO Innovation and Venture Consulting Co., Ltd. since November 2017 and December 2019, respectively. Ms. Fu served various positions at Zero2IPO Group since August 2009, including managing director responsible for fund of funds business, and managing director responsible for the data services, and currently serves as a partner.

Ms. Fu obtained a bachelor's degree in communication engineering from Beihang University (北京航空航天大學) in July 2004 and an MBA degree from Tsinghua University (清華大學) in 2018.

Ms. ZHANG Yanyan (張妍妍), aged 39, is our executive Director and senior vice president. She is primarily responsible for the overall management of the marketing services of our Group. Ms. Zhang joined our Group in March 2006 and was appointed as an executive Director in May 2020. She has also served as a director of Zero2IPO Ventures, Beijing Zero2IPO Innovation and Venture Consulting Co., Ltd., Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd. (西安清科艾西企業管理諮詢有限公司), Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd. (南京清科艾寧企業管理諮詢有限責任公司) and Ningbo Zero2IPO Ningfeng Enterprise Management Consulting Co., Ltd. (寧波清科寧豐企業管理諮詢有限責任公司), since November 2017, December 2019, June 2018, August 2019 and April 2020, respectively. Ms. Zhang served various positions at Zero2IPO Group since March 2006, including operating manager, vice president, the managing director of marketing service division, and currently serves as a partner.

Ms. Zhang received a bachelor's degree in English literature and business administration from Huazhong University of Science and Technology (華中科技大學) in June 2004, and a master's degree in business administration from China Europe International Business School (中歐國際工商學院) in November 2019.

Non-executive Director

Mr. KUNG Hung Ka (龔虹嘉), aged 56, is a non-executive Director of our Company. He was appointed as a non-executive Director in May 2020 and is primarily responsible for providing guidance and advice on the business strategies of our Group. Mr. Kung has served as a director of Zero2IPO Group since February 2017 and beneficially owns all the equity interest in Wealth Strategy Holding Limited (富策控股有限公司), a Shareholder of our Company. Mr. Kung has over 20 years experience in information technology and electronics industries.

Mr. Kung has served as the chairman of Vcanbio Cell & Gene Engineering Co., Ltd. (中源協和細胞基因工程股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600645), since December 2018. Mr. Kung has also served as a director of Shanghai Fullhan Microelectronics Co., Ltd. (上海富瀚微電子股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300613), since April 2013. He has also served as a director and vice chairman of Hangzhou Hikvision Digital Technology Co., Ltd. (杭州海康威視數字技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002415), since June 2008. Mr. Kung has founded and/or invested in a number of enterprises in the technology and biotechnology industry, including, among others, Genetron Holdings Limited (symbol: GTH), a company listed on NASDAQ, and Beijing Watchdata Technologies Co., Ltd. (北京握奇數據股份有限公司). He has served as a director of Pan Asia Information Services Limited (亞洲資訊服務有限公司) since July 1994, and as the chairman of the board of Fortune Time Technology Limited (富年科技有限公司) since April 2002.

Mr. Kung graduated from the faculty of computer science from Huazhong Institute of Technology (華中工學院) (currently known as Huazhong University of Science and Technology (華中科技大學)) in 1986.

Directors and Senior Management (Continued)

Independent Non-executive Directors

Mr. XU Shaochun (徐少春), aged 57, is an independent non-executive Director of our Company. He is primarily responsible for supervising and providing independent judgement to our Board. Mr. Xu has over 25 years of experience in information technology and software development industry. Mr. Xu is currently serving as the chief executive officer and chairman of the board of directors of Kingdee International Software Group Company Limited (金蝶國際軟件集團有限公司), a company listed on the Stock Exchange (stock code: 0268), which he founded in August 1993.

Mr. Xu obtained a bachelor's degree in computer science from Southeast University (東南大學) (formerly known as Nanjing Institute of Technology (南京工學院)) in July 1983 and a master's degree in economics from Institute for Fiscal Science of Ministry of Finance (財政部財政科學研究所) (currently known as Chinese Academy of Fiscal Sciences (中國財政科學研究院)) in September 1988. He also received an EMBA degree from China Europe International Business School (中歐國際工商學院) in November 2004. Mr. Xu was accredited as a senior economist (高級經濟師) by Guangdong Provincial Human Resources Department (廣東省人事廳) in January 2000.

Mr. ZHANG Min, aged 52, is an independent non-executive Director of our Company. He is primarily responsible for supervising and providing independent judgement to our Board. Mr. Zhang has over 15 years of experience in investment management. Mr. Zhang has served as the general manager of Shanghai Empower Investment Co., Ltd. (上海合之力投資管理有限公司) since September 2012. Prior to that, Mr. Zhang served as a business development director at Morningstar Information Technology Consulting (Shanghai) Co., Ltd. (晨興信息科技諮詢(上海)有限公司) from December 2005 to October 2008, as a vice president at Media Partners International Limited (上海梅迪派勒廣告有限公司) from December 2002 to December 2005, and as a senior manager in risk control department at PricewaterhouseCoopers from March 2001 to November 2002. He has also served as an independent director of Greenland Technologies Holding Corporation, a company listed on NASDAQ (symbol: GTEC), since October 2019.

Mr. Zhang obtained a bachelor's degree in economics from Sichuan University (四川大學) in July 1989 and a master's degree in international business from The Norwegian School of Economics and Business Administration in the Spring term of 1995.

Ms. YU Bin (余濱), aged 51, is an independent non-executive Director of our Company. She is primarily responsible for supervising and providing independent judgement to our Board. Ms. Yu served as the chief financial officer of LAIX Inc., a company listed on the New York Stock Exchange (symbol: LAIX), from September 2017 to January 2020. Prior to that, Ms. Yu served as the chief financial officer of InnoLight Technology Corporation (蘇州旭創科技有限公司). She also served as the chief financial officer of Star China International Media Limited (星空華文國際傳媒有限公司) from May 2013 to January 2015. She also served as the vice president of finance and then as the chief financial officer of Tudou Holdings Limited, which subsequently merged with Youku Inc. in 2012, forming Youku Tudou Inc., a company previously listed on the New York Stock Exchange (symbol: YOKU), from July 2010 to April 2013. She also worked at KPMG during the 2000s.

Ms. Yu has served as an independent non-executive director of iDreamSky Technology Holdings Limited (創夢天地科技控股有限公司), a company listed on the Stock Exchange (stock code: 1119), since May 2018, and as an independent director of Kuke Music Holding Limited, a company listed on the New York Stock Exchange (symbol: KUKE), since January 2021. Ms. Yu has also served as an independent director of GDS Holdings Limited, a company listed on NASDAQ (symbol: GDS), since November 2016. She has also served as an independent director of Baozun Inc., a company listed on NASDAQ (symbol: BZUN), since May 2015 and as an independent non-executive director of Tian Ge Interactive Holdings Limited (天鴿互動控股有限公司), a company listed on the Stock Exchange (stock code: 1980), from June 2014 to January 2021.

Directors and Senior Management (Continued)

Ms. Yu obtained a bachelor's degree in English literature from Xi'an International Studies University (西安外國語大學) (formerly known as Xi'an Foreign Language Institute (西安外國語學院)) in the PRC in July 1992, a master of education degree and a master of science degree in accounting from the University of Toledo in the U.S. in August 1998 and May 1999, respectively, and a Tsinghua-INSEAD Executive MBA degree from Tsinghua University (清華大學) and INSEAD in January 2013. She qualified as a Certified Public Accountant (non-practicing) in May 2001, awarded by the Accountancy Board of Ohio.

SENIOR MANAGEMENT

Mr. NI Zhengdong (倪正東), is our founder, chief executive officer, an executive Director and chairman of the Board. See "Directors and Senior Management – Our Directors" for details.

Ms. FU Xinghua (符星華), is our executive Director and senior vice president. See "Directors and Senior Management – Our Directors" for details.

Ms. ZHANG Yanyan (張妍妍), is our executive Director and senior vice president. See "Directors and Senior Management – Our Directors" for details.

Mr. HU Zhiguang (胡之光), aged 42, is our senior vice president. He is primarily responsible for the overall management of the consulting and training services of our Group. Mr. Hu joined our Group in March 2016 and was appointed as our senior vice president in June 2020. He has served as the executive dean of SandHill College at and the director of Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd. (杭州清科沙丘投資管理有限公司) since April 2017 and April 2020, respectively. He has also served as the general manager of Nanjing Zero2IPO Aining Investment Management Consulting Co., Ltd. (南京清科艾寧投資管理諮詢有限公司) since March 2019, and as the executive director and general manager of Hangzhou Zero2IPO Sandhill Venture Service Co., Ltd. (杭州清科沙丘創業服務有限公司) since March 2020. Mr. Hu served various positions at Zero2IPO Group since March 2016, including vice president responsible for training and consulting services, and currently serves as a partner at Zero2IPO Group.

From January 2010 to June 2016, Mr. Hu served as a vice president at Hangzhou Hantang Cultural Communication Co., Ltd. (杭州漢唐文化傳播有限公司). Prior to that, in July 2003, Mr. Hu founded and served as the chairman of the board at Hangzhou Boke Information Technology Co., Ltd. (杭州博客信息技術有限公司).

Mr. Hu obtained a bachelor's degree in computer application from Hangzhou Business School (杭州商學院) in July 2003 and an MBA degree from Zhejiang University (浙江大學) in December 2012.

Ms. YANG Zhen (楊真), aged 39, is our chief financial officer and joint company secretary. She is primarily responsible for the overall management of financial and accounting affairs as well as secretarial matters of our Group. Ms. Yang joined our Group in June 2017 as the board secretary of Zero2IPO Ventures, and was appointed as our chief financial officer in May 2020 and as a joint company secretary of our Company in June 2020.

From June 2008 to March 2017, Ms. Yang worked at Beijing Spearhead Integrated Marketing Communication Co., Ltd. (北京華誼嘉信整合營銷顧問股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300071), and served various positions, including securities affairs representative, manager of investment development department, board secretary and vice president.

Ms. Yang obtained a bachelor's degree in economics from Qingdao University (青島大學) in July 2004 and a master's degree in economics from Renmin University of China (中國人民大學) in June 2006. Ms. Yang also holds a board secretary qualification certificate issued by the Shenzhen Stock Exchange in July 2010.

Directors and Senior Management (Continued)

Mr. ZHANG Lei (張磊), aged 39, is our chief technology officer. He is primarily responsible for the overall management of research and development and technological issues. Mr. Zhang joined our Group in September 2014 as a deputy general manager responsible for research and development at Zero2IPO Ventures, and was appointed as our chief technology officer in June 2020. He has also served as a director of Hainan Qingyou Venture Information Consulting Co., Ltd. (海南清柚創業信息諮詢有限公司) and Qingdao Zero2IPO Aihe Enterprise Management Consulting Service Co., Ltd. (青島清科艾和企業管理諮詢服務有限公司), since December 2019 and March 2020, respectively.

Prior to joining us, Mr. Zhang worked as a software architect at Beijing Digital Yizhi Technology Development Co., Ltd. (北京數碼易知科技發展有限責任公司) from September 2013 to September 2014, and served as a department manager at Beijing Zhishi Enterprise Management Consulting Co., Ltd. (北京智識企業管理諮詢有限公司) from May 2005 to September 2013.

Mr. Zhang obtained a bachelor's degree in management information systems from Beijing Institute of Information Engineering (北京信息工程學院) in July 2002 and a master's degree in systems engineering from Beihang University (北京航空航天大學) in March 2005.

JOINT COMPANY SECRETARIES

Ms. YANG Zhen (楊真), is our chief financial officer and joint company secretary. See "Directors and Senior Management – Senior Management" for details.

Mr. CHENG Ching Kit (鄭程傑), was appointed as a joint company secretary of our Company in June 2020. Mr. Cheng is a manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 8 years of experience in corporate secretarial field. He is an associate member of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute in the United Kingdom since 2018. Mr. Cheng obtained a bachelor of commerce degree with a major in finance from the University of Queensland, Australia in December 2010.

Corporate Governance Report

The Board is pleased to present the corporate governance report of the Company for the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. Save as disclosed in this annual report, the Company has complied with all applicable code provisions under the CG Code throughout the Relevant Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference which are published on the websites of the Stock Exchange and the Company.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Board Composition

As of the date of this annual report, the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors as follows:

Executive Directors

Mr. NI Zhengdong *(Chairman and CEO)*
Ms. FU Xinghua
Ms. ZHANG Yanyan

Non-executive Director

Mr. KUNG Hung Ka

Independent Non-executive Directors

Mr. XU Shaochun
Mr. ZHANG Min
Ms. YU Bin

The biographies of the Directors as at the date of this annual report are set out on pages 16 to 20 in the section headed "Directors and Senior Management" of this annual report.

Corporate Governance Report (Continued)

From the Listing Date to the date of this annual report, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the Board.

As each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules, the Company considers all of them to be independent parties.

Save as disclosed in the Prospectus and in this annual report, to the best knowledge of the Company, none of the Directors has any relationship with any other Director or chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the code provision of the CG Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as the identity of the public companies or organizations and the time involved to the issuer, the Directors have agreed to disclose their significant commitments and any subsequent change to the Company in a timely manner.

Board Diversity Policy

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a board diversity policy to ensure that the Company will, when determining the composition of the Board, consider Board diversity in terms of, among other things, gender, skills, age, professional experience, knowledge, culture, education background and length of service. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board. Taking into account our existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies the board diversity policy of the Company, and the Board and the Nomination Committee of the Company will assess the Board composition regularly.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the Listing Rules and relevant regulatory requirements.

In accordance with A.6.5 of the CG Code with regards to continuous professional development, directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate. The Company also arranges trainings to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company have from time to time updated and provided written training materials relating to the roles, functions and duties of a director.

Corporate Governance Report (Continued)

During the Relevant Period, written training material and monthly regulatory updates were provided to the Directors and senior management of the Company.

Chairman and Chief Executive Officers

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. The roles of the Chairman and Chief Executive Officer of the Company are held by Mr. NI Zhengdong. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. NI Zhengdong has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. In light of the above, the Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in the circumstances of the Company.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company on December 7, 2020 for an initial term of three years commencing from the date of such service contract.

Each of the non-executive Director and independent non-executive Directors has entered into an appointment letter with the Company on December 7, 2020 for an initial term of three years commencing from the date of such letter of appointment.

None of the Directors has entered into a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles, any new Director appointed to fill a casual vacancy or as an addition to the Board shall submit himself/herself for re-election by the Shareholders at the next following general meeting of the Company after appointment.

In accordance with the Articles, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

Board Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than seven days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the relevant papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors or Board Committee members for information and records.

Corporate Governance Report (Continued)

Minutes of the Board meetings and Board committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors/Board committee members. Draft and final versions of the minutes of each Board meeting and Board Committee meeting are sent to the Directors/Board Committee members for comments and records respectively within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

No Board meeting or general meeting of the Company was held during the Relevant Period. As the Company was listed on December 30, 2020, the Board did not have any matters to discuss during the Relevant Period which is less than one month. The Company will fully comply with the requirement under the code provision A.1.1 of the CG Code to convene Board meetings at least four times a year at approximately quarterly intervals.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code for the Relevant Period.

The Group's employees, who are likely to be in possession of inside information of the Group, are also subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the employees was noted by the Company.

Delegation by the Board

The Board reserves for its decision right for all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Function

The Board is responsible for performing the functions set out in code provision D.3.1 of the CG Code. The Board recognizes that corporate governance should be the collective responsibility of the Directors which includes:

1. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

2. to review and monitor the training and continuous professional development of Directors and senior management;

3. to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;

4. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; and

Corporate Governance Report (Continued)

5. to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

BOARD COMMITTEES

Audit Committee

The Company establishes an Audit Committee with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The Audit Committee comprises three members, namely Ms. YU Bin, Mr. XU Shaochun and Mr. ZHANG Min, with Ms. YU Bin being the chairwoman of the committee.

The primary duties of the Audit Committee are to review and supervise the financial activities of the Company, to consider and approve the risk management, internal control evaluation proposal, the audit budget of the Company, and to perform other duties and responsibilities as assigned by the Board.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

Code provision C.3.3(e)(i) of the CG Code provides that the terms of reference of the Audit Committee shall have the terms that the members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet at least twice a year with the Auditor. The Company has included such terms in relevant terms of reference, and thus complied with the Code provision C.3.3(e)(i) of the CG Code during the Relevant Period. However, the Audit Committee did not hold any meetings with the Auditor during the Relevant Period because the Audit Committee did not have any matters that need to be discussed with the Auditor shortly after the Company's listing. The Audit Committee will fully comply with its terms of reference.

As the Company was listed on December 30, 2020, no meeting of the Audit Committee was held during the Relevant Period.

Nomination Committee

The Company establishes a Nomination Committee with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The Nomination Committee consists of three members, namely Mr. NI Zhengdong, Mr. ZHANG Min and Ms. YU Bin, with Mr. NI Zhengdong being the chairman of the committee.

The primary duties of the Nomination Committee include, without limitation, formulating procedures and standards for the election of Directors and senior Management, preliminarily examining the eligibility of candidates for Director and senior management positions; and making recommendations to the Board on matters relating to the appointment of Directors and senior management.

In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board in accordance with the board diversity policy adopted by the Company. Diversity of the Board will be considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a Director. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

As the Company was listed on December 30, 2020, no meeting of the Nomination Committee was held during the Relevant Period.

Corporate Governance Report (Continued)

Remuneration Committee

The Company establishes a Remuneration Committee with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The Remuneration Committee consists of three members, namely Mr. XU Shaochun, Mr. NI Zhengdong and Mr. ZHANG Min, with Mr. XU Shaochun being the chairman of the committee. The primary duties of the Remuneration Committee include to organize and formulate the remuneration policy and plan of Directors and senior management, to propose the remuneration distribution plan and other matters required as authorized by the Board.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

As the Company was listed on December 30, 2020, no meeting of the Remuneration Committee was held during the Relevant Period.

REMUNERATION OF SENIOR MANAGEMENT

Please refer to Note 12 to the consolidated financial statements for details of remuneration of members of the Board for the year ended December 31, 2020.

Details of the remuneration by band of senior management of the Company, whose biographies are set out on pages 19 to 20 of this annual report, for the year ended December 31, 2020 are set out below:

Remuneration band *(in HK$)*	**Number of individual**
0 – 1,000,000	5
1,000,000 – 1,500,000	1

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended December 31, 2020 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with timely updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report included in this annual report.

Corporate Governance Report (Continued)

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is the Board's responsibility to ensure that the Company has established and maintained adequate and effective risk management and internal control systems. The Board delegates its responsibility to the Audit Committee to review and supervise the risk management and internal control system of the Group. The Board is also responsible for overseeing the key risks of the Company, including determining the level of risk the Company expects and is able to take, and proactively considering, analyzing and formulating strategies to manage the key risks that the Company is exposed to. The Audit Committee oversees the management of the design, implementation and monitoring of risk management and internal control systems. The senior management team also provides all necessary and relevant information to the Board, giving the Directors sufficient explanation and information they need to discharge their responsibilities and make an informed assessment of financial and other information put before them for approval. The internal audit team of the Company conducts independent assessment of rick management and internal control systems, and carried out its work under the leadership of the Board and the Audit Committee. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

We have designated responsible personnel in our Company to monitor the ongoing compliance by our Company with the relevant PRC laws and regulations that govern our business operations and oversee the implementation of any necessary measures. In addition, we plan to provide our Directors, senior management and relevant employees with continuing training programs and/or updates regarding the relevant PRC laws and regulations on a regular basis with a view to proactively identify any concerns and issues relating to any potential non-compliance.

