

CCID Consulting

CCID Consulting Company Limited

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

Stock Code: 02176

思維 創造世界

城市經濟第一智庫

資本運作第一專家

企業戰略第一顧問

INTERIM
REPORT 2021



HIGHLIGHTS

- For the six months ended 30 June 2021, the unaudited turnover of the Group amounted to approximately RMB94,435 thousand, representing an increase of approximately 97% over the corresponding period of last year;
- For the six months ended 30 June 2021, the gross profit of the Group was approximately RMB53,150 thousand. The gross profit margin was approximately 56%. The gross profit increased by approximately 242% over the corresponding period of last year;
- For the six months ended 30 June 2021, the profit of the Group was approximately RMB14,337 thousand, of which profit attributable to equity holders of the Company was approximately RMB15,874 thousand. The profit increased by approximately 199% over the corresponding period of last year;
- For the six months ended 30 June 2021, the basic earnings per share of the Group was approximately RMB2.27 cents;
- The board of Directors does not recommend payment of any dividend for the six months ended 30 June 2021.

INTERIM RESULTS

The board of Directors (the "Board") of CCID Consulting Company Limited* (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2021, together with the unaudited comparative figures for the corresponding periods of 2020 (restated) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Notes	For the six months ended 30 June	
		2021 RMB'000	2020 (restated) RMB'000
Turnover	2 & 3	94,435	47,842
Cost of sales		(41,285)	(32,280)
Gross profit		53,150	15,562
Other income		1,094	241
Selling and distribution expenses		(7,769)	(5,262)
Administrative expenses and others		(24,905)	(24,254)
Credit impairment losses		1,278	—
Profit before tax	4	22,848	(13,713)
Taxation	5	(8,511)	(721)
Profit/(Loss) for the period		14,337	(14,434)
Attributable to:			
Equity holders of the Company		15,874	(10,157)
Non-controlling interests of the Group		(1,537)	(4,277)
		14,337	(14,434)
Earnings per share			
— Basic (RMB cents)	6	2.27	(1.45)
Dividends	7	—	—



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited	Audited
		30 June	31 December
		2021	2020
	<i>Notes</i>	RMB'000	RMB'000
NON-CURRENT ASSETS			
Fixed assets	<i>8</i>	15,500	16,137
Intangible assets	<i>8</i>	14,681	14,681
Equity instruments at FVTOCI	<i>9</i>	12,015	12,015
Pledged bank deposits		1,336	1,336
Deferred tax assets		1,058	1,016
		44,590	45,185
CURRENT ASSETS			
Accounts receivables	<i>10</i>	33,646	27,137
Prepayments, deposits and other receivables		16,780	11,689
Financial assets at fair value through profit or loss		45,089	45,087
Tax recoverable		817	2,607
Amounts due from related parties	<i>10</i>	6	1,000
Pledged bank deposits		1,862	1,862
Cash and cash equivalents		205,329	263,723
		303,529	353,105

	<i>Notes</i>	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
CURRENT LIABILITIES			
Accounts payables	12	1,200	1,661
other payables		22,710	50,384
Contract liabilities	11	62,394	85,100
Amounts due to the related parties	13	2,511	4,471
Income tax payable		—	997
		88,815	142,613
NET CURRENT ASSETS			
		214,714	210,492
Net assets			
		259,304	255,677
EQUITY			
Share capital		70,000	70,000
Reserves		130,936	126,251
Total equity attributable to equity holders of the Company			
		200,936	196,251
Non-controlling interests of the Group		58,368	59,426
TOTAL EQUITY			
		259,304	255,677



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Issued share capital	Capital reserve	Statutory reserve fund	Investment reassessment reserve	Retained profit	Non- controlling interests of the Group	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2020	70,000	18,100	20,062	3,727	92,075	30,962	234,926
Changes for the period	—	—	—	—	(20,926)	(4,317)	(25,243)
As at 30 June 2020	70,000	18,100	20,062	3,727	71,149	26,645	209,683
As at 1 January 2021	70,000	(1,707)	23,198	4,672	99,609	59,905	255,677
Changes for the period	—	—	—	—	5,164	(1,537)	3,627
As at 30 June 2021	70,000	(1,707)	23,198	4,672	104,773	58,368	259,304