Risk Management

The Company is committed to continuously improving the risk management system, including structure, process and culture, through the enhancement of risk management ability, to ensure long-term growth and sustainable development of the Company's business. The Company has established a risk management system which sets out the roles and responsibilities of each relevant party as well as the relevant risk management policies and processes. Each business group of the Company, on a regular basis, identifies and assesses risk factors that may negatively impact the achievement of its objectives, and formulates appropriate response measures.

The Audit Committee assists the Board in supervising the overall risk status of the Company and evaluating the change in the nature and severity of the Company's major risks. The Audit Committee considers that the management of the Company has taken appropriate measures to address and manage the key risks which they are responsible for at a level acceptable to the Board.

The Audit Committee, on behalf of the Board, continuously reviews the risk management and internal control systems. The review process comprises, among other things, meetings with management of business groups, internal audit team, legal, personnel and the external auditors, reviewing the relevant work reports and information of key performance indicators, and discussing the major risks with the senior management of the Company. The Board is of the view that throughout the Relevant Period, the risk management and internal control systems of the Company are effective and adequate.

In addition, the Board believes that the Company's accounting and financial reporting functions have been performed by staff with the appropriate qualifications and experience and that such staff receives appropriate and sufficient training and development. Based on the work report from the Audit Committee, the Board also believes that the Company's internal audit function is adequate with sufficient resources and budget. The relevant staff has appropriate qualifications and experience, and receives sufficient training and development.

Corporate Governance Report (Continued)

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the Auditor to the Group during the year ended December 31, 2020 was approximately as follows:

Type of Services	**Amount** *(RMB'000)*
Audit and audit related services*	1,280
Total	1,280

Note:

* The fee didn't include the service fees paid/payable to PricewaterhouseCoopers as the reporting accountants of the Company in connection with the IPO.

JOINT COMPANY SECRETARIES

Ms. YANG Zhen and Mr. CHENG Ching Kit have been appointed as our joint company secretaries. Biographical information of Ms. YANG Zhen and Mr. CHENG Ching Kit is set out in the section headed "Directors and Senior Management" in this annual report. Mr. CHENG Ching Kit is a manager of SWCS Corporate Services Group (Hong Kong) Limited, and assists Ms. YANG Zhen in company secretarial affairs. The primary corporate contact person of Mr. CHENG Ching Kit at the Company is Ms. YANG Zhen.

As the Company was listed on December 30, 2020 and given the shortness of the Relevant Period, the joint company secretaries will undertake not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules in the next financial year.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The annual general meeting of the Company provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman of the Board as well as chairmen of the Remuneration Committee, Audit Committee and Nomination Committee and, in their absence, other members of the respective committees will be available to answer questions at shareholder meetings. The Auditor will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at www.zero2ipo.cn, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

From the Listing Date up to the date of this annual report, the Company did not convene any general meetings.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of Extraordinary General Meeting and Putting Forward Proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles. Any one or more members holding as of date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or any one of the joint company secretaries of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at 10th Floor, Air China Century Building, Building No.1, No. 40 Xiaoyun Road, Chaoyang District, Beijing, the PRC.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Articles of the Company has been amended and restated with effect from December 30, 2020.

Environmental, Social and Governance Report

1. ABOUT THE REPORT

We are pleased to present our first Environmental, Social and Governance Report (the "Report"), which summarizes our initiatives, policies and strategies relating to the environmental, social and governance ("ESG") issues, and describes our commitments to implementing the philosophy of sustainable development.

Reporting Standard

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with scope and contents that comply with the "Comply or Explain" provisions of the Guide.

Reporting Period and Scope

The content of the Report mainly focuses on the core businesses of the Group, covers the Group's fulfillment of ESG principles from 1 January 2020 to 31 December 2020 (the "Year" or the "Reporting Period") and fulfills the overall performance of corporate social responsibility. Unless otherwise specified, the Report covers the businesses of the Group. The reporting boundary of environmental data covers the Beijing headquarters of the Group.

Languages for the Report

The Report is available in both English and Chinese. If there are inconsistencies between the English and Chinese versions, the English version shall prevail.

Approval of the Report

This report has been approved by the Board of the Group on 30 March 2021.

Report Publications

The report is available in an electronic version. The electronic version of the Report is available for review and downloading at the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.zero2ipo.cn).

Contact Details

We highly value your views on the Report. Should you have any enquiries or suggestions, please do not hesitate to contact us through the following channels:

Address: 10 Floor, Air China Century Building, No.1 Building, No. 40 Xiaoyun Road, Chaoyang District, Beijing

E-mail: investor@zero2ipo.com.cn

Tel: (86) 010-64158500

Environmental, Social and Governance Report (Continued)

2. ESG MANAGEMENT

We attach great importance to sustainable development of the Group while pursuing its business development. We have formulated a Corporate Sustainable Development Policy to show our commitment in integrating sustainable development into our business operation, products and services. This policy covers the areas in environmental protection, operating practice, employee rights, community investment, and stakeholder engagement in order to comprehensively facilitate the ESG works in the Group. The key contents of the policy are stated below.

Areas	Key Contents
Environmental Protection	• Reduce the consumption of energy, water, paper and other resources • Reuse or recycle for waste reduction • Support the fight against climate change
Operating Practice	• Establish preventive and monitoring measures for anti-corruption • Formulate protection policy in information security and privacy • Set up protection measures in intellectual protection
Employee Rights	• Protect the legitimate rights and interests of employees • Prohibit any form of workplace discrimination and harassment • Provide various trainings to our employees
Community Investment	• Support employees to participate in social charitable activities
Stakeholder Engagement	• Communicate with stakeholders through various channels

2.1 ESG Management Structure

To integrate the concept of sustainable development into the overall strategy, policy and business plan of the group, we have established an ESG working group coordinated by the Secretary of the Board, with members including various department heads. The ESG working group assists the Board to identify, assess, and manage the material ESG issues and drive the effective implementation of various ESG policies and actions across the Group. The ESG working group regularly reports the ESG working status and makes ESG related recommendations to the Board of the Group to enhance our ESG performance.

Environmental, Social and Governance Report (Continued)

2.2 Stakeholder Engagement

The Group fully understands the importance of maintaining close communication with our stakeholders. In order to understand and respond to the expectations and concerns of our stakeholders, we have identified our key stakeholders and established various communication channels to listen to and gather their opinions towards the ESG issues of the Group.

Key Stakeholders	Main Communication Channels
Shareholders and Investors	• General meetings • Investor meetings • Shareholder visits • Corporate communications, such as letter to shareholders
Government	• Policy documents and guidelines • Information disclosures • Working meetings • Seminars
Regulatory Authorities	• Regulatory policy • Meetings with regulatory authorities • Visits • Work reporting
Customers	• Customer satisfaction survey and feedback forms • Customer service center • Customer visits • Daily operation and communication • Online service platform • Telephone and email

Environmental, Social and Governance Report (Continued)

Key Stakeholders	Main Communication Channels
Employees	• Staff opinion survey • Channels for staff to express opinions, such as opinion box • Performance assessment • Business briefings • Meetings for staff • Seminars/workshops
Suppliers	• Supplier management procedure • Supplier assessment system • Supplier meetings • On-site visits
Business Partners	• Cooperation projects • Business meetings • Visits • Seminars
Industry Peers	• Strategic cooperation projects • Communication conferences • Group notice

Environmental, Social and Governance Report (Continued)

2.3 Materiality Assessment

In order to define our key areas of ESG practice and disclosure, we have engaged an independent consultancy to conduct the materiality assessment of ESG issues during the Year, aiming to identify the material and relevant ESG issues which are most closely related to the Group. During the Year, the Group has considered our business development strategy and operation status, and understood the expectations and concerns of our stakeholders through various communication channels to identify our material ESG issues. We have also taken into account the disclosure requirements of the Guide of the Hong Kong Stock Exchange and the material issues of our industry released by the US Sustainability Accounting Standards Board ("SASB"). We finally identified 6 material ESG issues and 8 relevant ESG issues which are shown below.

Material ESG Issues
• Service quality assurance
• Customer privacy protection
• Anti-corruption
• Employment management
• Employees' health and safety
• Employees' development and training

Relevant ESG Issues
• Compliance with labour standards
• Employees' benefits
• Supply chain management
• Community investment
• Energy use
• Waste management
• Greenhouse gas ("GHG") emissions
• Protection of the environment and natural resources

Environmental, Social and Governance Report (Continued)

3. EXCELLENT PRODUCT AND SERVICE MANAGEMENT

To become a leading service platform for the equity investment industry, providing excellent products and services to our customers to enhance customer satisfaction is the key to succeed in business development. The Group is dedicated to assuring our product and service quality, safeguarding customers' privacy and executing responsible supply chain management.

3.1 Commitment to Product and Service Quality

As the Group is committed to providing the industry with leading services for entrepreneurship and investment, we aim to provide products and services in high quality to our customers. We have formulated a Customer Management System to standardize customer management, smoothen customer management work procedures, and specify management standards. The customer management responsibilities of each relevant department are stated clearly in this system.

Product and Service Quality Assurance

The Commerce Department is responsible for communicating and coordinating with business units and production units after confirming the customer's requirement to ensure the quality of our products and services. It is also responsible for handling the product after-sales quality and service issues. The effectiveness of product after-sales service of our products will be evaluated and assessed to continuously improve the quality of our products and services.

Regarding our four major online platforms, including PEdata.cn, PEdaily.cn, SandHill University, and Deal Market, we have established a set of approval procedures at different stages of products, such as research and development, testing, and launch application of products, in order to standardize all procedures of each stage in the whole product cycle for quality assurance.

Customer Relationship Management

We organize forums, exchange meetings, customer visits and other customer communication activities to collect, handle and respond to customers' suggestions and opinions for maintaining a good relationship with customers.

Customer Service and Complaint Handling

We have established standard procedures in handling customer complaints and opinions. Adhering to the principle of "accurate records, timely processing, compliance and prudence", we ensure that customer issues can receive timely feedback and effective handling. The Customer Service Department is responsible for evaluating and assessing the quality of customer service work of each relevant department. It is also responsible for receiving and processing customer complaints, timely communicating to relevant departments and tracking the progress of complaint processing. The Commerce Department is responsible for the handling of product after-sales issues and other service complaints, assisting in investigations, verifying claims and providing feedbacks to customers. If any refunds, and returned products and services are needed, the Finance Department is responsible for providing the refund service. During the Reporting Period, no customer complaints were received.

Environmental, Social and Governance Report (Continued)

3.2 Protecting Customers' Privacy

As an integrated service platform for the equity investment industry, the Group puts strong emphasis on the information security management and protection of customers' privacy. We strictly abide by the laws and regulations related to information security, such as the Regulations on Security Protection of Computer Information Systems of the People's Republic of China and the Cybersecurity Law of the People's Republic of China.

We have established a Computer Management System, a Computer Room Management System, a User Authority Management System, a Virus Detection and Network Security Vulnerability Detection System, and other management systems to ensure the protection of information security.

The principal measures for information security management are listed as follows:

- Install anti-virus software, anti-hacking software and spam elimination software in the server, and regularly update the software
- Regularly check network security and virus detection
- Regularly update the virus database for the hardware firewall, detect viruses and security vulnerabilities in the network, and take necessary preventive measures
- Define different information access rights for different users in the Group
- Clear information access rights when employees resign, take long vacation, or have other situations

To further protect customers' privacy, we have formulated an Encryption Management System, the Confidential Document Management System and a Data Confidentiality and Data Backup System.

Main measures for protecting customers' privacy are listed as follows:

- Determine the access rights, access methods and approval procedures of the users according to the confidentiality regulations and purposes of the data
- Stipulate the rules of password setting through password policy management
- Set up a corresponding encryption area for each department in the file server of the Group
- Automatically encrypt the uploaded confidential files by the confidential document management platform

3.3 Supply Chain Management

To ensure responsible supply chain management, we have put in place a Supply Chain Management System to regulate the selection procedure and continuous monitoring work of our suppliers.

For selection and continuous monitoring work of suppliers, apart from the assessment criteria such as quality, service, delivery and price, we also consider the environmental and social performance of the suppliers, such as anti-corruption, health and safety, employment practice, and whether it pollutes the environment. We advocate green procurement and will procure service and product that have less impact on the environment. The Business Department is responsible for the selection and assessment of suppliers and the Finance Department is responsible for monitoring the implementation of supplier management. The supplier performance will be recorded in the Supplier Review Form after reviewing. Any suppliers that fail in the supplier review will be removed from our supplier list.

During the Reporting Period, we have 20 main suppliers, which provide marketing promotion, venue construction, data service, travel service, property leasing, and other services. The regional distribution of the main suppliers is shown below:

Region	**Number of Suppliers**
Beijing	14
Zhejiang	2
Changsha	1
Shanghai	1
Shenzhen	1
Zhuhai	1

Environmental, Social and Governance Report (Continued)

4. COMPLIANCE-BASED OPERATION

The Group upholds integrity and compliance in how we conduct our business. We formulate a series of management systems to ensure that our operation is in accordance with laws in the aspect of anti-corruption and anti-money laundering, publicity and advertising, and intellectual property protection.

4.1 Anti-corruption and Anti-money Laundering

The Group strictly abides by relevant laws and regulations such as the Criminal Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. To build a working environment in anti-corruption, the Group has formulated an Integrity Management System to regulate that our employees must be honest and obey the law. Activities such as taking advantage of working position, accepting and offering bribes, and asking for or accepting valuables from any unit or individual are strictly prohibited. The Group has also formulated Employee Violation Regulations in the Employee Handbook to stipulate our employees to comply with relevant laws and regulations.

To prevent and combat money laundering and other serious criminal activities through business, the Group has formulated the Anti-money Laundering System according to the Anti-Money Laundering Law of the People's Republic of China to ensure business safety and reputation of the Group. Our Legal Department is responsible for the supervision and inspection of the Group's anti-money laundering work. Each operation department is responsible for the identification, verification, registration of customer identities, storage of customer identity information and transaction records, and reporting to department heads on large-value transactions and suspicious transactions. After reviewing, if the transaction constitutes suspicion in money laundering, the department head should report to the General Manager of the Group. A written report should be made to the local public security agency if necessary.

To strengthen the knowledge of employees in anti-money laundering, we offer anti-money laundering trainings to our employees. The training contents, which are provided by the Legal Department, include relevant laws and regulations, anti-money laundering internal control system of the Group and money laundering risk, etc.

During the Year, the Group was not involved in any litigation of corruption or bribery, which fully reflected the effectiveness of our anti-corruption work.

Environmental, Social and Governance Report (Continued)

4.2 Monitoring on Publicity and Advertising

The Group strictly complies with laws and regulations related to publicity and advertising such as the Advertisement Law of the People's Republic of China. External publicity is a good opportunity for the Group to show brand image, expand brand influence and promote corporate culture. We have formulated an External Publicity Management System to regulate the external publicity work of the Group. We have established the basic principles of external publicity that all publicity materials must be objective, accurate and based on facts. All external publicity materials must be approved by the relevant departments, such as the Brand Department, before their execution.

4.3 Protecting Intellectual Property

To regulate the management of intellectual property ("IP") rights of the Group and protect our IP rights from infringement, we have formulated an IP Management Regulation according to relevant laws and regulations, such as the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China. The IP Management Regulation regulates the protection scope, ownership, management, training and education of the IP. We have established an IP Work Leading Group which is led by the Company's General Manager to formulate the strategy and work plan on IP, deliberate and decide the important issues related to the IP of the Group. Our Legal Department is responsible for registration, management and protection of our IP such as trademark and software copyright. We closely monitor the domestic and foreign IP trends related to the business of the Group in order to protect our IP rights and prevent infringement of the IP rights of others.

5. CARING FOR EMPLOYEES

The Group understands that employees are our most valuable assets. We are committed to providing a fair, rewarding, healthy and safe working environment to our employees. We provide opportunities for our employees to grow, learn and develop in their work.

5.1 Safeguarding Employees' Rights and Interests

The Group pays high attention to the rights and interests of our employees. We strictly comply with the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, and other relevant laws and regulations.

The Group has formulated the Employee Handbook and stipulates the recruitment, performance assessment, promotion, dismissal, working hours, vacation management, remuneration, benefits, staff training and development, and other employment regulations. Adhering to the principle of fair competition and selection of outstanding candidates, our employment policy is to select and hire suitable candidates based on job requirements by considering their knowledge, experience and skills, regardless of race, color, religious belief and gender. We recruit talents to join the Group through open recruitment, internal referral and other channels.

Environmental, Social and Governance Report (Continued)

Labour contract is to safeguard the legitimate rights and interests of the Group and our employees. The two parties signed the contract on the basis of equality, voluntariness, and consensus in accordance with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and relevant laws and regulations. Before signing the labour contract, we verify the age of the candidates to ensure that no child labour will be employed. We adopt a five-day working week and flexible working hours. If our employees need to work overtime due to work, they can get the overtime pay after getting approval. During the Year, there was no child labour nor forced labour in the Group. If any violations of laws and regulations are found and the labour contract needs to be terminated, we will implement in accordance with the relevant laws and regulations to protect the rights and interests of employees and the Group.

Remuneration and Benefits

To attract and retain talents, the Group offers competitive salaries and reviews the salary of each position based on the market trend by regularly participating in remuneration research activities of authoritative consulting companies. In addition to the national statutory five insurances and one fund, we provide various kinds of benefits to our employees, such as employee travel, birthday party and gift, mid-autumn festival gift, cash for wedding and childbirth. Apart from the national statutory holiday, our employees are entitled to annual leave, sick leave, wedding leave, maternity leave, breastfeed leave, paternity leave, funeral leave and other types of leave. During the Reporting Period, a Christmas party, tea gatherings, a badminton competition, department team building activities and other staff activities were organized to enhance employees' sense of belonging to the Group.

Department team building activity

Badminton competition

Performance Assessment System

To enhance the work quality and efficiency of the employees and stimulate their enthusiasm for work, we have established a performance assessment system and carry out the assessment in the spirit of fairness, justice and openness. We appraise the performance of our employees once every half year based on their daily performance and business performance. We promote employees and adjust their salary based on the performance assessment result. Employees and managers with excellent performance can be awarded respectively as annual outstanding employees and outstanding managers.

Environmental, Social and Governance Report (Continued)

5.2 Employees' Health and Safety

The Group strictly complies with laws and regulations related to occupational health and safety such as the Control of Occupational Diseases of the People's Republic of China and Fire Control Law of the People's Republic of China. During the Year, there were no work-related fatalities nor lost days due to work injury in the Group.

The Group cares about the health and safety of our employees. Every employee is entitled to body health check once a year. Different health check packages are offered to male employees, married female employees and unmarried female employees respectively to fit their different needs. We also provide supplementary medical insurance to further safeguard the health of our employees. Fire drill is organized regularly to ensure the fire safety.

During the COVID-19 pandemic, to further protect the health and safety of our employees, the Group has implemented a series of epidemic prevention measures for the work resumption. Main measures are stated below.

Office Area Disinfection
• The office area and each office phone were thoroughly cleaned and disinfected before work every day • During office hours, the whole office area was disinfected every 3 hours

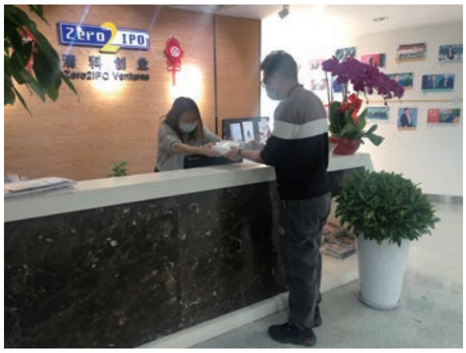
Flexible Working Hours
• Flexible working hours were implemented for our employees to avoid peak crowds when going to work and getting off work

Body Temperature Check
• Every employee must check his/her body temperature before entering the office • If the body temperature of any employee exceeds 37.2℃, he/she must go home and report to Human Resources Department and Administration Department. He/she should see the doctor if necessary

Environmental, Social and Governance Report (Continued)

Distribution of Epidemic Prevention Items

- Employees can receive the epidemic prevention items from the Group, such as masks



Travel during Going to Work and Getting off Work

- Employees were encouraged to walk, travel by bicycle or by private car
- If the employees must take public transportation, they must wear mask and gloves throughout the journey, and avoid touching items on the car with their hands

Lunch Arrangement

- Employees were encouraged to bring their lunch box and spread out to have lunch
- Employees should not eat in crowded restaurants and canteens

Use of Meeting Room

- Use of meeting room was not recommended
- If the use of meeting room is necessary, participants should wear mask and gloves, keep social distance for more than one metre
- Meeting room should open windows for ventilation

Business Visit

- Every visitor must wear mask and check his/her body temperature before entering the office
- Every visitor entering the office should have no history of exposure to Hubei and symptoms such as fever, cough, and shortness of breath

Environmental, Social and Governance Report (Continued)

5.3 Employees' Development and Training

The Group highly values talent cultivation. During the Year, various trainings were offered to different levels of employees to continuously develop their skills and knowledge. The main types of training are shown below:

Training Type	Training Content
Orientation training for new staff	Company introduction, private equity and venture capital (PEVC) industry overview, financial module, legal module, and administrative module, etc.
Intellectual property training	Basic concept in intellectual property, intellectual property protection, and ways to avoid the risk of infringement, etc.
Training on the Advertisement Law	Introduction on the Advertisement Law, advertising language compliance, etc.
Training for directors and senior management	Corporate governance, continuous responsibility after listing and compliance obligation, etc.

Staff training on financial consultant contracts

Environmental, Social and Governance Report (Continued)

6. ENVIRONMENTAL PROTECTION

The Group highly values the protection of the environment and natural resources. We strictly abide by the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, and the relevant laws and regulations on environmental protection. As an equity investment service enterprise with mainly office-based activities, we have insignificant impacts on the environment and natural resources, which mainly comes from the consumption of electricity, water resources and office supplies, waste generation, and GHG emissions from electricity consumption. In our Corporate Sustainable Development Policy, we have formulated energy and water saving, reduction on the consumption the paper and other resources, waste reduction, green procurement, fighting against climate change and other environmental protection measures in order to minimize our impacts on the environment and the use of resources. During the Reporting Period, the Group did not violate any laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

6.1 Emissions Management

The Group is committed to reducing GHG emissions and waste generation. Since the Group does not have any fuel consumption from stationary sources and vehicles, we have no air emission arising from gaseous fuel consumption and vehicles in the Reporting Period.

GHG Emissions

To echo with China's policy and actions in tackling and mitigating climate change, we are dedicated to the reduction in GHG emissions. Since the Group does not have any stationary fuel combustion equipment and vehicles, we do not have any direct GHG emissions. The main source of our GHG emissions comes from the generation of electricity purchased by the Group. We have already implemented energy saving measures to reduce the consumption of electricity to contribute on the reduction in GHG emissions. A summary of GHG emissions during the Year is described in Appendix I: Sustainability Data Summary.

Waste Management

The Group advocates the protection of natural resources and waste reduction at source. Used batteries are put into separated recycling bins for recycling. Old computers are collected by qualified recycling companies for recycling. The property management company separates and collects different types of waste of the Group for further processing.

Environmental, Social and Governance Report (Continued)

6.2 Sustainable Use of Resources

In order to cherish natural resources, we have adopted various sustainable measures in the use of energy, water resources and paper to protect the environment. The main measures are shown below:

Energy Saving
Lighting system
• Turn off the lights when the office is not in use
• Use daylight as much as possible to reduce the use of lighting
• Use energy-efficient lighting, such as LED
• Divide the office into different lighting areas to control lighting system independently
• Install motion sensors in places that are not frequently used
Air-conditioning system
• Turn off air conditioning system when the office is not in use
• Set the lowest temperature of air conditioning to be 26℃
• Regularly clean the filters or fan coil units
• Adopt a central control and monitoring system or a building management system
• Adopt water-cooled air conditioning system
• Allow employees to wear casual outfits to work whenever possible
Electronic devices and printing equipment
• Use energy-efficient electronic devices and multi-functional printing equipment
• Set the computer and printer to enter into power saving mode when not in use

Environmental, Social and Governance Report (Continued)

Water Resources Management
Our tap water comes from municipal water supply and we do not have any issue in sourcing water that is fit for purpose. • Post water-saving labels in washrooms • Regularly take meter readings and check for hidden leaks • Repair dripping faucets immediately

Paper Management
• Use office automation (OA) system to promote paperless operation • Promote the use of electronic communications • Regularly monitor paper consumption and the number of prints • Post reminders to promote double-sided printing

7. COMMUNITY CONTRIBUTION

To fulfill corporate social responsibility, the Group is committed to participating in various charity works to give back to the community while pursuing its business development. In the future, the Group will explore various focused areas in community investment to contribute to the society.

Environmental, Social and Governance Report (Continued)

APPENDIX I: SUSTAINABILITY DATA SUMMARY

Environmental Area[1]	Unit	2020
GHG emissions[2]		
Direct GHG emissions (Scope 1)[3]	tonnes of CO_2e	0
Indirect GHG emissions (Scope 2)[4]	tonnes of CO_2e	45.32
Total GHG emissions (Scope 1 & 2)	tonnes of CO_2e	45.32
GHG emission intensity (per square metre)	tonnes of CO_2e/m^2	0.02
GHG emission intensity (per employee)	tonnes of CO_2e/employee	0.24
Energy consumption		
Total electricity consumption	kWh	74,287.00
Electricity consumption intensity (per square metre)	kWh/m^2	28.36
Electricity consumption intensity (per employee)	kWh/employee	393.05
Hazardous waste generation		
Batteries	piece	233
Toner cartridges	piece	78
Hazardous waste recycled		
Batteries	piece	233
Paper consumption		
Paper consumption	kg	850.00
Paper consumption intensity (per employee)	kg/employee	4.50

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1 The reporting boundary of environmental data covers the Beijing headquarters of the Group.

2 The calculation is based on the "Greenhouse Gas Protocol" issued by the World Resources Institute and the World Business Council on Sustainable Development.

3 Scope 1: Direct greenhouse gas emissions from sources owned and controlled by the Group.

4 Scope 2: Indirect greenhouse gas emissions from electricity generation, heating and cooling, or steam purchased by the Group.

Environmental, Social and Governance Report (Continued)

Social Area[5]	Unit	2020
Total number of employees	number of employees	243
Total number of employees (by gender)		
Female employees	number of employees	164
Male employees	number of employees	79
Total number of employees (by employment type)		
Junior employees	number of employees	219
Middle management	number of employees	19
Senior management	number of employees	5
Total number of employees (by age group)		
Under 30	number of employees	117
30-50	number of employees	126
Over 50	number of employees	0
Total number of employees (by region)		
Employees in North China	number of employees	191
Employees in East China	number of employees	25
Employees in South China	number of employees	25
Employees in Northwest China	number of employees	2
Turnover rate of employees (by gender)[6]		
Female employees	percent	17.48%
Male employees	percent	3.88%
Turnover rate of employees (by age group)[6]		
Under 30	percent	14.56%
30-50	percent	6.80%
Over 50	percent	0%
Turnover rate of employees (by region)[6]		
Employees in North China	percent	16.83%
Employees in East China	percent	1.62%
Employees in South China	percent	2.59%
Employees in Northwest China	percent	0.32%
Health and safety		
Number of work-related fatalities	number of employees	0
Lost days due to work injury	days	0

5 The reporting boundary of social data covers the whole Group.

6 Number of lost employees ÷ (Number of lost employees + Number of employees at year end) × 100%.

Environmental, Social and Governance Report (Continued)

Social Area[5]	Unit	2020
Development and training		
Percentage of employees trained (by gender)		
Female employees	percent	67.49%
Male employees	percent	32.51%
Percentage of employees trained (by employment type)		
Junior employees	percent	90.12%
Middle management	percent	7.82%
Senior management	percent	2.06%
Average training hours per employee (by gender)		
Female employees	hours	13.00
Male employees	hours	13.50
Average training hours per employee (by employment type)		
Junior employees	hours	12.00
Middle management	hours	24.00
Senior management	hours	23.60

Environmental, Social and Governance Report (Continued)

APPENDIX II: CONTENT INDEX OF THE ESG REPORTING GUIDE

Index Content			Relevant Sections
A. Environmental Area			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6. Environmental Protection
	A1.1	The types of emissions and respective emissions data.	6.1 Emissions Management
	A1.2	Greenhouse gas emissions in total and intensity.	Appendix I: Sustainability Data Summary
	A1.3	Total hazardous waste produced and intensity.	Appendix I: Sustainability Data Summary
	A1.4	Total non-hazardous waste produced and intensity.	Data collection system of non-hazardous waste has not yet been developed during the Year. In the future, we will develop a data collection system of non-hazardous waste.
	A1.5	Description of measures to mitigate emissions and results achieved.	6.1 Emissions Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	6.1 Emissions Management

Environmental, Social and Governance Report (Continued)

Index Content			Relevant Sections
A. Environmental Area			
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.2 Sustainable Use of Resources
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	Appendix I: Sustainability Data Summary
	A2.2	Water consumption in total and intensity.	As water fee incurred in Beijing headquarters was included in the property fees, the corresponding water consumption cannot be separately calculated. In the future, water consumption will be calculated based on the practical situation.
	A2.3	Description of energy use efficiency initiatives and results achieved.	6.2 Sustainable Use of Resources
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	6.2 Sustainable Use of Resources
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Not applicable as the Group's business does not involve packaging materials
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	6. Environmental Protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6. Environmental Protection

Environmental, Social and Governance Report (Continued)

Index Content			Relevant Sections
B. Social Area			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Safeguarding Employees' Rights and Interests
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I: Sustainability Data Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Sustainability Data Summary
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.2 Employees' Health and Safety
	B2.1	Number and rate of work-related fatalities.	Appendix I: Sustainability Data Summary
	B2.2	Lost days due to work injury.	Appendix I: Sustainability Data Summary
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.2 Employees' Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.3 Employees' Development and Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: Sustainability Data Summary
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Sustainability Data Summary

Environmental, Social and Governance Report (Continued)

Index Content			Relevant Sections
B. Social Area			
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Safeguarding Employees' Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Safeguarding Employees' Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Safeguarding Employees' Rights and Interests
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.3 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	3.3 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	3.3 Supply Chain Management
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.2 Protecting Customers' Privacy 4.2 Monitoring on Publicity and Advertising
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to business of the Group
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.1 Commitment to Product and Service Quality
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.3 Protecting Intellectual Property
	B6.4	Description of quality assurance process and recall procedures.	3.1 Commitment to Product and Service Quality
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	3.2 Protecting Customers' Privacy

Environmental, Social and Governance Report (Continued)

Index Content			**Relevant Sections**
B. Social Area			
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.1 Anti-corruption and Anti-money Laundering
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	4.1 Anti-corruption and Anti-money Laundering
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	4.1 Anti-corruption and Anti-money Laundering
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7. Community Contribution
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Will be disclosed in the future
	B8.2	Resources contributed to the focus area.	Will be disclosed in the future

Directors' Report

The Directors are pleased to present the directors' report together with the audited consolidated financial statements of the Group for the year ended December 31, 2020.

PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on August 1, 2019 as an exempted company with limited liability under the Cayman Companies Act. The Company is an investment holding company. The Group is an integrated service platform for equity investment industry, providing data, marketing, consulting and training services to participants in the equity investment industry, with its operations substantially conducted in the PRC through the subsidiaries and Consolidated Affiliated Entities of the Company.

The activities and particulars of the Company's principal subsidiaries and Consolidated Affiliated Entities are set out in Note 17 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year ended December 31, 2020 by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and Note 5 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business during the year ended December 31, 2020, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. A discussion on relationships with its key stakeholders is included in the sections headed "Management Discussion and Analysis", "Corporate Governance Report" and "Environmental, Social and Governance Report" in this annual report. In addition, a description of the environmental policies and performance of the Company is set out in the section headed "Environmental, Social and Governance Report" in this annual report. These discussions form part of this directors' report.

RESULTS AND DIVIDEND

The consolidated results of the Group for the year ended December 31, 2020 are set out in the consolidated statement of comprehensive income on page 75 of this annual report.

The Board has resolved not to recommend payment of any final dividend for the year ended December 31, 2020.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"). The Dividend Policy aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the Shareholders.

Directors' Report (Continued)

The Board adopts the Dividend Policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Company does not have any pre-determined dividend payout ratio. The Board has the discretion to declare and distribute dividends to the Shareholders, subject to the Articles and all applicable laws and regulations and the factors including without limitation to:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans; and
- interests of Shareholders.

Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles. The Board will review the Dividend Policy as appropriate from time to time.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Share were listed and commenced trading on Stock Exchange on 30 December 2020. The net proceeds (after deduction of underwriting fees and commissions and related costs and expenses) received by the Company from the Global Offering amounted to approximately HK$422.8 million, and an additional net proceeds of approximately HK$66.0 million were received by the Company from the allotment and issue of Shares as a result of the full exercise of the over-allotment option. The Company intends to apply the proceeds in the manner as described under the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Since the Listing Date and up to December 31, 2020, the Company has not utilized any of the net proceeds raised from the Global Offering. The Group will gradually utilise the net proceeds in accordance with the intended purposes disclosed in the Prospectus.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2021 AGM to be held on June 4, 2021, the register of members of the Company will be closed from June 1, 2021 to June 4, 2021, both days inclusive, and during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2021 AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on May 31, 2021.

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last four financial years is set out on page 8 of this annual report.

Directors' Report (Continued)

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended December 31, 2020 are set out in Note 16 to the consolidated financial statements in this annual report.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended December 31, 2020 are set out in Note 28 to the consolidated financial statements in this annual report.

EQUITY-LINKED AGREEMENTS

During the year ended December 31, 2020, other than the Post-IPO RSU Scheme as set out in the section under "Post-IPO RSU Scheme" in this annual report, the Company has not entered into any equity-linked agreement.

RESERVES

Details of the movement in the reserves of the Group and of the Company during the year ended December 31, 2020 are set out in Note 29 to the consolidated financial statements in this annual report.

DISTRIBUTABLE RESERVES

As at December 31, 2020, the Company's distributable reserves were RMB394.3 million.

BORROWINGS

The Group had no bank borrowings or other borrowings as at December 31, 2020.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities during the year ended December 31, 2020.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

TAX RELIEF

The Directors are not aware of any tax relief available to the Shareholders by reason of their holding of the Shares.

DIRECTORS

The Board from the Listing Date up to the date of this annual report consists of the following seven Directors:

Directors' Report (Continued)

Executive Directors

Mr. NI Zhengdong *(Chairman and Chief Executive Officer)*
Ms. FU Xinghua
Ms. ZHANG Yanyan

Non-executive Director

Mr. KUNG Hung Ka

Independent Non-executive Directors

Mr. XU Shaochun
Mr. ZHANG Min
Ms. YU Bin

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out on pages 16 to 20 in the section headed "Directors and Senior Management" of this annual report.

DIRECTORS' SERVICE CONTRACTS

On December 7, 2020, each of the executive Directors has entered into a service contract with the Company, and each of the non-executive Director and independent non-executive Directors has entered into a letter of appointment with the Company. The service contracts with each of the executive Directors are for an initial fixed term of three years commencing from the date of such service contract. The letters of appointment with each of the non-executive Director and independent non-executive Directors are for an initial fixed term of three years commencing from the date of such letter of appointment. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms or by either party giving to the other not less than three-month prior written notice. The appointment of the Directors is subject to the provisions of retirement and rotation of Directors under the Articles.

Save as disclosed above, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

CONTRACT WITH CONTROLLING SHAREHOLDER

Save as disclosed in the sections headed "Continuing Connected Transaction" and "Related Party Transactions" in this annual report, no contract of significance has been entered into between the Company or any of its subsidiaries and a Controlling Shareholder or any of its subsidiaries during the year ended December 31, 2020.

DIRECTOR'S INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT

Save as disclosed in the sections headed "Continuing Connected Transaction" and "Related Party Transactions" in this annual report, no transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party, and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended December 31, 2020.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The aggregate amount of remuneration (including salaries, remuneration, pension, discretionary bonus and other welfares) paid to our Directors for the year ended December 31, 2020 was approximately RMB2.1 million.

The five highest paid individuals of the Group for the year ended December 31, 2020 included no Directors. The remuneration (including salaries, remuneration, pension, discretionary bonus and other welfares) paid to the Group's five highest paid individuals in aggregate for the year ended December 31, 2020 was approximately RMB3.9 million.

For the year ended December 31, 2020, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments for the year ended December 31, 2020.

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in Note 8a to the consolidated financial statements in this annual report.

Save as disclosed above, no other payments have been made or are payable, for the year ended December 31, 2020, by the Group to or on behalf of any of the Directors.

DEED OF NON-COMPETITION

On December 7, 2020, Mr. Ni, the Company's ultimate controlling Shareholder, and JQ Brothers Ltd., through which Mr. Ni holds equity interest in the Company, and the Company entered into the deed of non-competition ("Non-competition Deed"), pursuant to which, subject to and except as mentioned in the Prospectus, the Controlling Shareholders would not, and would procure their close associates (except any member of the Group) not to, directly or indirectly (whether in the capacity of principal or agent, whether for its own benefit or jointly with or on behalf of any person, firm or company, whether within or outside China), commence, engage in, participate in or acquire any business which competes or may compete directly or indirectly with the Group's core business of offering a comprehensive portfolio of both online and offline equity investment services, which can be categorized into data services, marketing services, consulting services and training services, or own any rights or interests in such business. Details of the Non-competition Deed are set out in the section headed "Relationship with Our Controlling Shareholders – Non-competition Undertaking" in the Prospectus.

The Controlling Shareholders confirmed that they have complied with the Non-competition Deed for the year ended December 31, 2020. The independent non-executive Directors have conducted such review for the year ended December 31, 2020 and also reviewed the relevant undertakings and are satisfied that the Non-competition Deed has been fully complied with.

DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report, during the year ended December 31, 2020, none of the Directors nor the Controlling Shareholder or their respective close associate (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group in accordance with Rule 8.10 of the Listing Rules.

Directors' Report (Continued)

PENSION SCHEME

Details of the pension scheme of the Company are set out in Note 2.18 to the consolidated financial statements in this annual report.

INDEMNITY OF DIRECTORS

Under the Articles, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he may incur or sustain in or about the execution of his duties in his office. The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters as disclosed in this annual report, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the year ended December 31, 2020.

LOAN AND GUARANTEE

During the year ended December 31, 2020, the Group had not made any loan or provided any guarantee for any loan, directly or indirectly, to the Directors, senior management, Controlling Shareholders or their respective connected persons.

DISCLOSURE REQUIRED UNDER RULE 13.18 OF THE LISTING RULES

As at December 31, 2020, there were no matters that gave rise to a disclosure required under Rule 13.18 of the Listing Rules.