Restated

	Issued share capital	Capital reserve	Statutory reserve fund	Investment reassessment reserve	Retained profit	Non- controlling interests of the Group	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2020	70,000	18,100	20,062	3,727	92,075	30,962	234,926
Changes for the period	—	—	—	—	(20,166)	(4,317)	(24,483)
As at 30 June 2020	70,000	18,100	20,062	3,727	71,909	26,645	210,443

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	For the six months ended 30 June 2021 RMB'000	For the six months ended 30 June 2020 RMB'000 (restated)
Net cash (outflow)/inflow arising from operating activities	(58,060)	(40,927)
Net cash (outflow)/inflow arising from investing activities	(334)	(45,116)
Net cash (outflow)/inflow arising from financial activities	—	—
Net (decrease)/increase in cash and cash equivalents	(58,394)	(86,043)
Cash and cash equivalents at the beginning of the period	263,723	233,021
Cash and cash equivalents at the end of the period	205,329	146,978
Cash at bank and on hand	205,329	146,978



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

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

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

The principal accounting policies adopted in the preparation of these unaudited consolidated financial statements for the six months ended 30 June 2021 are consistent with those used by the Group in the annual consolidated financial statements for the year ended 31 December 2020.

Impact of newly issued accounting standards

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

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

Restated 2020 Condensed Consolidated Statement of Comprehensive Income (Unaudited)

The condensed consolidated statement of comprehensive income (unaudited) for the six months ended 30 June 2020 has been restated as a result of the acquisition of Guangdong CCID in 2020 and the payment of consideration for the 35.63% equity interest in CCID Design. On 20 July 2020, the Company, CCID Design, CCID Group Co. and Guangdong CCID entered into the Capital Increase Agreement, pursuant to which, CCID Group Co. agreed to make a capital contribution of approximately RMB53,710,000 to CCID Design by way of injection of the 100% equity interest in Guangdong CCID. Upon completion of the Capital Increase on 27 September 2020, (i) Guangdong CCID became a wholly-owned subsidiary of the Company, (ii) the Company's interest in CCID Design decreased from 95% to approximately 59.37%, and (iii) CCID Group Co.'s interest in CCID Design increased from 5% to approximately 40.63%. Guangdong CCID is principally engaged in industry spatial management services including the operation and management of industrial parks and attracting investments for industrial parks in Guangdong province with a stable and strong working relationship with local government and corporate customers. For details, please refer to the announcement of the Company dated 20 July 2020 and the circular of the Company dated 4 September 2020.

2. TURNOVER

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

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

3. SEGMENT INFORMATION

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

- (a) services provided by the management and strategy consultancy services segment comprise those provided to the government customers, including comprehensive planning, industry-specific planning, implementation planning and action planning, and industry spatial management service; as well as the consultancy services



provided to enterprise customers, including business development strategy, investment decisions analysis, financial advisory service in private equity or venture capital investment and initial public offering and so on;

- (b) services provided by the market consultancy services segment comprise market segmentation research services, product lifecycle and market research services, and regional channel structure and market research services;
- (c) the information engineering supervision services segment comprise professional supervision services, such as software, networks, communications and information security; and
- (d) services provided by the other services segment comprise membership-based market report services, data and information management services, and data and information design services to be provided to government and corporate clients.