POST-IPO RSU SCHEME

On December 7, 2020, the Company adopted the Post-IPO RSU Scheme, which is not subject to the provisions of Chapter 17 of the Listing Rules as the Post-IPO RSU Scheme does not involve the grant of options by the Company to subscribe for new Shares.

The purposes of the Post-IPO RSU Scheme are: (i) to recognize the contributions by grantees and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Qualified participants of the Post-IPO RSU Scheme include existing employees, directors and officers of the Group.

The maximum aggregate number of Shares underlying all grants of RSUs pursuant to the Post-IPO RSU Scheme will not exceed 30,000,000 Shares, representing approximately 10% of the number of Shares in issue on the Listing Date and 9.8% of the number of Shares in issue as at the date of this annual report. Such limit may be refreshed from time to time subject to prior approval from our Shareholders, but in any event, the total number of Shares that may underlie RSUs granted under the Post-IPO RSU Scheme following the date of approval of the refreshed limit ("New Approval Date") must not exceed 10% of the number of Shares in issue as of the New Approval Date.

The Post-IPO RSU Scheme shall be valid and effective for a term of ten years commencing on the adoption date (or such earlier date as the Board may decide).

Directors' Report (Continued)

No RSUs have been granted under the Post-IPO RSU Scheme since its adoption and up to the date of this annual report.

A detailed summary of the terms (including the terms of the Scheme, the rights attached to Awards and Shares and vesting schedule and criteria) of the Post-IPO RSU Scheme has been set out in the section headed "D. Post-IPO RSU Scheme" in Appendix IV of the Prospectus.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As of December 31, 2020, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(A) Long position in Shares of the Company

Name	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding
Mr. NI Zhengdong(1)	Interest in controlled corporation	147,120,808	49.04%
Ms. ZHANG Yanyan(2)	Interest in controlled corporation	1,479,913	0.49%
Ms. FU Xinghua(3)	Interest in controlled corporation	1,257,300	0.42%
Mr. KUNG Hung Ka(4)	Interest in controlled corporation	11,459,169	3.82%

Notes:

(1) Mr. NI Zhengdong is deemed to be interested in the entire interests held by (i) JQ Brothers Ltd., which is wholly-owned by Mr. NI Zhengdong, and (ii) Hangzhou Sanren Yanxing Capital L.P. (杭州三仁焱興投資合夥企業(有限合夥)) ("Hangzhou Sanren"), a limited partnership established in the PRC and the general partner of which is owned as to 33.33% by Mr. Ni. Hangzhou Sanren was interested in 3,055,778 Shares as of December 31, 2020.

(2) Ms. ZHANG Yanyan is deemed to be interested in the entire Shares held by MRJ Holdings Limited, which is wholly-owned by Ms. ZHANG Yanyan.

(3) Ms. FU Xinghua is deemed to be interested in the entire Shares held by HCShanghe Holdings Limited, which is wholly-owned by Ms. FU Xinghua.

(4) Mr. KUNG Hung Ka is deemed to be interested in the entire Shares held by Wealth Strategy Holding Limited, which is wholly-owned by Mr. KUNG Hung Ka.

(B) Long position in associated corporations of our Company

Name	Nature of interest	Number of Associated Corporation	Approximate Percentage of Interest
Mr. NI Zhengdong(1)	Interest in controlled corporation	Zero2IPO Ventures	100%

Note:

(1) Mr. NI Zhengdong owned approximately 58.08% of the equity interests in Zero2IPO Group, which is the registered shareholder of 100% equity interest in Zero2IPO Ventures.

Directors' Report (Continued)

Save as disclosed above and to the best knowledge of the Directors, as at December 31, 2020, none of the Directors or the chief executive of the Company has any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As of December 31, 2020, to the best knowledge of the Directors, the following corporations/persons had interests of 5% or more in the issued Shares according to the register of interests required to be kept by the Company under section 336 of the SFO:

Long position in ordinary Shares

Name	Note	Capacity	Number of ordinary Shares interested	Approximate percentage of the Company's issued share capital
JQ Brothers Ltd.	(1)	Beneficial Interest	144,065,030	48.02%
Mr. NI Zhengdong	(1)	Interest in controlled Corporation	147,120,808	49.04%
Asia Direct Investment Inc.	(2)	Beneficial Interest	15,247,592	5.08%
Mr. WANG Dong	(2)	Interest in controlled corporation	15,247,592	5.08%

Notes:

(1) Mr. Ni is deemed to be interested in the entire interests held by (i) JQ Brothers Ltd., a company wholly-owned by him, and (ii) Hangzhou Sanren, a limited partnership established in the PRC and the general partner of which is owned as to 33.33% by Mr. Ni. Hangzhou Sanren was interested in 3,055,778 Shares as of December 31, 2020.

(2) Mr. WANG Dong is deemed to be interested in the entire interests held by Asia Direct Investment Inc., a company wholly-owned by him.

Save as disclosed above and to the best knowledge of the Directors, as at December 31, 2020, no person had an interest or a short position in the Shares or underlying Shares of the Company as recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Post-IPO RSU Scheme, at no time during the year under review was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

Directors' Report (Continued)

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, the Group's largest customers accounted for approximately 7.6% of the Group's total revenue from continuing operations. The Group's five largest customers accounted for approximately 23.8% of the Group's total revenue from continuing operations.

In the year under review, the Group's largest suppliers accounted for approximately 6.4% of the Group's total cost of sales from continuing operations. The Group's five largest suppliers accounted for 15.5% of the Group's total cost of sales from continuing operations.

None of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers.

EMPLOYEES

The Group had approximately 243 employees as at December 31, 2020, as compared to approximately 216 employees as at December 31, 2019. The staff costs including Directors' emoluments were approximately RMB63.7 million in 2020. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group's employees includes salaries, performance-based cash bonuses and other incentives. As required under PRC laws and regulations, the Group makes contributions to social insurance fund, including pension, medical, unemployment, maternity and work-related injury, and to housing provident fund for the Group's employees. The Group has adopted a training protocol, pursuant to which the Group provides pre-employment and regular continuing management and technical training to the Group's employees.

We recognize the importance of keeping the Directors updated with the latest information of duties and obligations of a director of a company whose shares are listed on the Stock Exchange and the general regulatory and environmental requirements for such listed company. To meet this goal, we are committed to our employees' continuing education and development.

RETIREMENT BENEFITS SCHEME

The Group does not have any employee who is required to participate in the Mandatory Provident Fund in Hong Kong. The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The employees of the PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme.

CONTINUING CONNECTED TRANSACTION

During the year ended December 31, 2020, the Group has not entered into any connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules after the Listing, except for the transactions contemplated under the Contractual Arrangements, through which the Company obtained effective control over the financial and operational policies of the Company's Consolidated Affiliated Entities and become entitled to all the economic benefits derived from its operations.

Directors' Report (Continued)

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended December 31, 2020 are set out in Note 31 to the consolidated financial statements contained herein.

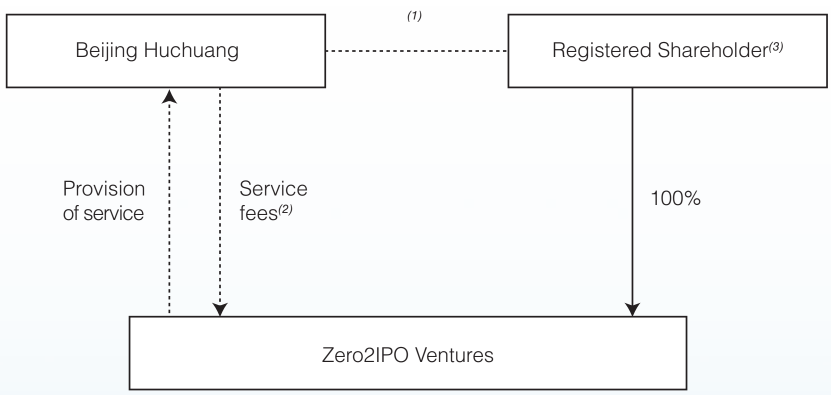
None of the related party transactions disclosed in Note 31 to the consolidated financial statements constitutes a connected transaction or continuing connected transaction subject to independent Shareholders' approval, annual review and all disclosure requirements in Chapter 14A of the Listing Rules.

CONTRACTUAL ARRANGEMENTS

Overview

Our online businesses under our data services, marketing services and consulting services, comprising PEdata Database, online information platforms and Deal-Market (the "Relevant Businesses") are subject to foreign investment restrictions under PRC laws. To comply with the relevant PRC laws, our Relevant Businesses are directly conducted by our PRC operating entity, namely Zero2IPO Ventures, which has obtained the ICP License (a type of VATS license) that is essential to the operation of our Relevant Businesses. On June 24, 2020, we entered into the Contractual Arrangements through which we are able to exercise control over and enjoy all the economic benefits derived from the operations of Zero2IPO Ventures. The Contractual Arrangements have been narrowly tailored to achieve our business purpose and minimize the potential conflict with relevant PRC laws and regulations.

The following simplified diagram illustrates the flow of economic benefits from the Zero2IPO Ventures to our Group stipulated under the Contractual Arrangements.



Notes:

(1) Control of Beijing Huchuang over Zero2IPO Ventures through the following agreements with the Registered Shareholder: (i) Powers of Attorney, (ii) Exclusive Option Agreement, and (iii) Share Pledge Agreement.

(2) Control of Beijing Huchuang over Zero2IPO Ventures through Exclusive Business Cooperation Agreement.

(3) Registered Shareholder refers to the registered shareholder of Zero2IPO Ventures, namely Zero2IPO Group, which is controlled by Mr. Ni.

Directors' Report (Continued)

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

Exclusive Option Agreement

Zero2IPO Ventures and the Registered Shareholder, namely Zero2IPO Group, entered into an exclusive option agreement with Beijing Huchuang on June 24, 2020 (the "Exclusive Option Agreement"), pursuant to which Beijing Huchuang (or its designee) has an irrevocable and exclusive right to purchase from the Registered Shareholder all or any part of its equity interests in Zero2IPO Ventures, and an irrevocable and exclusive right to purchase from Zero2IPO Ventures all or any part of its assets at a minimal price required by the relevant government authorities or PRC laws. To the extent permitted by applicable PRC laws and regulations, the Registered Shareholder and/or Zero2IPO Ventures shall return the amount of purchase price they have received in full to Beijing Huchuang. At Beijing Huchuang's request, the Registered Shareholder and/or Zero2IPO Ventures will promptly and unconditionally transfer their respective equity interests and/or assets to Beijing Huchuang (or its designee) after Beijing Huchuang exercises its this option. The Exclusive Option Agreement will not terminate until the purchased equity interests and/or the acquired assets have been transferred to Beijing Huchuang (or its designee) in accordance with the Exclusive Option Agreement. However, Beijing Huchuang has the right to unilaterally and unconditionally terminate the Exclusive Option Agreement at any time in written notice.

In order to prevent the flow of the assets and value of Zero2IPO Ventures to the Registered Shareholder, during the terms of the Exclusive Option Agreement, none of the assets of Zero2IPO Ventures shall be sold, transferred, pledged or otherwise disposed of without the prior written consent of Beijing Huchuang.

In addition, Zero2IPO Ventures is not allowed to make any distributions to the Registered Shareholder without the prior written consent of Beijing Huchuang. In the event that the Registered Shareholder receives any profit distribution or dividend from Zero2IPO Ventures, the Registered Shareholder must immediately pay or transfer such amount to Beijing Huchuang (or its designee). If Beijing Huchuang exercises this option, all or any part of the equity interests of Zero2IPO Ventures acquired would be transferred to Beijing Huchuang and the benefits of equity ownership would flow to the Company and our Shareholders.

Exclusive Business Cooperation Agreement

Zero2IPO Ventures entered into an exclusive business cooperation agreement with Beijing Huchuang on June 24, 2020 (the "Exclusive Business Cooperation Agreement"), pursuant to which Beijing Huchuang agreed to be engaged as the exclusive provider to Zero2IPO Ventures of business support, technical and consulting services, including technology services, network support and maintenance, research and development, business and management consultancy, intellectual property licensing, equipment leasing, market research and other services, in exchange for service fees. Under these arrangements, the service fees, subject to Beijing Huchuang's adjustment, are equal to 100% of the total profit of Zero2IPO Ventures, after deduction of necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year.

The Exclusive Business Cooperation Agreement is for an initial term of ten years and may be extended by Beijing Huchuang for a term of ten years.

Directors' Report (Continued)

Share Pledge Agreement

Zero2IPO Ventures, the Registered Shareholder and Beijing Huchuang entered into a share pledge agreement on June 24, 2020 (the "Share Pledge Agreement"). Under the Share Pledge Agreement, the Registered Shareholder pledged all of its equity interests in Zero2IPO Ventures to Beijing Huchuang as collateral security for all of its payments due to Beijing Huchuang and to secure performance of all obligations of Zero2IPO Ventures and the Registered Shareholder under the Contractual Arrangements. The Share Pledge Agreement will not terminate until (1) all obligations of Zero2IPO Ventures and the Registered Shareholder under the Contractual Arrangements are satisfied in full; (2) Beijing Huchuang (or its designee) exercises its exclusive options to purchase the entire equity interests of the Registered Shareholder and/or the entire assets of Zero2IPO Ventures pursuant to the terms of the Exclusive Option Agreement when it is permitted to do so under the applicable PRC laws and Beijing Huchuang (or its designee) may conduct the business of Zero2IPO Ventures; (3) Beijing Huchuang exercises its unilateral and unconditional right of termination; or (4) the agreement is required to be terminated in accordance with applicable PRC laws and regulations.

Powers of Attorney

An irrevocable power of attorney was entered into by and among the Registered Shareholder, Beijing Huchuang and Zero2IPO Ventures on June 24, 2020 (the "Powers of Attorney"), whereby the Registered Shareholder appointed Beijing Huchuang, or any Director of the Company or other person designated by it (excluding any person who may give rise to conflicts of interest), as its exclusive agent and attorney to act on its behalf to exercise all of its rights as registered shareholder of Zero2IPO Ventures. These rights include but not limited to (1) the right to propose, convene and attend shareholders' meetings; (2) the right to sell, transfer, pledge or dispose of equity interests; (3) the right to exercise shareholders' voting rights; and (4) the right to appoint the legal representative (chairperson), the director, supervisor, the chief executive officer (general manager) and other senior management members of Zero2IPO Ventures. The authorized person is entitled to sign minutes, file documents with the relevant authorities and exercise voting rights on the winding up of Zero2IPO Ventures on behalf of the Registered Shareholder. The Registered Shareholder has undertaken to transfer all assets obtained after the winding up of Zero2IPO Ventures to Beijing Huchuang at nil consideration or the lowest price allowed under the then applicable PRC laws and regulations. As a result of the Powers of Attorney, the Company, through Beijing Huchuang, is able to exercise management control over the activities that most significantly impact the economic performance of Zero2IPO Ventures.

The Powers of Attorney also provides that, in order to avoid potential conflicts of interest, where the officers or directors of the Registered Shareholder are officers or directors of the Company, the power of attorney is granted to officers or directors of the Company other than those who are officers or directors of the Registered Shareholder.

The Powers of Attorney shall automatically terminate once Beijing Huchuang (or any member of the Group other than Zero2IPO Ventures) directly holds the entire equity interests in and/or the entire assets of Zero2IPO Ventures once permitted under the then PRC laws and Beijing Huchuang (or its subsidiaries) is allowed to conduct the Relevant Businesses under the then PRC laws, following which Beijing Huchuang shall be registered as the sole shareholder of Zero2IPO Ventures.

Save as disclosed above, there were no other new contractual arrangements entered into, renewed and/or reproduced between our Group and our Consolidated Affiliated Entities during the year ended December 31, 2020. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the year ended December 31, 2020.

For the year ended December 31, 2020, none of the Contractual Arrangements had been unwound on the basis that none of the restrictions that led to the adoption of the Contractual Arrangements had been removed. As of December 31, 2020, we had not encountered interference or encumbrance from any PRC governing bodies in operating our businesses through our Consolidated Affiliated Entities under the Contractual Arrangements.

The revenue of the Relevant Businesses amounted to RMB26.5 million for the year ended December 31, 2020, representing an increase by 6.9% from RMB24.8 million for the year ended December 31, 2019. For the year ended December 31, 2020, the revenue of the Relevant Businesses accounted for approximately 0.01% of the revenue for the year of our Group (2019: 0.01%).

Reasons for Adopting the Contractual Arrangements

On June 23, 2020, the National Development and Reform Commission the PRC (中華人民共和國國家發展和改革委員會) and the Ministry of Commerce of the PRC (中華人民共和國商務部) have jointly promulgated the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2020) (《外商投資准入特別管理措施(負面清單)(2020年版)》) (the "2020 Negative List") which came into effect on July 23, 2020 and replaced the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2019) (外商投資准入特別管理措施(負面清單)(2019年版)). As confirmed by the PRC legal advisors of the Company, according to the 2020 Negative List, our Relevant Businesses fall within the scope of VATS business and are thus subject to foreign investment restrictions.

On December 11, 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "FITE Regulations"), which were amended on September 10, 2008 and February 6, 2016, respectively. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests of a company providing value-added telecommunications services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations ("Qualification Requirement").

Given that (i) the foreign investment in the VATS business is restricted under current PRC laws and regulations; (ii) the Qualification Requirement applies to the VATS business regardless of the percentage of foreign shareholding; and (iii) no applicable PRC laws, regulations or rules have provided clear guidance or interpretation on the Qualification Requirement. There are substantial uncertainties for a sino-foreign equity joint venture to obtain the VATS license.

Instead, in line with common practice in companies conducting value-added telecommunication business in the PRC subject to foreign investment restrictions and Qualification Requirement, the Company would gain effective control over, and receive all the economic benefits generated by the business currently operated by Zero2IPO Ventures through the Contractual Arrangements among Beijing Huchuang, Zero2IPO Ventures and the Registered Shareholder. The Contractual Arrangements allow the financials and results of operations of Zero2IPO Ventures to be consolidated into our financials and results of operations under HKFRSs as if it were a wholly-owned subsidiary of our Group.

Risk Factors Related to Contractual Arrangements and Actions to be Taken

There are certain risks that are associated with the Contractual Arrangements, including:

- If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of our interest in our Consolidated Affiliated Entities.

- Our Contractual Arrangements may not be as effective in providing operational control as direct ownership. Zero2IPO Ventures or its shareholder may fail to perform their obligations under our Contractual Arrangements.

Directors' Report (Continued)

- We may lose the ability to use and enjoy assets held by Zero2IPO Ventures that are material to our business operations if Zero2IPO Ventures were to declare bankruptcy or become subject to a dissolution or liquidation proceeding.

- The ultimate shareholders of Zero2IPO Ventures may have conflicts of interest with us, which may materially and adversely affect our business.

- Certain terms of the Contractual Arrangements may not be enforceable under PRC laws.

- Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance, business, financial condition, results of operations and prospects.

- Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your investment.

Further details of these risks are set out in the section headed "Risk Factors – Risks related to Our Contractual Arrangements" of the Prospectus.

Our Group has adopted measures to ensure the effective operation of our Group's businesses with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements, including:

- major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;

- our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

- our Company will disclose the overall performance and compliance with the Contractual Arrangements in our annual reports; and

- our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of Beijing Huchuang and our Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

Listing Rules Implications and Waivers from the Stock Exchange

Zero2IPO Group is an entity controlled by Mr. Ni, our chairman of the Board, an executive Director, chief executive officer and our Controlling Shareholder, and thus is a connected person of our Group pursuant to Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules upon the Listing.

One or more of the applicable percentage ratios of transactions contemplated under the Contractual Arrangements are expected to be more than 5%. Therefore, the transactions will constitute non-exempt continuing connected transactions of our Group and will be subject to reporting, announcement, circular, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Directors' Report (Continued)

In view of the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (1) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (2) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (3) the requirement of limiting the terms for the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange subject however to the following conditions:

(a) no change without independent non-executive Directors' approval;

(b) no change without independent Shareholders' approval;

(c) the Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities;

(d) on the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and its subsidiaries in which our Company has direct shareholding, on one hand, and our Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements; and

(e) the Group will disclose details relating to the Contractual Arrangements on an ongoing basis.

Annual Review by the Independent Non-Executive Directors and the Auditor

The independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that:

(a) the transactions carried out for the year ended 31 December 2020 had been entered into in accordance with the relevant provisions of the Contractual Arrangements;

(b) no dividends or other distributions had been made by the Consolidated Affiliated Entities to the holders of its equity interests which were not otherwise subsequently assigned or transferred to the Group;

(c) no new contracts had been entered into, renewed and/or reproduced between the Group and the Consolidated Affiliated Entities for the year ended 31 December 2020; and

(d) the Contractual Arrangements had been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

The auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended 31 December 2020:

(a) nothing has come to their attention that causes the auditor to believe that the Contractual Arrangements have not been approved by the Board;

(b) nothing has come to their attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the Contractual Arrangements as disclosed in the section headed "Contractual Arrangements" in the Prospectus;

Directors' Report (Continued)

(c) since the establishment of the Contractual Arrangements, no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

For details of the Contractual Arrangements, please refer to the sections headed "Contractual Arrangements" and "Connected Transactions" in the Prospectus.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the public float as required under the Listing Rules since the Listing Date and as of the date of this annual report.

SUBSEQUENT EVENT

There were no other significant events that might affect the Group subsequent to the year ended December 31, 2020.

AUDITOR

PricewaterhouseCoopers was appointed as the Auditor during the Reporting Period. The consolidated financial statements of the Group for the year ended December 31, 2020 were audited by PricewaterhouseCoopers.

PricewaterhouseCoopers shall retire at the forthcoming annual general meeting and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as Auditor will be proposed at the 2021 AGM.

COMPLIANCE WITH LAWS AND REGULATIONS

For the year ended December 31, 2020, the Company is in compliance with the applicable laws and regulations in all material respects.

On behalf of the Board
NI Zhengdong
Chairman

Beijing, the PRC, March 30, 2021

Independent Auditor's Report

To the Shareholders of Zero2IPO Holdings Inc.
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Zero2IPO Holdings Inc. (the "Company") and its subsidiaries (the "Group") set out on pages 75 to 140, which comprise:

- the consolidated balance sheet as at December 31, 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

INDEPENDENCE

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Independent Auditor's Report (Continued)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to revenue recognition.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition	
Refer to note 2.19, note 4.3, note 5 and note 6 to the consolidated financial statements. The Group recognized revenue of RMB178,465,000 for the year ended December 31, 2020, including data services, marketing services, consulting services and training services of RMB51,635,000, RMB85,981,000, RMB19,635,000, and RMB21,214,000, respectively. We focused on this area due to (i) significant management's judgements and subjective assumptions were involved to estimate the stand-alone selling price of each performance obligation, and to allocate the total transaction prices to each performance obligation of multiple-element arrangements based on its relative stand-alone selling price, and (ii) significant effort was spent auditing the revenue recognized due to the large volume of transactions.	In response to this key audit matter, we performed the following procedures: • obtained an understanding of the management's internal control of revenue recognition, including the assessment process of estimating the stand-alone selling price, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as subjectivity of management's estimates; • evaluated and tested the key controls over revenue recognition, including the estimation of the stand-alone selling price; • assessed the appropriateness of management's assessments on the identification of performance obligations, on a sample basis, based on the contractual agreements and our knowledge of the business; • assessed the reasonableness of management's judgements and estimates used to determine the stand-alone selling price of each performance obligation by comparing the estimated stand-alone selling price to competitive pricing information for comparable services and with reference to observable market data; • tested, on a sample basis, the calculation and allocation of total transaction prices to each performance obligation of multiple-element arrangements; and • checked, on a sample basis, the revenue transactions to supporting documents, such as contractual agreements, evidence of attendance of events and trainings by customers, underlying invoices and cash receipts. Based on the procedures performed, the revenue tested was supported by the audit evidence that we obtained.

Independent Auditor's Report (Continued)

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yuen Kwok Sun.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 30, 2021

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2020
(Expressed in Renminbi ("RMB")

	Note	Year ended December 31, 2020 RMB'000	2019 RMB'000
Revenue from contracts with customers	6	**178,465**	167,442
Cost of revenue	7	**(74,890)**	(86,048)
Gross profit		**103,575**	81,394
Selling and marketing expenses	7	**(16,504)**	(10,300)
General and administrative expenses	7	**(39,493)**	(21,229)
Research and development expenses	7	**(8,873)**	(7,679)
Net impairment losses on financial and contract assets	9	**(1,043)**	(536)
Other income	10	**2,123**	2,646
Other gain – net	10	**1,136**	1,252
Operating profit		**40,921**	45,548
Finance income	11	**118**	60
Finance costs	11	**(1,369)**	(2,436)
Finance cost – net	11	**(1,251)**	(2,376)
Share of net losses of associates accounted for using the equity method		**(544)**	–
Profit before income tax		**39,126**	43,172
Income tax expense	13	**(7,678)**	(8,647)
Profit for the year		**31,448**	34,525
Profit attributable to:			
Owners of the Company		**31,448**	34,525
Non-controlling interests		**–**	–
Other comprehensive income, net of tax			
Items that maybe subsequently reclassified to profit or loss			
Currency translation differences		**20**	–
Total comprehensive income for the year		**31,468**	34,525
Total comprehensive income attributable to:			
Owners of the Company		**31,468**	34,525
Non-controlling interests		**–**	–
Earnings per share for profit attributable to owners of the Company			
Basic and diluted (RMB per share)	14	**0.12**	0.13

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at December 31, 2020
(Expressed in RMB)

	Note	As at December 31, 2020 RMB'000	2019 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	**24,900**	32,545
Intangible assets		**143**	164
Investments accounted for using the equity method		**456**	–
Deferred income tax assets	27a	**8,329**	5,205
Other non-current assets	21	**2,921**	2,577
Total non-current assets		**36,749**	40,491
Current assets			
Prepayments and other receivables	21	**4,126**	2,100
Accounts receivable	20	**17,417**	18,121
Contract assets	6a	**9,058**	9,157
Other current assets		**2,565**	1,607
Financial assets measured at fair value through profit or loss	19	**84,882**	78,052
Cash and cash equivalents	22	**403,059**	21,023
Total current assets		**521,107**	130,060
Total assets		**557,856**	170,551
LIABILITIES			
Non-current liabilities			
Deferred income	26	**11,196**	11,676
Lease liabilities	18	**8,272**	14,950
Deferred income tax liabilities	27b	**17**	7
Total non-current liabilities		**19,485**	26,633

Consolidated Balance Sheet (Continued)

As at December 31, 2020
(Expressed in RMB)

		As at December 31,	
		2020	2019
	Note	***RMB'000***	*RMB'000*
Current liabilities			
Accounts payable	23	**3,912**	4,187
Other payables	24	**31,954**	16,634
Income tax payable		**13,623**	9,073
Contract liabilities	25	**45,119**	25,179
Lease liabilities	18	**10,024**	8,985
Other current liabilities		**2,707**	1,511
Total current liabilities		**107,339**	65,569
Total liabilities		**126,824**	92,202
EQUITY			
Equity attributable to owners of the Company			
Share capital	28	**196**	–*
Combined capital	28	**–**	30,000
Share premium	28	**355,819**	–
Other reserves	29	**44,075**	16,611
Retained earnings		**30,942**	31,738
Total equity		**431,032**	78,349
Total equity and liabilities		**557,856**	170,551

* The amount is less than RMB1,000.

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 75 to 140 were approved for issue by the Board of Directors on March 30, 2021 and were signed on its behalf.

Ni Zhengdong	**Zhang Yanyan**
Director	*Director*

Consolidated Statement of Cash Flows

For the year ended December 31, 2020
(Expressed in RMB)

	Note	Year ended December 31, 2020 RMB'000	2019 RMB'000
Cash flows from operating activities			
Cash generated from operations	30	**84,554**	48,712
Income tax paid		**(6,215)**	(7,256)
Net cash inflow from operating activities		**78,339**	41,456
Cash flows from investing activities			
Purchase of wealth management products measured at fair value through profit or loss		**(220,900)**	(316,890)
Proceeds from disposal of wealth management products measured at fair value through profit or loss		**215,554**	327,309
Purchase of property, plant and equipment and intangible assets		**(318)**	(410)
Investment in an associate using equity accounting		**(1,000)**	–
Net cash (outflow)/inflow from investing activities		**(6,664)**	10,009
Cash flows from financing activities			
Proceeds from capital injection of shareholders of the companies now comprising the Group		**200**	1,000
Proceeds from issuance of shares by the Company		**60**	
Consideration paid for the transfer of Ningbo Zero2IPO as part of Reorganization	1.1	**(1,200)**	–
Consideration paid for the transfer of Beijing Zero2IPO as part of Reorganization	1.1	**(3,800)**	–
Payment of listing expenses		**(14,420)**	–
Deemed distributions	30	**–**	(10,651)
Issuance of shares upon Initial Public Offering		**370,375**	–
Repayment of lease liabilities (including interest paid)		**(10,361)**	(14,776)
Dividends paid	15	**(30,000)**	(22,000)
Net cash inflow/(outflow) from financing activities		**310,854**	(46,427)
Net increase in cash and cash equivalents		**382,529**	5,038
Cash and cash equivalents at the beginning of the financial year	22	**21,023**	15,985
Effects of exchange rate changes on cash and cash equivalents		**(493)**	–
Cash and cash equivalents at end of year	22	**403,059**	21,023

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended December 31, 2020
(Expressed in RMB)

		Attributable to owners of the Company				
	Note	Share capital *RMB'000*	Combined capital *RMB'000*	Other reserves *RMB'000*	Retained earnings *RMB'000*	Total equity *RMB'000*
Balance at January 1, 2019		–	30,000	12,949	32,526	75,475
Year ended December 31, 2019						
Profit for the year		–	–	–	34,525	34,525
Total comprehensive income		–	–	–	34,525	34,525
Transaction with owners:						
Capital injection from shareholders of the companies now comprising the Group	28/29	–	–	1,000	–	1,000
Dividends		–	–	–	(22,000)	(22,000)
Deemed distribution	30	–	–	–	(10,651)	(10,651)
Appropriation to statutory reserves	29	–	–	2,662	(2,662)	–
Balance at December 31, 2019		–	30,000	16,611	31,738	78,349

Consolidated Statement of Changes in Equity (Continued)

For the year ended December 31, 2020
(Expressed in RMB)

		Attributable to owners of the Company					
	Note	Share capital RMB'000	Combined capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at January 1, 2020		–	30,000	–	16,611	31,738	78,349
Profit for the year		–	–	–	–	31,448	31,448
Other comprehensive income		–	–	–	20	–	20
Total comprehensive income		–	–	–	20	31,448	31,468
Transaction with owners:							
Reorganization of the Group	29	–	(30,000)	–	30,000	–	–
Issuance of shares	28	60	–	–	200	–	260
Capitalisation of Shares	28/29	111	–	(111)	–	–	–
Issuance of shares upon Initial Public Offering	28/29	25	–	370,350	–	–	370,375
Shares issuance expenses		–	–	(14,420)	–	–	(14,420)
Dividends	15	–	–	–	–	(30,000)	(30,000)
Deemed distribution for the Reorganization	1.1	–	–	–	(5,000)	–	(5,000)
Appropriation to statutory reserves	29	–	–	–	2,244	(2,244)	–
Balance at December 31, 2020		196	–	355,819	44,075	30,942	431,032

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

Zero2IPO Holdings Inc. (the "Company") was incorporated in the Cayman Islands on August 1, 2019, as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together referred as to the "Group") are principally engaged in providing integrated equity investment service, namely data services, consulting services, marketing services and training services (collectively, the "Business") in People's Republic of China (the "PRC").

Mr. Ni Zhengdong is the controlling shareholder of the Group.

Prior to the reorganization, the Business was principally carried out by Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司) ("Zero2IPO Group") (formerly known as Zero2IPO Finance Management and Consulting Co., Ltd. (清科財務管理顧問集團有限公司)) through: i) Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司) ("Zero2IPO Ventures"), a then subsidiary of Zero2IPO Group; ii) certain subsidiaries of Zero2IPO Ventures; iii) Ningbo Zero2IPO Ningfeng Enterprise Management Consulting Co., Ltd. (寧波清科寧豐企業管理諮詢有限責任公司) ("Ningbo Zero2IPO"), a then subsidiary of Zero2IPO Group and iv) the business unit providing consulting services within the Zero2IPO Group.

In the preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited, the Group underwent a reorganization pursuant to which the Business was transferred to the Company. As part of the reorganization, Zero2IPO Group transferred its equity interests in Ningbo Zero2IPO and Beijing Zero2IPO Innovation and Venture Consulting Co., Ltd. (北京清科新創創業咨詢有限公司) ("Beijing Zero2IPO") to the Group at a total consideration of RMB5,000,000.

Current PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in value-added telecommunications services. Certain internet-based businesses under data services, marketing services and consulting services are categorized as value-added telecommunications services. The value-added telecommunications services in the PRC was carried out through Zero2IPO Ventures and its subsidiary. To comply with the relevant PRC laws and regulations, the wholly-owned subsidiary of the Company, Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd. ("Beijing Huchuang"), has entered into a series of contractual arrangements (the "Contractual Agreements") including the Exclusive Equity Call Option Agreement, Exclusive Business Cooperation Agreement, Equity Pledge Agreement, Exclusive Asset Call Option Agreement, and Powers of Attorney, with Zero2IPO Ventures and its respective equity holders, which enable the Group to:

- irrevocably exercise equity holders' voting rights of Zero2IPO Ventures,
- exercise effective financial and operational control over of Zero2IPO Ventures,
- receive substantially all of the economic interest returns generated by Zero2IPO Ventures by way of technical and consulting services provided by Beijing Huchuang,

Notes to the Consolidated Financial Statements (Continued)

1 GENERAL INFORMATION AND BASIS OF PREPARATION (CONTINUED)

1.1 General information (Continued)

- obtain an irrevocable and exclusive right to purchase from the respective equity holders all or part of the equity interests in Zero2IPO Ventures and all or any part of its assets in Zero2IPO Ventures at a minimum purchase price permitted under the PRC laws and regulations. The excess of the nominal price should be returned to the wholly owned subsidiary of the Company or the nominee, and

- obtain a pledge over the entire equity interests of Zero2IPO Ventures from its respective equity holders as collateral security for all of Zero2IPO Ventures payments due to Beijing Huchuang and to secure performance of all obligations of Zero2IPO Ventures and the respective equity holders under the Contractual Agreements.

Nevertheless, there are still uncertainties regarding the interpretation and application of current and future PRC laws and regulations. The directors of the Company, based on the advice of its legal counsel, consider that the use of Contractual Arrangements is currently enforceable in the PRC except for certain provisions and does not constitute a breach of the relevant laws and regulations. Accordingly, the subsidiaries controlled through Contractual Agreements were consolidated in the financial statements.

As a result of the Contractual Arrangements, the Group is considered to control Zero2IPO Ventures as it has rights to exercise power over Zero2IPO Ventures, receive variable returns from its involvement with Zero2IPO Ventures, and has the ability to affect those returns through its power over Zero2IPO Ventures. Consequently, the Company regarded Zero2IPO Ventures and its subsidiary as controlled entities and consolidated the financial position and results of operations of these entities in the consolidated financial statements of the Group.

The Company's initial public offering of its shares ("Initial Public Offering" or "IPO") on the Main Board of The Stock Exchange of Hong Kong Limited has been completed on December 30, 2020 with issuance of 40,000,000 new shares with normal value of USD0.0001 each at an offer price of HKD11.00 per share.

1.2 Basis of presentation

Immediately prior and after the Reorganization, the Business was carried out through: i) Zero2IPO Ventures and its subsidiaries; ii) Ningbo Zero2IPO; and iii) the department providing consulting services within the Zero2IPO Group, which are all under the control of Mr. Ni Zhengdong through Zero2IPO Group, and the control is not transitory. Accordingly, the Reorganization is regarded as a business combination under common control, and for the purpose of this report, the consolidated financial statements has been prepared on a consolidated basis.

Due to the difference in nature of the products and businesses, each of the Business and non-listing Business has been operated as stand-alone business and has separate operation teams. Also, separable accounting records and management accounts were maintained and available to capture the results and performance of each business.

Notes to the Consolidated Financial Statements (Continued)

1 GENERAL INFORMATION AND BASIS OF PREPARATION (CONTINUED)

1.2 Basis of presentation (Continued)

The consolidated financial statements presents the consolidated results and financial position of the Group as if the current group structure had been in existence throughout the periods presented and as if the Business was transferred to the Group at the beginning of the earliest period presented or when such businesses were established or since the date when the consolidated companies first came under the control of Mr. Ni Zhengdong, whichever is the shorter period.

The net assets of the companies were consolidated using the existing book values from Mr. Ni Zhengdong's perspective. No amount is recognised in consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of business combination under common control, to the extent of the continuation of the controlling party's interest.

Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied throughout the all periods presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with principal accounting policies as set out below which are in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants and disclosure requirements of the Hong Kong Companies Ordinance.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss ("FVPL").

All effective standards, amendments to standards and interpretations for the financial year beginning on January 1, 2020, are consistently applied to the Group throughout the years ended December 31, 2020 and 2019.

Notes to the Consolidated Financial Statements (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

The Group also elected to early adopt the Amendment to HKFRS 16 COVID-19 – Related rent concessions retrospectively from January 1, 2020. The amendment provides an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to COVID-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before December 31, 2021; and
- there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to all qualifying COVID-19 – Related rent concessions. The application has no impact to the opening reserves as at January 1, 2020. The amount of which the Group recognised changes in lease payments that resulted from rent concessions in the profit or loss for the year ended December 31, 2020 was not material.

2.2 Changes in accounting policies

(i) New standards and amendments not yet adopted

Standards and amendments that have been issued but not yet effective and not been early adopted by the Group during the all periods presented are as follows:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 10 and HKAS 28 – Sale or contribution of assets between an investor and its associate or joint venture	To be determined
HKFRS 17 Insurance contracts	January 1, 2023
Amendment to HKAS 1 – Presentation of financial statements' on classification of liabilities	January 1, 2022
Amendment to HKAS 37 – Onerous contract – cost of fulfilling a contract	January 1, 2022
A number of narrow – scope amendments to HKFRS 3, HKAS 16 and some annual improvements on HKFRS 1, HKFRS 9, HKAS 41 and HKFRS 16	January 1, 2022

None of them is expected to have a significant effect on the consolidated financial statements of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Principles of consolidation and equity accounting

2.3a Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

There are structured entities controlled by the Group under Contractual Arrangements as disclosed in Note 1. The Group has rights to exercise power over these structured entities, receives variable returns from its involvement in these structured entities, and has the ability to affect those returns through its power over these structured entities. As a result, they are presented as controlled structured entities of the Group.

The merger accounting is used to account for business combinations under common control by the Group (refer to Note 2.4a).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated balance sheets, respectively.

2.3b Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Over its management, including participation in the financial and operating policy decisions. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(a) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Principles of consolidation and equity accounting (Continued)

2.3b Associates (Continued)

(a) Equity method (Continued)

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.10.