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

For the six months ended 30 June 2020 (unaudited) (restated)

For the six months ended 30 June 2020 (unaudited) (restated)	Management and strategy consultancy services <i>RMB'000</i>	Market consultancy services <i>RMB'000</i>	Information engineering supervision services <i>RMB'000</i>	Total <i>RMB'000</i>
Turnover	26,928	7,131	13,783	47,842
Segment expenses	(16,868)	(2,046)	(13,366)	(32,280)
Segment results	10,060	5,085	417	15,562
Utilities expenses				(29,516)
Other income				241
Profit before tax				(13,713)
Taxation				(721)
Profit/(loss) for the period				(14,434)
Non-controlling interests of the Group				(4,277)
Attributable to equity holders of the Company				(10,157)

4. PROFIT/(LOSS) BEFORE TAX

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

	Unaudited		
	For six months ended 30 June		
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	2020 <i>RMB'000</i> restated
Staff costs (excluding directors' remuneration)	52,442	40,178	44,827
Depreciation of fixed assets	746	796	801
Other income	1,094	159	241



5. TAXATION

	Unaudited For six months ended 30 June		
	2021 RMB'000	2020 RMB'000	2020 RMB'000 restated
PRC enterprise income tax	8,511	407	721

No provision for Hong Kong profits tax has been made as the Group had no profits assessable arising in Hong Kong during the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil). Taxes on profits assessable elsewhere have been calculated at the effective and applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on the existing legislation, interpretations and practices in respect thereof during the period.

Pursuant to the Income Tax Law of the PRC, the members of the Group (except the Company and Beijing CCID Industry and Information Engineering Supervision Center Co., Ltd. ("CCID Supervision")) are subject to a corporate income tax at a rate of 25% (during the corresponding period of 2020: 25%).

The Company and CCID Supervision are high and new technology enterprises registered in the Beijing New Technology Enterprise Development Zone. Pursuant to the Income Tax Law of the PRC, they are subject to a corporate income tax at a rate of 15% (during the corresponding period of 2020: CCID Supervision: 15%).

There was no material unprovided deferred tax for the six months ended 30 June 2021 (during the corresponding period of 2020: Nil).

6. EARNINGS/(LOSS) PER SHARE

Earnings/(loss) per share have been calculated based on the profit attributable to equity holders of the Company of approximately RMB15,874 thousand for the six months ended 30 June 2021 (during the corresponding period of 2020: loss of approximately RMB10,157 thousand) and the weighted average of 700,000,000 shares in issue during the current period (during the corresponding period of 2020: 700,000,000 shares).

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

7. DIVIDENDS

The Board does not recommend payment of any dividend for the six months ended 30 June 2021 (during the corresponding period of 2020: Nil).

8. CAPITAL EXPENDITURE

	Unaudited	
	Fixed assets <i>RMB'000</i>	Intangible assets <i>RMB'000</i>
Net book value as at 1 January 2021	16,137	14,681
Additions	329	—
Depreciation/amortization expenses	(966)	—
Net book value as at 30 June 2021	15,500	14,681

9. LONG-TERM INVESTMENT

	Unaudited 30 June 2021 <i>RMB'000</i>	Audited 31 December 2020 <i>RMB'000</i>
Long-term investment	12,015	12,015

This long-term investment refers to the 19.90% equity interest (2020: 19.90%) held by CCID Supervision in Beijing CCID Exhibition Co., Ltd., which was determined by the independent valuer using the non-public input data with reference to the fair value as at 31 December 2020. The Board, upon assessment, was of opinion that there has been no material change to the fair value during the current period.



10. ACCOUNTS RECEIVABLES

The ageing analysis of accounts receivable is as follows:

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Within 365 days	23,653	24,994
Over 365 days	9,993	2,143
Accounts receivables	33,646	27,137

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

a. Amounts due from related parties:

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

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
CCID Network Information Technology Co., Ltd.* (北京賽迪網信息技術有限公司)	6	—
Hainan CCID Industry and Information Technology Research Institute Co., Ltd.	—	1,000
	6	1,000

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

11. CONTRACT LIABILITIES

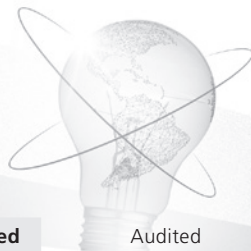
	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Contract costs	—	—
Contract liabilities	62,394	85,100

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

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

12. ACCOUNTS PAYABLES

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Within 60 days	358	803
Within 61 days–180 days	—	—
Within 181 days–365 days	—	—
Over 365 days	842	858
Current accounts payables	1,200	1,661