2.4 Business combinations

2.4a Business combinations under common control

The Group uses merger accounting to account for the business combination of entities and businesses under common control.

The consolidated financial statements incorporates the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

The assets and liabilities of the combining entities or businesses are consolidated using the carrying book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the consideration at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination. Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which they were incurred.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Business combinations (Continued)

2.4b Business combinations not under common control

The acquisition method of accounting is used to account for business combinations not under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Group on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

2.7 Foreign currency translation

2.7a Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is United States dollar ("USD"). The Company's primary subsidiaries operate in the PRC and these subsidiaries consider RMB as their functional currency. The presentation currency of the Group is RMB.

2.7b Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other gain – net.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Foreign currency translation (Continued)

2.7b Transactions and balances (Continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVPL are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income ("FVOCI") are recognised in other comprehensive income ("OCI").

2.7c Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

– income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

– all resulting exchange differences are recognised in OCI.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in OCI. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of right-of-use assets, the lease term, if shorter, as follows:

	Estimated useful lives
Computers and other electric equipment	3 years
Office equipment	3–5 years
Buildings	30 years
Right-of-use assets	Shorter of estimated useful life and the lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.9 Intangible assets

2.9a Initial recognition

(i) Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its useful lives.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

– it is technically feasible to complete the software so that it will be available for use,

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets (Continued)

2.9a Initial recognition (Continued)

(i) Software (Continued)

- management intends to complete the software and use or sell it,
- there is an ability to use or sell the software,
- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(ii) Research and development

Research expenditure and development expenditure that do not meet the criteria in (i) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.9b Amortisation methods and periods

The management estimates the useful lives to reflect the Group's intention to derive future economic benefits from the use of these assets. The Group amortises intangible assets with an estimated useful life using the straight-line method over the following periods:

	Estimated useful lives
Software	10 years

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets

The non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Investments and other financial assets

2.11a Classification

The Group classifies its financial assets in the following measurement categories:

– those to be measured subsequently at fair value (either through OCI or through profit or loss), and

– those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.11b Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.11c Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and other financial assets (Continued)

2.11c Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

– Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains-net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

– FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gain-net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gain-net and impairment expenses are presented as separate line item in the statement of comprehensive income.

– FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gain-net in the period in which it arises.

2.11d Impairment

The Group has types of assets subject to new expected credit loss model under HKFRS 9:

– accounts receivable

– contract assets and

– other financial assets at amortised cost.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and other financial assets (Continued)

2.11d Impairment (Continued)

Measurement of expected credit losses

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable and contract assets, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3.1b for further details.

Impairment on other financial assets at amortised cost is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating, if available;

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and other financial assets (Continued)

2.11d Impairment (Continued)

Significant increases in credit risk (Continued)

Expected credit losses are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the expected credit loss amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off policy

Financial assets are written off when the Group is satisfied that recovery is remote. Where loans or receivables have been written off, the Group continues to attempt to recover the receivable due. Where recoveries are made, the recovered amount is recognised in profit or loss.

2.12 Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business.

Accounts receivable are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the accounts receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.11d for a description of the Group's impairment policies.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Accounts and other payables

These amounts primarily represent liabilities for services provided to the Group prior to the end of financial year which are unpaid. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends approved by the Company's shareholders or directors, where appropriate.

2.17 Current and deferred income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet dates in countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Inside basis differences

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

2.18 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Bonus plans

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee benefits (Continued)

(iii) Pension obligations

The Group has to make contribution to staff retirement scheme managed by China local government authorities in accordance with the relevant rules and regulations. Contributions to these schemes are charged to the consolidated statements of comprehensive income as and when incurred. The Group has no legal or constructive obligations to pay further contributions.

2.19 Revenue recognition

Revenue is recognised when or as the control of the services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the services may be transferred over time or at a point in time. Control of the services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of services transfers over time, revenue is recognised over the period of the contract by reference to progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates transaction price to each performance obligation based on its relative stand-alone selling price. The Group generally determines stand-alone selling prices based on the prices charged to customers. If the stand-alone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group has a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration from the customer.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Revenue recognition (Continued)

Incremental costs incurred to obtain a contact, if recoverable, are capitalized and presented as assets and subsequently amortized when the related revenue is recognised.

The Group mainly provides data services, marketing services, consulting services and training services.

(i) Data services

– Revenue from "PEdata" database

The Group maintenances a database named "PEdata" and provides access to database to its customers that subscribed the right to access and made a corresponding membership payment. The contract usually has a fixed contract term with a fixed consideration that need to pay upon subscription. As the Group has the obligation to continuously update the content of the database, which will significantly impact and benefit the customers, thus it is a right to access license and revenue recognised on a straight-line basis over the contract term.

– Revenue from customized and standardized research reports

The Group provides customized or standardized research reports to its customers. As the customer can't benefit from the performance of the Group before the delivery of the reports, nor control the work in progress and also have no right to payment for the work performed, thus can't meet the criteria of recognizing revenue over time. The revenue is recognised when the reports are delivered to the customers.

(ii) Marketing services

– Offline brand and customized events

The Group holds offline events under "Zero2IPO" brand and customized events to meet some customer's specific requirement. The revenue is mainly from sponsors fee and on-site advertisement fee. The revenue is recognised during the event period when the Group satisfies its performance.

– Online platforms

The Group provides promotion and advertising services to its customers on its own media platform. The Group recognises media advertising revenue over the promotion and advertising period, during which the Group satisfies its performance.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Revenue recognition (Continued)

(iii) Consulting services

– Financial advisory service

Financial advisory service represents advisory fees associated with private placement transactions and mergers and acquisitions. Revenue is recognised at the point when the underlying transactions completed under the terms of respective contract and the Group has a present right to payment from the customers for the service performed.

– Other consulting services

Other consulting service fees are mainly for the services provided to the enterprises through the road shows organized. Revenue is recognised during the period when the services have been rendered.

(iv) Training services

– Investment training service

The Group provides training services through investment college and Sandhill College. For those training services provided, the revenue is recognised during the period when the training delivered as the customer benefit and consumes the benefit simultaneously.

– Online training platform

The Group provides online courses through its Sandhill University online training platform. The customers can purchase courses for a use right and the revenue is recognised when the courses are delivered. The customers can also subscribe a package of courses which provided continuously online for a period and the revenue is recognised on the over the subscription period based on the course's consumption.

The Group also provides services pack to VIP customers and one-stop services pack to local governments. The pack normally includes licenses to access PEdata database, standardized reports, offline events and online media advertising services as well as investment training services. The total transaction price of the services pack is allocated to each identified performance obligation, based on the stand-alone selling price.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Leases

The Group leases properties for operation. Rental contracts are typically made for fixed periods with fixed lease payments. Lease terms are negotiated on an individual basis and do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance costs. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is recorded in property, plant and equipment, and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities arising from leases are initially measured on the present value of the fixed payment or in-substance fixed payments.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. When determining the incremental borrowing rate, specific condition, term and currency to the contract, as well as the recent debt issuances and public available data for instrument with similar characteristics were considered.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and the lease payment made before the lease commencement.

2.21 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to cost are deferred and recognised as other income in the consolidated statements of comprehensive income over the period necessary to match them with the expense that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the consolidated statements of comprehensive income on a straight-line basis over the expected lives of the related assets.

Notes to the Consolidated Financial Statements (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Related parties

(i) *A person, or a close member of that person's family, is related to the Group if that person:*

- has control or joint control of the Group;
- has significant influence over the Group; or
- is a member of the key management personnel of the Group or the Group's parent.

(ii) *An entity is related to the Group if any of the following conditions applies:*

- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- Both entities are joint ventures of the same third party;
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- The entity is controlled or jointly controlled by a person identified in note 2.23(i); or
- A person identified in note 2.23(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management of the Group.

Notes to the Consolidated Financial Statements (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors

3.1a Market risk

Interest rate risk

Financial assets/liabilities with variable interest rate expose the Group to cash flow interest-rate risk. And financial assets/liabilities with fixed interest rate expose the Group to fair value interest-rate risk. Other than interest-bearing cash and cash equivalents, restricted cash and lease liabilities, the Group has no other significant interest-bearing assets or liabilities. The directors of the Company do not anticipate there is any significant impact resulted from the changes in interest rate.

3.1b Credit risk

The Group's maximum exposure to credit risk in relation to financial assets is the carrying amounts of cash and cash equivalents, accounts receivable, contract assets and wealth management products ("WMP") issued by banks carried at FVPL.

(i) Risk management

Credit risk is managed on a group basis.

The Group is exposed to credit risk primarily in relation to its cash and cash equivalent and WMPs issued by banks, as well as accounts and other receivables and contract assets. The carrying amount of each class of the above mentioned assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage this risk, deposits are mainly placed with state-owned or reputable financial institutions in the PRC. There has been no recent history of default in relation to these financial institutions. WMPs are issued by banks investing in low risk underlying assets, which mainly consist of bank deposits, central bank bill, local government debt, corporate bond or debt with high credit ratings. Thus, the directors of the Company were of the view the expected credit loss related to cash and cash equivalent and WMPs was immaterial.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group performed credit evaluation which focus on the customer's past history of making payments and current ability to pay. The Group does not obtain collateral from customers. As at December 31, 2020 and 2019, approximately RMB6,752,000 and RMB7,810,000 of the Group's gross accounts receivables were due from the largest five debtors. Given the strong business relationship with these customers, the management does not expect that there will be any significant losses from non-performance of these customers.

The Group does not provide any guarantees which would expose the Group to credit risk.

Notes to the Consolidated Financial Statements (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

3.1b Credit risk (Continued)

(ii) Impairment of financial assets and contract assets

Accounts receivable and contract assets

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all accounts receivable and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets related to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2020 or January 1, 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the growth rate of the total asset under management (AUM) managed by Asset Management Companies to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Notes to the Consolidated Financial Statements (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

3.1b Credit risk (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

Accounts receivable and contract assets (Continued)

The loss allowance as at December 31, 2020 and 2019 was determined as follows for accounts receivable and contract assets from third parties:

	Less than 30 days *RMB'000*	30 days to 90 days *RMB'000*	90 days to 180 days *RMB'000*	180 days to 365 days *RMB'000*	365 days to 540 days *RMB'000*	540 days to 2 years *RMB'000*	Over 2 years *RMB'000*	Total *RMB'000*
As at December 31, 2020								
Expected loss rate	**1.64%**	**2.12%**	**2.71%**	**11.30%**	**31.41%**	**100.00%**	**100.00%**	
Accounts receivable	**11,170**	**1,087**	**3,171**	**1,902**	**866**	**390**	**789**	**19,375**
Less: allowance	**(183)**	**(23)**	**(86)**	**(215)**	**(272)**	**(390)**	**(789)**	**(1,958)**
	10,987	**1,064**	**3,085**	**1,687**	**594**	**–**	**–**	**17,417**
Expected loss rate	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**–**	**–**	**–**	
Contract assets	**4,250**	**750**	**1,000**	**3,150**	**–**	**–**	**–**	**9,150**
Less: allowance	**(43)**	**(7)**	**(10)**	**(32)**	**–**	**–**	**–**	**(92)**
	4,207	**743**	**990**	**3,118**	**–**	**–**	**–**	**9,058**
As at December 31, 2019								
Expected loss rate	1.40%	1.80%	2.30%	2.90%	4.50%	100.00%	100.00%	
Accounts receivable	11,056	2,298	3,686	783	632	55	525	19,035
Less: allowance	(156)	(42)	(85)	(23)	(28)	(55)	(525)	(914)
	10,900	2,256	3,601	760	604	–	–	18,121
Expected loss rate	1.00%	1.00%	1.00%	1.00%	–	–	–	
Contract assets	2,750	1,250	2,500	2,750	–	–	–	9,250
Less: allowance	(28)	(12)	(25)	(28)	–	–	–	(93)
	2,722	1,238	2,475	2,722	–	–	–	9,157

Notes to the Consolidated Financial Statements (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

3.1b Credit risk (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

Accounts receivable and contract assets (Continued)

Accounts receivable and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a bankrupt of a debtor.

Impairment losses on accounts receivable and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.1c Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year *RMB'000*	**Between 1 and 2 years** *RMB'000*	**Between 2 and 5 years** *RMB'000*	**Total** *RMB'000*
As at December 31, 2020				
Accounts payable	**3,912**	**–**	**–**	**3,912**
Other payables (excluding employee benefits payables and other tax payables)	**17,639**	**–**	**–**	**17,639**
Lease liabilities	**10,898**	**8,076**	**444**	**19,418**
	32,449	**8,076**	**444**	**40,969**
As at December 31, 2019				
Accounts payable	4,187	–	–	4,187
Other payables (excluding employee benefits payables and other tax payables)	2,082	–	–	2,082
Lease liabilities	10,319	9,243	6,823	26,385
	16,588	9,243	6,823	32,654

Notes to the Consolidated Financial Statements (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities divided by total assets. The Group aims to maintain its gearing ratio below 60%. The gearing ratios at December 31, 2020 and 2019 were as follows:

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
Total liabilities	**126,824**	92,202
Total assets	**557,856**	170,551
Gearing ratio	**22.73%**	54.06%

3.3 Fair values

(i) Fair value hierarchy

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Notes to the Consolidated Financial Statements (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair values (Continued)

(i) Fair value hierarchy (Continued)

The following table presents the Group's asset that are measured at fair value:

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
As at December 31, 2020				
Assets				
Financial assets measured at FVPL				
– WMP	**–**	**–**	**84,882**	**84,882**
As at December 31, 2019				
Assets				
Financial assets measured at FVPL				
– WMP	–	–	78,052	78,052

The Group did not have any financial liabilities that were measured at fair value as at December 31, 2020 and 2019. There were no transfers between levels for recurring fair value measurements for the years ended December 31, 2020 and 2019.

(ii) Valuation process and valuation techniques used to determine level 3 fair value

The Group has a team that manages the valuation exercise of level 3 instruments for financial reporting purpose. The team manages the valuation exercise of level 3 instrument on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

Notes to the Consolidated Financial Statements (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair values (Continued)

(iii) Fair value measurements using significant unobservable inputs.

The valuation of level 3 instruments included investment in WMPs issued by banks and financial institutions. As it was not traded in an active market, the fair value has been determined using discounted cash flows.

All the WMPs will mature within one year with variable return rates indexed to the performance of underlying assets. The fair values were determined based on cash flow discounted assuming the expected return will be obtained upon maturity.

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements:

	Significant unobservable inputs	Range of inputs As at December 31, 2020	2019	Relationship of unobservable inputs to fair values
Investment in WMP	Expected return rate	**2.5%~3.6%**	2.9%~4.5%	The higher the expected return rate, the higher the fair value

For investment in WMP, the estimated carrying amount as at December 31, 2020 would have been RMB210,000 higher/lower (2019: RMB94,000.) should the expected return rate used in discounted cash flow analysis be higher/lower by 1% from management's estimates.

4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4.1 Current and deferred income tax

The Group is subject to income taxes in different areas. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Notes to the Consolidated Financial Statements (Continued)

4 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Current and deferred income tax (Continued)

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

4.2 Impairment of account receivables and contract assets

The loss allowances for account receivables and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1b.

4.3 Revenue recognition

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates transaction price to each performance obligation based on its relative stand-alone selling price. The Group generally determines stand-alone selling prices based on the prices charged to customers. If the stand-alone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition. Further details are included in Note 2.19.

5 SEGMENT INFORMATION

The Group's business activities are mainly in data services, marketing services, consulting services and training services and are regularly reviewed and evaluated by the CODM. As a result of this evaluation, the Group is organised into four reportable segments according to the revenue streams of the Group, and the revenue streams of the Group are data services, marketing services, consulting services and training services.

The CODM assesses the performance of the operating segments based on the gross profit. The reconciliation of gross profit to profit before income tax is shown in the consolidated statements of comprehensive income. There were no separate segment assets and segment liabilities information provide to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

Notes to the Consolidated Financial Statements (Continued)

5 SEGMENT INFORMATION (CONTINUED)

The segment results for the years ended December 31, 2020 and 2019 are as follows:

	Data services *RMB'000*	Marketing services *RMB'000*	Consulting services *RMB'000*	Training services *RMB'000*	Total *RMB'000*
2020					
Revenue	**51,635**	**85,981**	**19,635**	**21,214**	**178,465**
Cost of revenue	**(19,444)**	**(30,457)**	**(9,058)**	**(15,931)**	**(74,890)**
Gross profit	**32,191**	**55,524**	**10,577**	**5,283**	**103,575**
2019					
Revenue	53,105	67,770	24,092	22,475	167,442
Cost of revenue	(25,643)	(31,612)	(12,604)	(16,189)	(86,048)
Gross profit	27,462	36,158	11,488	6,286	81,394

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns substantially all of the revenues from external customers in China, while substantially all of the non-current assets of the Group were located in the PRC. Thus no geographical segment information is presented.

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

An analysis of the Group's revenue by category for the years ended December 31, 2020 and 2019 was as follows:

	Year ended December 31,	
	2020 *RMB'000*	2019 *RMB'000*
Revenue from contracts with customers		
Recognised over time		
Data services	**19,539**	19,190
Marketing services	**85,981**	67,770
Consulting services	**1,016**	2,947
Training services	**13,243**	10,869
Recognised at a point in time		
Data services	**32,096**	33,915
Consulting services	**18,619**	21,145
Training services	**7,971**	11,606
Total	**178,465**	167,442

The Group generally enters into service contracts with customers for a contract term less than one year. Therefore the Group has applied the practical expedient permitted under HKFRS 15 not to disclose the transaction price allocated to the unsatisfied performance obligations.

Notes to the Consolidated Financial Statements (Continued)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

6a Contract assets

The Group have recognised the following assets and liabilities related to contracts with customers:

	As at December 31, 2020 RMB'000	2019 RMB'000
Contract assets relating to contracts	**9,150**	9,250
Less: allowance for impairment	**(92)**	(93)
Total contract assets	**9,058**	9,157
Contract liabilities relating to contracts	**45,119**	25,179

Significant changes in contract assets relating to satisfaction of performance obligation:

	Gross Amount RMB'000	Loss allowance RMB'000
As at December 31, 2018	–	–
Increase resulting from satisfaction of performance obligation	9,250	–
Net impairment loss of contract assets	–	(93)
As at December 31, 2019	9,250	(93)
As at December 31, 2019	9,250	(93)
Increase resulting from satisfaction of performance obligation	9,900	–
Decrease resulting from settlement	(10,000)	–
Reversal of previous impairment losses	–	1
As at December 31, 2020	**9,150**	**(92)**

Notes to the Consolidated Financial Statements (Continued)

7 EXPENSES BY NATURE

The details of cost of revenue, selling and marketing expenses, general and administrative expenses and research and development expenses are as follows:

		Year ended December 31,	
		2020	2019
	Note	***RMB'000***	*RMB'000*
Employee benefit expense	8	**63,706**	69,614
Depreciation and amortisation		**11,654**	15,885
Offline event costs		**10,984**	12,624
Event promotion costs		**1,569**	419
Video recording fee		**951**	592
Data purchase fee		**616**	113
Event organization fee		**929**	741
Travel expense		**3,597**	4,665
Advertisement		**4,810**	1,371
Professional service fee		**5,896**	3,918
Auditor's remuneration		**1,280**	–
Printing cost		**822**	1,225
Office expenses		**1,824**	848
Utilities and property management fee		**1,680**	2,317
Listing expenses		**24,964**	5,692
Others		**4,478**	5,232
Total		**139,760**	125,256

8 EMPLOYEE BENEFIT EXPENSE

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**55,585**	55,298
Retirement costs: contributions to defined contribution plans	**483**	6,152
Other social security costs, housing benefits and other employee benefits	**7,638**	8,164
Total employee benefit expense	**63,706**	69,614

As at December 31, 2020, defined contribution plans payables were nil (2019: RMB474,000).