13. AMOUNTS TO THE RELATED PARTIES

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
China Centre of Information Industry Development* (中國電子信息產業發展研究院)	176	176
China Software Testing Centre* (Research Centre of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion* ((中國軟件評測中心)工業和信息化部軟件與集成電路促進中心)	—	2,040
CCID Industrial and Information Development (Tianjin) Co., Ltd.* (賽迪工業和信息化產業發展(天津)有限公司)	1,752	1,752
Beijing CCID Property Management Co., Ltd.* (北京賽迪物業管理有限公司)	433	353
Beijing CCID Industry and Information Technology Training Center Co., Ltd.* (北京賽迪工業和信息化技術培訓中心有限公司)	150	150
	2,511	4,471

The Group and the above related parties belong to the CCID Group and are controlled by the same ultimate holding company. Amounts due to related parties are unsecured, interest-free and have no fixed term of repayment.

14. RELATED PARTIES DISCLOSURES

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

	Unaudited	
	For the six months ended	
	30 June	
	2021	2020
	RMB'000	RMB'000
Consultancy services provided to the following companies (Total income earned before sales surcharges)		
CCID Network Information Technology Co., Ltd.* (北京賽迪網信息技術有限公司)	39	—
CCID Industrial and Information Industry Development (Tianjin) Co., Ltd.* (賽迪工業和信息化產業發展(天津)有限公司)	—	150
Beijing CCID Publishing & Media Co., Ltd (北京賽迪出版傳媒有限公司)	—	400
Chongqing CCID Industry and Information Research Institute Limited* (重慶賽迪工業和信息化研究院有限公司)	—	59
	39	609



Unaudited
For the six months ended
30 June

	2021 RMB'000	2020 <i>RMB'000</i>
Related expenses		
Service fee paid to China Centre of Information Industry Development	355	—
Platform development fee paid to Beijing CCID Times Information Industry Co., Ltd.	—	250
Property management and parking expenses charged by Beijing CCID Property Management Co., Ltd.	711	379
Water and electricity fees, internet fees and utilities expenses paid to China Software Testing Centre (Research Centre of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion)	2,367	472
Technical service fees paid to Shandong CCID Industry and Information Research Institute Limited* (山東賽迪工業和信息化研究院有限公司)	52	52
	3,485	1,153

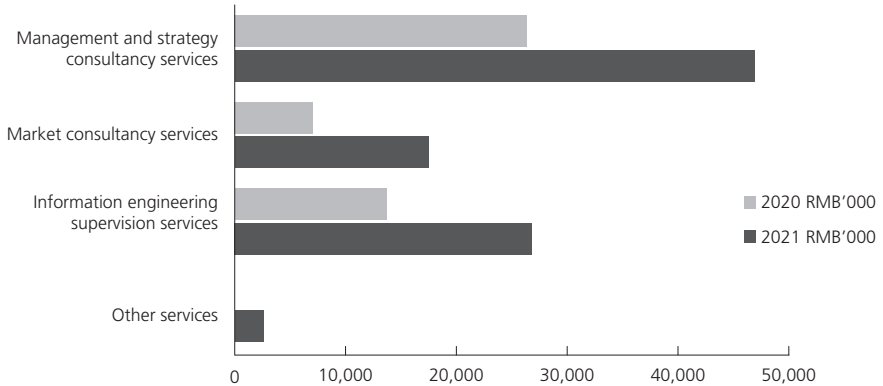
Notes:

- (i) The Directors of the Company are of their opinion that the transactions among the Company and the above members of the Group were conducted in the usual course of business and charged at cost incurred as well as recorded a reasonable profit margin.
- (ii) The above members of the Group are within the CCID Group and are under common control of the ultimate holding company of the Company.
- (iii) All of the related parties transactions as disclosed in this note to the unaudited consolidated financial statements constitute “connected transactions” or “continuing connected transactions” as defined in Chapter 14A of the Listing Rules which are transactions with CCID under the respective framework agreements as disclosed in the announcement of the Company and have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 19 December 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover Analysis