Notes to the Consolidated Financial Statements (Continued)

8 EMPLOYEE BENEFIT EXPENSE (CONTINUED)

8a Five highest paid individuals

The five individuals whose emoluments were the highest in the Group do not include any director for the years ended December 31, 2020 (2019: 3 directors). The directors' emoluments are reflected in the analysis shown in Note 12. The emoluments payable to the remaining 5 and 2 individuals during 2020 and 2019 are as follows:

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Salaries, wages and bonuses	**3,574**	1,748
Other social security costs, housing benefits and other employee benefits	**369**	256
Total employee benefit expense	**3,943**	2,004

The emoluments fell within the following bands:

	Year ended December 31,	
	2020	**2019**
Emolument bands (in HKD)		
Nil – 500,000	**–**	–
500,001 – 1,000,000	**4**	1
1,000,001 – 1,500,000	**1**	1
	5	2

9 NET IMPAIRMENT LOSSES ON FINANCIAL AND CONTRACT ASSETS

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Impairment loss provided for the year from:		
– Accounts receivable	**1,044**	443
– Contract assets	**(1)**	93
	1,043	536

Notes to the Consolidated Financial Statements (Continued)

10 OTHER INCOME AND OTHER GAIN – NET

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Government grants	**1,732**	2,500
Others	**391**	146
Other income	**2,123**	2,646
Liquidated damages and others	**(8)**	(3,277)
Donation	**(200)**	–
Gain on disposal of property, plant and equipment/ termination of lease contract	**372**	1,535
Fair value change of financial assets measured at FVPL	**1,485**	2,994
Exchange Loss	**(513)**	–
Other gain – net	**1,136**	1,252

In 2019, the liquidated damages were mainly due to the termination of lease contract before expiration date.

11 FINANCE COSTS – NET

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Finance income		
Interest income from bank deposits	**(118)**	(60)
Finance costs		
Interest expense for lease liabilities	**1,369**	2,436
Finance cost – net	**1,251**	2,376

Notes to the Consolidated Financial Statements (Continued)

12 BENEFITS AND INTERESTS OF DIRECTORS

(a) Director's and Chief Executive's emoluments

For the year ended December 31, 2020:

	Fees *RMB'000*	Salaries, wages and bonuses *RMB'000*	Other social security costs, housing benefits and other employee benefits *RMB'000*	Total *RMB'000*
Chairman, chief executive				
Mr. Ni*	–	600	74	674
Executive Directors				
Ms. Fu**	–	600	74	674
Ms. Zhang**	–	600	74	674
Non-executive Director				
Mr. Kung***	–	–	–	–
Independent Non-executive Directors				
Ms. Yu****	11	–	–	11
Mr. Xu****	11	–	–	11
Mr. Zhang****	11	–	–	11
	33	1,800	222	2,055

For the year ended December 31, 2019:

	Fees *RMB'000*	Salaries, wages and bonuses *RMB'000*	Other social security costs, housing benefits and other employee benefits *RMB'000*	Total *RMB'000*
Chairman, chief executive				
Mr. Ni*	–	744	128	872
Executive Directors				
Ms. Fu**	–	770	128	898
Ms. Zhang**	–	770	128	898
Non-executive Director				
Mr. Kung***	–	–	–	–
	–	2,284	384	2,668

Notes to the Consolidated Financial Statements (Continued)

12 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Director's and Chief Executive's emoluments (Continued)

* Mr. Ni Zhengdong was appointed as a director of the Company on August 1, 2019. The amounts presented above represent the salaries, wages and bonuses, other social security costs, housing benefits and other employee benefits paid during 2020 and 2019.

** Ms. Fu Xinghua and Ms. Zhang Yanyan were appointed as executive directors of the Company on May 29, 2020. The amounts presented above represent the salaries, wages and bonuses, other social security costs, housing benefits and other employee benefits paid during 2020 and 2019.

*** Mr. Kung Hung Ka was appointed as a non-executive director of the Company on May 29, 2020. The amounts presented above represent the salaries, wages and bonuses, other social security costs, housing benefits and the employee benefits paid during 2020 and 2019.

**** Ms. Yu Bin, Mr. Xu Shaochun and Mr. Zhang Min were appointed as independent non-executive directors on December 7, 2020.

(b) Director's retirement and termination benefits.

No retirement or termination benefits have been paid to the Company's directors during 2020 and 2019.

(c) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available Directors' services subsisted at the end of the year or at any time during 2020 and 2019.

(d) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings are entered into by the Company in favor of directors, controlled bodies corporate by and connected entities with such directors during 2020 and 2019.

(e) Directors' material interests in transactions, arrangements or contract

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during 2020 and 2019.

13 INCOME TAX EXPENSE

(a) Cayman Islands Income Tax

The Company is incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to Cayman Islands income tax.

Notes to the Consolidated Financial Statements (Continued)

13 INCOME TAX EXPENSE (CONTINUED)

(b) Hong Kong Income Tax

According to the two-tiered profits tax regime, Hong Kong profits tax rate is 8.25% for assessable profits in the first HKD2 million and 16.5% for any assessable profits in excess.

(c) PRC Enterprise Income Tax ("EIT")

The income tax provision of the Group in respect of its operations in the PRC was subject to statutory tax rate of 25% on the assessable profits for the year ended December 31, 2020 and 2019, based on the exiting legislation, interpretations and practices in respect therefore.

In 2018, Shanghai Qingyou Enterprise Management Consulting Co., Ltd. (上海清柚企業管理諮詢有限公司) ("Shanghai Qingyou") and Hainan Qingyou Venture Information Consulting Co., Ltd. (海南清柚創業信息諮詢有限公司) ("Hainan Qingyou"), and in 2019, Shanghai Qingyou, Hainan Qingyou, Beijing Zero2IPO, Nanjing Zero2IPO Aining Investment Management Consulting Co., Ltd. (南京清科艾寧投資管理有限公司) ("Nanjing Investment"), Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd. (南京清科艾寧企業管理諮詢有限責任公司) ("Nanjing Enterprise"), Qingdao Zero2IPO Aihe Enterprise Management Consulting Service Co., Ltd. (青島清科艾和企業管理諮詢服務有限公司) ("Qingdao Aihe") and Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd. (西安清科艾西企業管理諮詢有限公司) ("Xi'an Aixi") were qualified as "Small and micro enterprises" under the relevant PRC laws and regulations. According to the EIT Law and its implementation rules, the qualified enterprises are entitled a preferential tax rate under the newly issued EIT treatment,which applied from January 1, 2019 to December 31, 2021. Under such treatment, the first RMB1,000,000 of the annual assessable profits is eligible for a 75% deduction and the portion of the annual assessable profits between RMB1,000,000 and RMB3,000,000 is eligible for a 50% deduction, which are all entitled to a reduced enterprise income tax rate of 20%.

According to the relevant laws and regulations promulgated by the State Council of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction"). The State Taxation Administration of the People's Republic of China announced in September 2018 that enterprises engaging in research and development activities would entitle to claim 175% of their research and development expenses as Super Deduction from January 1, 2018 to December 31, 2020. The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits for the years ended December 31, 2020 and 2019.

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Current income tax		
Current tax on profits for the year	**10,792**	9,090
Deferred income tax		
Changes in deferred tax assets/liabilities *(Note 27)*	**(3,114)**	(443)
Income tax expense	**7,678**	8,647

Notes to the Consolidated Financial Statements (Continued)

13 INCOME TAX EXPENSE (CONTINUED)

13a Reconciliation of income tax expense

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Profit before income tax	**39,126**	43,172
Tax at the PRC tax rate of 25%	**9,782**	10,793
Effect of preferential tax rates	**(676)**	(902)
Tax effect of non-deductible expenses	**104**	32
Tax effect of Super Deduction of research and development expenses	**(1,532)**	(1,276)
Income tax expense	**7,678**	8,647

14 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated based on the profit attributable to equity holders of the Company for the years ended December 31, 2020 and 2019 divided by the weighted average number of shares in issued during the year.

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Profit attributable to owners of the Company *(RMB'000)*	**31,448**	34,525
Weighted average number of ordinary shares in issue *(thousand) (i)*	**260,222**	260,000
Basic earnings per share *(RMB per share)*	**0.12**	0.13

(i) The weighted average number of ordinary shares in issue used for the calculation of basic earnings per share for the years ended December 31, 2020 and 2019 have been retrospectively adjusted for the capitalization issue. The ordinary shares which were issued and allotted by the Company in connection with Reorganization, had been treated as if these shares were in issue since the beginning. The issuance of Initial Public Offering in December 2020 is accounted at time portion basis.

(b) Diluted

For the years ended December 31, 2020 and 2019, there were no dilutive potential ordinary shares on the Company outstanding. Therefore, there was no dilution impact on weighted average number of shares on the Company.

Notes to the Consolidated Financial Statements (Continued)

15 DIVIDENDS

Zero2IPO Ventures declared dividends of RMB30,000,000 for the year of 2019 to its then shareholders in May 2020. The dividends were fully paid in May 2020.

No dividend was paid by the Company during the year ended December 31, 2020 (2019: nil).

16 PROPERTY, PLANT AND EQUIPMENT

	Computers and other electric equipment	Office equipment	Buildings	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2019					
Opening net book amount	495	5,007	8,027	42,373	55,902
Additions	95	24	291	546	956
Depreciation charge	(255)	(2,944)	(185)	(12,480)	(15,864)
Disposals/termination of lease contract	–	–	–	(8,449)	(8,449)
Closing net book amount	335	2,087	8,133	21,990	32,545
As at December 31, 2019					
Cost	1,773	8,739	8,318	41,518	60,348
Accumulated depreciation	(1,438)	(6,652)	(185)	(19,528)	(27,803)
Net book amount	335	2,087	8,133	21,990	32,545
Year ended December 31, 2020					
Opening net book amount	**335**	**2,087**	**8,133**	**21,990**	**32,545**
Additions	**147**	**224**	**(359)**	**3,975**	**3,987**
Depreciation charge	**(223)**	**(1,662)**	**(264)**	**(9,282)**	**(11,431)**
Disposals/termination of lease contract	**–**	**–**	**–**	**(201)**	**(201)**
Closing net book amount	**259**	**649**	**7,510**	**16,482**	**24,900**
As at December 31, 2020					
Cost	**1,782**	**8,908**	**7,959**	**40,981**	**59,630**
Accumulated depreciation	**(1,523)**	**(8,259)**	**(449)**	**(24,499)**	**(34,730)**
Net book amount	**259**	**649**	**7,510**	**16,482**	**24,900**

Notes to the Consolidated Financial Statements (Continued)

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation charges were expensed off (Note 7) in the following categories in the consolidated statements of comprehensive income:

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Cost of revenue	**7,161**	10,290
General and administrative expenses	**2,337**	3,312
Selling and marketing expenses	**1,231**	1,388
Research and development expenses	**702**	874
	11,431	15,864

The Group obtains right to control the use of properties through entering respective lease arrangement. The leased assets cannot be used as security for borrowing purposes.

17 SUBSIDIARIES

As at December 31, 2020, the Company has direct or indirect interests in the following subsidiaries:

Company Name	Place of establishment/ operations/date of incorporation	Principal activities	Issued and paid-in/ Registered capital	Percentage of attributable equity interest as at December 31, 2020
Dymant Investment Hong Kong Inc.	British Virgin Island/ November 14, 2019	Investment holding	USD1.00/USD 1.00	100%
Dymant Investment Hong Kong Limited	Hong Kong, China/ November 18, 2019	Investment holding	HKD1.00/HKD 1.00	100%
Zero2IPO Holdings Ltd.	British Virgin Island/ September 2, 2019	Investment holding	-/USD 1.00	100%
Zero2IPO Ventures Limited	Hong Kong, China/ September 12, 2019	Investment holding	-/USD 50.00	100%
Beijing Huchuang	Beijing, China/ June 8, 2020	Investment holding	-/HKD 50,000,000	100%
Zero2IPO Ventures	Beijing, China/ September 10, 2013	Data services, marketing services, training services business	RMB30,000,000/ RMB30,000,000	100%
Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd. ("杭州清科沙丘投資管理有限公司")	Hangzhou, China/ July 14, 2017	Training services business	RMB50,000,000/ RMB50,000,000	100%
Ningbo Zero2IPO	Zhejiang, China/ December 21, 2017	Data services, consulting services, marketing services and training services business	RMB1,200,000/ RMB1,200,000	100%
Hainan Qingyou Venture Information Consulting Co., Ltd. ("海南清柚創業信息諮詢有限公司")	Hainan, China/ March 20, 2018	Data services, marketing services, training services business	RMB1,000,000/ RMB1,000,000/	100%

Notes to the Consolidated Financial Statements (Continued)

17 SUBSIDIARIES (CONTINUED)

Company Name	Place of establishment/ operations/date of incorporation	Principal activities	Issued and paid-in/ Registered capital	Percentage of attributable equity interest as at December 31, 2020
Shanghai Qingyou Enterprise Management Consulting Co., Ltd. ("上海清柚企業管理諮詢有限公司")	Shanghai, China/ May 8, 2018	Data services, marketing services, training services business	RMB5,000,000/ RMB5,000,000	100%
Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd. ("西安清科艾西企業管理諮詢有限公司")	Xi'an, China/ June 29, 2018	Data services, consulting services, marketing services and training services business	RMB5,000,000/ RMB5,000,000	100%
Nanjing Zero2IPO Aining Investment Management Consulting Co., Ltd. ("南京清科艾寧投資管理有限公司", "Nanjing Investment")	Nanjing, China/ March 25, 2019	Data services, marketing services, training services business	RMB500,000/ RMB500,000	100%
Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd. ("南京清科艾寧企業管理諮詢有限責任公司")	Nanjing, China/ August 21, 2019	Data services, marketing services, training services business	RMB5,000,000/ RMB5,000,000	100%
Qingdao Zero2IPO Aihe Enterprise Management Consulting Service Co., Ltd. ("青島清科艾和企業管理諮詢服務有限公司")	Shandong, China/ November 28, 2019	Data services, marketing services, training services business	-/RMB5,000,000	100%
Beijing Zero2IPO Innovation and Venture Consulting Co., Ltd. ("北京清科新創創業諮詢有限公司")	Beijing, China/ August 14, 2019	Data services, consulting services, marketing services and training services business	RMB1,053,000/ RMB1,053,000	100%
Zhongguancun International Exhibition Co., Ltd. ("中關村國際會展運營管理有限公司")	Beijing, China/ May 25, 2020	Exhibition and marketing services	RMB3,750,000/ RMB20,000,000	20%
Zhuhai Zero2IPO Aiyue Venture Consulting Co., Ltd. ("珠海清科艾粵創業諮詢有限公司")	Guangdong, China/ August 21, 2020	Data services, consulting services, marketing services, training services business	RMB10,000/ RMB500,000	100%
Hangzhou Zero2IPO Sandhill Venture Service Co.,Ltd. ("杭州清科沙丘創業服務有限公司")	Hangzhou, China/ November 19, 2020	Data services, consulting services, marketing services and training services business	-/RMB500,000	100%
Tianjin Zero2IPO Hudong Investment Co., Ltd. ("天津清科互動投資有限公司")	Tianjin, China/August 28, 2020	Data services, consulting services, marketing services, training services business	-/USD30,000,000	100%
Shenzhen Zero2IPO Benniu Information management Co., Ltd. ("深圳市清科犇牛信息管理有限公司")	Shenzhen, China/ October 27, 2020	Data services, consulting services, marketing services, training services business	-/RMB1,000,000	100%
Qihe Zero2IPO Aiqi Enterprise Management Consulting Co., Ltd. ("齊河清科艾齊企業管理諮詢有限公司")	Shandong, China/ November 10, 2020	Data services, consulting services, marketing services, training services business	-/RMB500,000	100%

Notes to the Consolidated Financial Statements (Continued)

18 LEASE

(a) Amounts recognised in the consolidated balance sheet

Other than the right-of-use assets presented in property, plant and equipment in Note 16, the consolidated balance sheet shows the following amounts relating to leases:

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
Lease liabilities		
Current	**10,024**	8,985
Non-current	**8,272**	14,950
	18,296	23,935

(b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Depreciation charge of right-of-use assets		
Right-of-use assets	**9,282**	12,480
Interest expense (included in finance costs)	**1,369**	2,436
Expense relating to short-term leases (included in cost of revenue and administrative expenses)	**2,086**	4,723
	3,455	7,159

In 2019, gain on termination of lease contract was recognised in the consolidated statement of comprehensive income as disclosed in Note 10.

The total cash outflow for leases for the year ended December 31, 2020 was RMB12,447,000 (2019: RMB18,643,000).

Notes to the Consolidated Financial Statements (Continued)

19 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	Note	As at December 31, 2020 RMB'000	2019 RMB'000
Financial assets			
Financial assets at amortised cost	(a)		
– Accounts receivable	20	**17,417**	18,121
– Other receivables (excluding deductible input VAT)		**3,413**	3,374
– Cash and cash equivalents	22	**403,059**	21,023
Financial assets at FVPL			
– Investment in WMPs	(b)	**84,882**	78,052
		508,771	120,570
Financial liabilities			
Financial liabilities at amortised cost	(a)		
– Accounts payable	23	**(3,912)**	(4,187)
– Other payables (excluding employee benefits payables and other tax payables)		**(17,639)**	(2,082)
– Lease liabilities		**(18,296)**	(23,935)
		(39,847)	(30,204)

(a) As at December 31, 2020 and 2019, the fair values of the financial assets and financial liabilities at amortised cost approximated their respective carrying amounts.

(b) The WMPs were not principal guaranteed, and were therefore classified as financial assets as FVPL. The fair value measurement of these assets is disclosed in Note 3.3.

Notes to the Consolidated Financial Statements (Continued)

20 ACCOUNTS RECEIVABLE

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
From third parties	**19,375**	19,035
Less: allowance for impairment	**(1,958)**	(914)
	17,417	18,121

An aging analysis of the gross accounts receivable as at December 31, 2020 and 2019 based on date of recognition, is as follows:

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
Up to 30 days	**11,170**	11,056
30 days to 90 days	**1,087**	2,298
90 days to 180 days	**3,171**	3,686
180 days to 360 days	**1,902**	783
360 days to 540 days	**866**	632
540 days to 2 years	**390**	55
2 years above	**789**	525
	19,375	19,035

Based on the contract terms, the credit period granted by the Group is normally not exceeding one year.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. Movement in lifetime ECL that has been recognised for accounts receivable as follows:

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
As at January 1	**914**	471
Provision for impairment charged for the year	**1,044**	443
At the end of the year	**1,958**	914

As at December 31, 2020 and 2019, all of the accounts receivable were dominated in RMB.

Notes to the Consolidated Financial Statements (Continued)

21 PREPAYMENTS AND OTHER RECEIVABLES

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
Non-current assets		
Rental deposits	**2,921**	2,577
Current assets		
Other receivables		
Rental and other deposits	**118**	373
Reserve fund	**4**	329
Deductible input VAT	**463**	305
Others	**370**	95
	955	1,102
Prepayment		
Prepayment of professional fee	**25**	13
Prepayment of property management charges	**106**	190
Prepayment of listing expenses	**–**	436
Prepayment of channel fee	**2,682**	105
Others	**358**	254
	3,171	998
	4,126	2,100

As at December 31, 2020 and 2019, all of the other receivables were dominated in RMB.