For the six months ended 30 June 2021, the turnover by operations of the Group is analyzed as follows:



	For the six months ended 30 June 2021		For the six months ended 30 June 2020	
	Turnover RMB'000	Approximate Percentage	Turnover RMB'000 (restated)	Approximate Percentage
Management and strategy consultancy services	47,208	50%	26,928	56%
Market consultancy services	17,615	19%	7,131	15%
Information engineering supervision services	26,981	29%	13,783	29%
Other services	2,631	2%	—	—
Total	94,435	100%	47,842	100%



Business Review

For the six months ended 30 June 2021, the turnover and gross profit of the Group amounted to approximately RMB94,435 thousand and RMB53,150 thousand respectively (approximately RMB47,842 thousand and RMB15,562 thousand respectively during the corresponding period of 2020 (restated)). The turnover increased by approximately 97% and the gross profit increased by approximately 242% as compared to the corresponding period of last year. These changes were attributable to the following factors:

- (1) The business operation of the Group was comparatively affected by the COVID-19 pandemic in 2020, but our business operation improved in 2021 in contrast with that in 2020, thereby suffering limited pandemic impact;
- (2) By focusing on key business areas and innovating business models, the Group has accelerated the digital transformation, continuously created unique research results and products, and vigorously promoted comprehensive services across the entire industrial value chain, thus speeding up its market expansion;
- (3) The successful transfer of listing from GEM to the Main Board has enhanced the brand image, and continuously strengthened the Group's corporate governance, enabling the Group's operation and management to develop in a sustainable and healthy manner.

In terms of management and strategy consultancy services, the consultancy services provided by the Group to government customers include comprehensive planning, industry-specific planning, implementation planning and action planning, industry spatial management services, and the consultancy services provided to enterprise customers include business development strategy, investment decisions analysis, financial advisory service in private equity or venture capital investment and initial public offering and so on. The Group recorded revenue of approximately RMB47,208 thousand for the six months ended 30 June 2021 (approximately RMB26,928 thousand during the corresponding period of 2020 (restated)) from the management and strategy consultancy services, accounting for approximately 50% of the Group's turnover and representing an increase of approximately 75% as compared to the corresponding period of last year. This was mainly due to the fact that despite the impacts brought by the COVID-19 pandemic to our business operation in 2020, the management and strategy consultancy services business fully recovered as of the latest practicable date before the publication of this report. By focusing on key business areas and innovating business models in 2021, the Group has vigorously

promoted comprehensive services across the entire industrial value chain and sped up its market expansion, thus achieving the overall recovery of its business growth in a healthy manner.

In terms of market consultancy services, the Group conducts customized research on various issues, including competitive environment, customer requirements, industry applications, channel development, and product and technology development. The consultancy services provided to corporate clients include market segmentation research services, product lifecycle and market research services, and regional channel structure and market research services. For the six months ended 30 June 2021, the Group had realized revenue of approximately RMB17,615 thousand (approximately RMB7,131 thousand during the corresponding period of 2020 (restated)), accounting for approximately 19% of the Group's turnover and representing an increase of approximately 147% as compared to the corresponding period of last year. The increase was primarily attributable to the facts that the Group's business was greatly affected by the COVID-19 pandemic in 2020, but its market consultancy service business has fully recovered as at the latest practicable date prior to the publication of this report. The Group has been committed to continuously promoting its related business development around emerging industries such as artificial intelligence, digital economy and intelligent and connected vehicles in accordance with the national policy direction and information technology development trend.

In terms of information engineering supervision services, the Group mainly provides professional supervision services in respect of various projects ranging from software, network, communication to information security to the government and enterprises. For the six months ended 30 June 2021, the turnover of the information engineering supervision services was approximately RMB26,981 thousand (approximately RMB13,783 thousand during the corresponding period of 2020 (restated)), accounting for approximately 29% of the Group's turnover and representing an increase of approximately 96% as compared to the corresponding period of last year. Despite the great impact of the COVID-19 pandemic on the Group's business in 2020, the Group's business revenue continued to grow in 2021 as it continued to increase its supervision service projects by actively grasping the opportunities of the policy of "promoting new infrastructure construction".