22 CASH AND CASH EQUIVALENTS

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
Bank deposits at call	**403,032**	21,018
Deposits placed at other major licensed platform	**27**	5
	403,059	21,023

Notes to the Consolidated Financial Statements (Continued)

22 CASH AND CASH EQUIVALENTS (CONTINUED)

As at December 31, 2020 and 2019, the analysis of carrying amounts of cash and cash equivalents denominated in different currencies is as follows：

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
Denominated in RMB	**44,543**	21,023
Denominated in HKD	**358,486**	–
Denominated in USD	**30**	–
	403,059	21,023

For the years ended December 31, 2020 and 2019, the average interest rates of the bank deposits at call were 0.36% and 0.30% respectively.

23 ACCOUNTS PAYABLE

Aging analysis of the accounts payables as at December 31, 2020 and 2019 based on the date of recognition is as follows:

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
Up to 6 months	**3,612**	3,887
6 months to 1 year	**–**	300
1 to 2 years	**300**	–
	3,912	4,187

As at December 31, 2020 and 2019, all of the accounts payable were dominated in RMB.

24 OTHER PAYABLES

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
Employee benefits payable	**12,379**	12,152
Other tax payables	**1,936**	2,400
Accrued listing expenses	**13,998**	1,623
Other payables to related parties	**3,329**	338
Other payables	**312**	121
	31,954	16,634

Other payables is unsecured and is usually paid within one year of recognition.

Notes to the Consolidated Financial Statements (Continued)

25 CONTRACT LIABILITIES

	As at December 31, 2020 RMB'000	2019 RMB'000
Contract liabilities	**45,119**	25,179

	As at December 31, 2020 RMB'000	2019 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year:	**23,220**	25,953

Contract liabilities represent advance payments received from customers for services that have not yet been transferred to the customers. As at December 31, 2020 and 2019, the contract liabilities mainly included the advance payments received from offline events and subscription fee of PEdata database. These services are mainly expected to be recognised as revenue to the customers within one year.

26 DEFERRED INCOME

	As at December 31, 2020 RMB'000	2019 RMB'000
Government grants relating to assets	**11,196**	11,676

Deferred revenue represents government grants relating to certain assets, which is deferred and recognised in the consolidated statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

	Year ended December 31, 2020 RMB'000	2019 RMB'000
Opening balance	**11,676**	12,000
Debited to the consolidated statement of comprehensive income	**(480)**	(324)
	11,196	11,676

Notes to the Consolidated Financial Statements (Continued)

27 DEFERRED INCOME TAX

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences.

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
Deferred income tax assets		
– to be recovered after 12 months	**7,896**	4,914
– to be recovered within 12 months	**482**	316
	8,378	5,230
Deferred income tax liabilities		
– to be recovered after 12 months	**–**	–
– to be recovered within 12 months	**(66)**	(32)
	(66)	(32)

27a Deferred income tax assets

The amount of offsetting deferred income tax assets is RMB49,000 and RMB25,000 for the years ended December 31, 2020 and 2019. The analysis of deferred income tax assets and liabilities before offsetting is as follows:

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
The balance comprises temporary differences attributable to:		
– Deferred revenue	**2,799**	2,919
– Lease liabilities	**729**	674
– Accrued operating expenses	**–**	74
– Allowance for accounts receivable and contract assets	**482**	242
– Impact on share of results of investments accounted for using equity method	**136**	–
– Accumulated tax loss	**4,027**	1,321
– Others	**205**	–
Total deferred tax assets	**8,378**	5,230
Set-off of deferred tax liabilities pursuant to set-off provisions	**(49)**	(25)
	8,329	5,205

Notes to the Consolidated Financial Statements (Continued)

27 DEFERRED INCOME TAX (CONTINUED)

27a Deferred income tax assets (Continued)

Movements	Deferred revenue	Lease liabilities	Accrued operating expenses	Allowance for accounts receivable and contract assets	Impact on share of results of investments accounted for using equity method	Accumulated tax loss	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2019	3,000	813	26	103	–	833	–	4,775
Credited/(debited) to profit or loss	(81)	(139)	48	139	–	488	–	455
At December 31, 2019	2,919	674	74	242	–	1,321	–	5,230
Credited/(debited) to profit or loss	**(120)**	**55**	**(74)**	**240**	**136**	**2,706**	**205**	**3,148**
At December 31, 2020	**2,799**	**729**	**–**	**482**	**136**	**4,027**	**205**	**8,378**

As at December 31, 2020 and 2019, the Group recognised deferred income tax assets for all deductible temporary difference and tax losses.

Deferred income tax assets are recognised for deductible temporary differences and tax losses to the extent that the realisation of the related tax benefits through future tax profit is probable.

27b Deferred income tax liabilities

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
The balance comprises temporary differences attributable to:		
Fair value changes	**66**	32
Set-off of deferred tax liabilities pursuant to set-off provisions	**(49)**	(25)
	17	7

Notes to the Consolidated Financial Statements (Continued)

27 DEFERRED INCOME TAX (CONTINUED)

27b Deferred income tax liabilities (Continued)

Movement	Year ended December 31, 2020 RMB'000	2019 RMB'000
Fair value changes		
At January 1	**32**	20
Debited to profit or loss	**34**	12
	66	32

As at December 31, 2020 and 2019 the Group did not recognise deferred income tax liabilities in respect of undistributed retained earnings of the subsidiaries in PRC amounting to RMB30,962,000 and RMB31,738,000 respectively, as the Company is able to control the timing of the distribution of the retained earnings of these group companies. After the dividend for the year of 2019 declared and paid in May 2020, it is probable that the subsidiaries in the Group would not make distribution in the foreseeable future.

28 SHARE CAPITAL/COMBINED CAPITAL

Combined capital

The Group	Combined capital RMB'000
As at January 1, 2019	100
Capital injection from shareholders	29,900
As at December 31, 2019	30,000
Reorganization of the Group as described in Note 1.1	**(30,000)**
As at December 31, 2020	**–**

As mentioned in Note 1.1, the consolidated financial statements have been prepared as if the current group structure had been in existence throughout all periods presented or since the respective dates of incorporation/establishment of the combining companies, or since the date when the combining companies first came under the control of Mr. Ni Zhengdong, where there is a shorter period. Combined capital as at December 31, 2019 presented represented the combined share capital of the companies comprising the Group after elimination of inter-company investment.

Notes to the Consolidated Financial Statements (Continued)

28 SHARE CAPITAL/COMBINED CAPITAL (CONTINUED)

Share capital

The Company	Note	Number of shares authorised for issue	Number of shares in issue	Share capital USD'000	Equivalent share capital RMB'000	Share Premium RMB'000
As at August 1, 2019 incorporation date of the Company		5,000,000,000	–	–	–	–
Issuance of shares		–	49,999	–*	–*	–
As at December 31, 2019		5,000,000,000	49,999	–*	–*	–
Share consolidation		**(4,500,000,000)**	**(44,999)**	**–***	**–***	**–**
Issuance of shares	(i)	**–**	**85,079,704**	**9**	**60**	**–**
Capitalization of shares	(ii)	**–**	**174,915,296**	**17**	**111**	**(111)**
Issuance of shares upon Initial Public Offering	(iii)	**–**	**40,000,000**	**4**	**25**	**370,350**
Share issuance costs	(iii)	**–**	**–**	**–**	**–**	**(14,420)**
As at December 31, 2020		**500,000,000**	**300,000,000**	**30**	**196**	**355,819**

* The amount is less than RMB1,000.

(i) In April 2020, the Company issued an aggregate of 85,070,250 shares with a consideration of USD9,000 (equivalent to RMB60,000).

(ii) Pursuant to a shareholders' resolution dated December 7, 2020, subject to the share premium account of the Company having sufficient balance, or otherwise being credited as a result of the offer shares pursuant to the global offering, the directors of the Company are authorized to allot and issue a total of 174,915,296 shares credited as fully paid at par value to the shareholder whose name appears on the register of members of the Company at the close of business on the date immediately preceding the date on which the global offering becomes unconditional (or as it may direct) by way of capitalization of the sum of US$17,491.53 standing to the credit of the share premium account of the Company. The shares to be allotted and issued pursuant to the above capitalization issue will rank pari passu in all respects with the existing issued shares.

(iii) On December 30, 2020, upon completion of the Initial Public Offering, the Company issued 40,000,000 new shares at par value of USD0.0001 each for cash consideration of HKD11.00 per share.

The total gross proceeds from the Initial Public Offering were approximately HKD425,938,000 (equivalent to RMB370,375,000). The respective share capital amount was approximately RMB25,000, and share premium arising from the issuance was approximately RMB355,930,000, net of the issuance costs. The issuance costs paid mainly include share underwriting commissions, lawyers' fees, reporting accountant's fee and other related costs, which are incremental costs directly attributable to the issuance of the new shares. These costs amounting to RMB14,420,000 were treated as a deduction against the share premium arising from the issuance.

Notes to the Consolidated Financial Statements (Continued)

29 OTHER RESERVES

The Group

	Note	Statutory reserve *RMB'000*	Capital reserve *RMB'000*	Translation reserve *RMB'000*	Total other reserves *RMB'000*
As at January 1, 2019		3,440	9,509	–	12,949
The capital of Beijing Zero2IPO arising from the combination under common control	1.1	–	1,000	–	1,000
Appropriation to statutory reserve *(i)*		2,662	–	–	2,662
As at December 31, 2019		6,102	10,509	–	16,611
As at January 1, 2020		**6,102**	**10,509**	**–**	**16,611**
Completion of the Reorganization		**–**	**30,000**	**–**	**30,000**
Deemed distribution for the Reorganization		**–**	**(5,000)**	**–**	**(5,000)**
Capital injection from shareholders		**–**	**200**	**–**	**200**
Other comprehensive income		**–**	**–**	**20**	**20**
Appropriation to statutory reserve *(i)*		**2,244**	**–**	**–**	**2,244**
As at December 31, 2020		**8,346**	**35,709**	**20**	**44,075**

(i) Statutory reserves

The statutory surplus reserves mainly comprises the following:

In accordance with the Company Law of the PRC, domestic enterprises in Mainland China are required to transfer 10% of their profit after taxation, as determined under accounting principles generally accepted in the PRC ("PRC GAAP"), to the statutory surplus reserve until such reserve balance reaches 50% of the registered capital of such entities. Moreover, upon a resolution made by the shareholders, a certain percentage of domestic enterprises' profit after taxation, as determined under PRC GAAP, is transferred to the discretionary surplus reserve.

The statutory surplus reserves can be used to reduce previous years' losses, if any, and may be converted into paid-in capital, provided that the statutory reserve after such conversion is not less than 25% of the registered capital of relevant subsidiaries.

Notes to the Consolidated Financial Statements (Continued)

30 CASH FLOW INFORMATION

30a Cash generated from operations

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Profit before income tax	**39,126**	43,172
Adjustments for		
Depreciation and amortisation	**11,654**	15,885
Gain on disposal of property, plant and equipment/termination of lease contract	**(372)**	(1,535)
Provisions of impairment accounts receivable and contract assets	**1,043**	536
Share of net losses of associates accounting for using the equity method	**544**	
Finance costs	**1,369**	2,436
Fair value change of financial assets measured at FVPL	**(1,485)**	(2,994)
Exchange loss	**513**	–
Other income	**(480)**	(324)
Change in operating assets and liabilities:		
Increase in accounts receivable and contract assets	**(240)**	(7,106)
(Increase)/decrease in other current assets	**(958)**	1,043
(Increase)/decrease in prepayments	**(2,173)**	583
Increase in other receivables	**(224)**	(1,474)
(Decrease)/increase in accounts payable	**(275)**	2,610
Increase in other payables	**16,572**	659
Increase/(decrease) in contract liabilities	**19,940**	(4,779)
Cash generated from operations	**84,554**	48,712

As explained in Note 1.1 "General Information", Zero2IPO Group and its subsidiaries transferred certain businesses in the scope of Listing Business to the subsidiaries of Zero2IPO Holdings Inc. Considering the business transfer was under common control as explained in Note 1.2 "Basis of presentation", the profit or loss generated from the transferred businesses were combined into the financial statements as if they had existed from the date when the consolidated businesses first came under the control of the controlling party. As Zero2IPO Group didn't transfer the cash generated from the transferred businesses to the Group, the operating cash flows generated from these businesses were accounted for as deemed distributions to its shareholders in financing activities. For the years ended December 31, 2020 and 2019, the deemed distribution was nil and RMB10,651,000, respectively.

Notes to the Consolidated Financial Statements (Continued)

30 CASH FLOW INFORMATION (CONTINUED)

30b Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	As at December 31, 2020 RMB'000	2019 RMB'000
Cash and cash equivalents	**403,059**	21,023
Lease liabilities	**(18,296)**	(23,935)
Net cash/(debt)	**384,763**	(2,912)

	Cash and cash equivalents RMB'000	Lease liabilities due within 1 year RMB'000	Lease liabilities due after 1 year RMB'000	Total RMB'000
Net debt as at January 1, 2019	15,985	(12,506)	(32,531)	(29,052)
Cash flows	5,038	14,776	–	19,814
Other changes	–	(11,255)	17,581	6,326
Net debt as at December 31, 2019	21,023	(8,985)	(14,950)	(2,912)
Cash flows	**382,529**	**10,361**	**–**	**392,890**
Other changes	**(493)**	**(11,400)**	**6,678**	**(5,215)**
Net cash as at December 31, 2020	**403,059**	**(10,024)**	**(8,272)**	**384,763**

Notes to the Consolidated Financial Statements (Continued)

31 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

31a Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the all periods presented.

Relationship	Individuals/Companies
Ultimately controlled by the majority shareholder of the Company	Zero2IPO Group
Ultimately controlled by the majority shareholder of the Company	Beijing Zero2IPO Chuangfu Investment Management Ltd. ("北京清科創富投資管理有限公司")
Ultimately controlled by the majority shareholder of the Company	Beijing Zero2IPO Investment Management Ltd. ("北京清科投資管理有限公司")
Ultimately controlled by the majority shareholder of the Company	Shanghai Zero2IPO Investment Management Co., Ltd. ("上海清科創業投資管理有限公司")
Ultimately controlled by the majority shareholder of the Company	Hangzhou Zero2IPO Zhongyu Investment Management Co., Ltd. ("杭州清科眾予投資管理有限公司")
Ultimately controlled by the majority shareholder of the Company	Hangzhou Zero2IPO Investment Management Ltd. ("杭州清科投資管理有限公司")
Ultimately controlled by the majority shareholder of the Company	Beijing Zero2IPO Investment Management Center (Limited Partnership) ("北京清科創業投資管理中心(有限合夥)")
Ultimately controlled by the majority shareholder of the Company	Zero2IPO International Limited ("清科國際有限公司")

31b Transactions with related parties

The transactions with related parties are conducted in the ordinary course of the Group's business on terms comparable to the terms of transactions with other entities that are not related parties. The Group prices its services based on commercial negotiations with reference to rules and regulations stipulated by related authorities of the PRC Government, where applicable. The Group has also established its procurement policies and approval processes for purchases of services, which do not depend on whether the counterparties are related parties or not.

Notes to the Consolidated Financial Statements (Continued)

31 RELATED PARTY TRANSACTIONS (Continued)

31b Transactions with related parties (Continued)

The following transactions occurred with related parties:

	Year ended December 31, 2020 RMB'000	2019 RMB'000
Services provided to related parties		
Zero2IPO Group	–	120
Beijing Zero2IPO Chuangfu Investment Management Ltd. (“北京清科創富投資管理有限公司”)	–	56
Beijing Zero2IPO Investment Management Ltd. (“北京清科投資管理有限公司”)	**120**	120
	120	296

	Year ended December 31, 2020 RMB'000	2019 RMB'000
Services obtained from related parties		
Zero2IPO Group	–	470
Shanghai Zero2IPO Investment Management Co., Ltd. (“上海清科創業投資管理有限公司”)	**625**	260
	625	730

31c Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties and certain collection/payment on behalf of the Group:

	As at December 31, 2020 RMB'000	2019 RMB'000
Other payables to related parties		
Zero2IPO Group	–	220
Shanghai Zero2IPO Investment Management Co., Ltd. (“上海清科創業投資管理有限公司”)	–	118
Zero2IPO International Limited (“清科國際有限公司”)	**3,329**	–
	3,329	338

Notes to the Consolidated Financial Statements (Continued)

31 RELATED PARTY TRANSACTIONS (Continued)

31d Key management personnel remuneration

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Salaries, wages and bonus	**2,080**	2,348
Other social security costs, housing benefits and other employee benefits	**211**	343
Total employee benefit expense	**2,291**	2,691

32 COMMITMENTS

Capital expenditure contracted for at the end of the year/period but not yet incurred is as follows:

	As at December 31,	
	2020	2019
	RMB'000	*RMB'000*
Capital investment in investees	**3,000**	–

The Group and other investors newly set up a company, Zhongguancun International Exhibition Co., Ltd. in PRC to operate marketing business in June 2020. Zhongguancun International Exhibition Co., Ltd. is accounted for as associate using the equity method. Based on the investment agreement, the Group would hold 20% equity share and have one director in the Board of Directors. As at December 31, 2020, the Group has invested the first capital injection of RMB1 million and recorded it as an investment in an associate. The rest of RMB3 million is expected to be injected within five years after set up. As at December 31, 2020, the effective equity interest percentage was 20%.

33 EVENTS AFTER THE REPORTING PERIOD

(a) Full exercise of the Over-Allotment Option

The Over-allotment Option as part of the Company's IPO was fully exercised on January 20, 2021, in respect of an aggregate of 6,000,000 shares issued by the Company's at HKD11.00 per share.

Notes to the Consolidated Financial Statements (Continued)

34 BALANCE SHEET AND OTHER RESERVES MOVEMENT OF THE COMPANY

(a) Balance sheet of the company

		As at December 31,	
		2020	2019
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Investment in subsidiaries		**38,704**	–
Current assets			
Cash and cash equivalents		**358,517**	–*
Prepayments and other receivables		**5,600**	
Total assets		**402,821**	–*
LIABILITIES			
Current liabilities			
Other payables		**8,290**	–
Total liabilities		**8,290**	–
EQUITY			
Share capital		**196**	–*
Share premium	34(b)	**355,819**	–
Other reserves	34(b)	**38,704**	–
Accumulated losses		**(188)**	–*
Total equity		**394,531**	
Total liabilities and equity		**402,821**	–*

* The amount is less than RMB1,000.

The balance sheet of the Company was approved for issue by the Board of Directors on March 30, 2021 and were signed on its behalf.

Ni Zhengdong
Director

Zhang Yanyan
Director

Notes to the Consolidated Financial Statements (Continued)

34 BALANCE SHEET AND OTHER RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

(b) Share premium and other reserves movement of the company

	Share premium *RMB'000*	Capital reserve *RMB'000*	Translation reserve *RMB'000*	Total share premium and other reserves *RMB'000*
As at August 1, 2019 incorporation of the Company	–	–	–	–
Issuance of shares	–*	–*	–*	–*
As at December 31, 2019	–*	–*	–*	–*
Capital contribution from shareholders	–	38,704	–	38,704
Capitalization of shares	(111)	–	–	(111)
Issuance of share upon Initial Public Offering	370,350	–	–	370,350
Share issuance costs	(14,420)	–	–	(14,420)
Other comprehensive income	–	–	–*	–*
As at December 31, 2020	**355,819**	**38,704**	**–***	**394,523**

* The amount is less than RMB1,000.