In terms of other services, the Group mainly provides government and corporate clients with membership-based market report services, data and information management services, and data and information design services. Such segment has been included in other segments as its scale of operations do not meet quantitative thresholds of reportable segments. For the six months ended 30 June 2021, the Group recorded a turnover from other services of RMB2,631 thousand, accounting for 2% of the Group's turnover. The Group focused on the connotation and extension of its core business and promoted high quality and innovative business development by guiding the information construction and digital transformation of customers through digital top-level design.

Business outlook

With the aim of becoming a first-rate top-notch think tank in the country, the Group will stringently live by its core values of being honest, responsible, scientific and innovative, and stick to its principles to create value, enhance its abilities and fulfil its missions in order to advance its comprehensive industrial innovation services, construct CCID brain for industries at full steam, persist in perfecting its corporate governance, improve its operation and management, and build up its sustainable competitive strength in 2021.

Advance Comprehensive Industrial Innovation Services

2021 marks the beginning of the 14th Five-Year Plan. To seize industry trends and developments, the Group will speed up its business expansion in the Guangdong-Hong Kong-Macau Greater Bay Area and the Yangtze River Delta. To spark customer demand, we will combine our internal and external resources to design comprehensive industrial innovation services spanning from strategy formulation, consultation and planning, branding, and business and investor mediation to "brain for industries" that focus on advanced manufacturing, digital economy, integrated circuit, intelligent connected vehicles, medicine, healthcare and other areas, so as to provide customers with comprehensive solutions that are strategic, integrated and forward-looking and facilitate decision-making.

Establish CCID Brain for Industries

In 2021, the Group will continue to concentrate on CCID brain for industries and develop an industry data platform focused on industrial data, mapping and resources by utilising its expertise in industry research. To construct this business infrastructure based on general tools, standard products and platform products, the database, calculation ability and algorithms of our big data platform will be enhanced. Integrated design, construction, operation and maintenance services focused on key tasks such as investment attraction, industrial monitoring, evaluation and selection, and industrial resource matchmaking will be provided to accelerate high-level resource sharing, establish industrial partnerships and enhance the integration of the sector. To roll out and promote CCID brain for industries, we will speed up the development of market channels and nurture key customers.

Persist in Perfecting Corporate Governance

In 2021, the Group will further perfect its corporate governance structure, optimise its internal and risk control systems, improve the listed company's operating practices and ultimately enhance its governance standard.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, cash and bank balance of the Group were approximately RMB205,329 thousand (as at 31 December 2020: RMB263,723 thousand). The Group's primary source of funds was cash generated from operation activities. Management believes that the Group has adequate operating funds for its present needs.



SIGNIFICANT INVESTMENT

Major Investments

For the six months ended 30 June 2021 and as at the date of this report, the Group has subscribed the following wealth management products which are unexpired:

Subscription Date	Counterparty	Name of Wealth Management Product	Currency of Principal and Return	Subscription Amount	Term of Product	Expected Annualised Yield Rate
29 December 2020	China Construction Bank	"Qianyuan-Rixinyueyi" (daily) Open-ended Asset Portfolio RMB Wealth Management Product (「乾元—日鑫月溢」(按日)開放式資產組合型人民幣理財產品) of the Beijing Branch of China Construction Bank	RMB	45,000,000	400 days (expiring on 2 February 2022)	3.15%
18 August 2021	China Minsheng Bank	A corporate financial products of China Minsheng Bank, i.e. Gui Zhu Fixed Income Increased Profit No. 2 (3-month holding period and automatic renewal)	RMB	20,000,000	3 months	3.75%

For the six months ended 30 June 2021, the Company has not yet recorded any gains from the products subscribed on 29 December 2020. The Board believes that with greater stability and stronger liquidity but lower risk exposure compared to other non-banking wealth management products, these wealth management products can provide the Group with better return on its idle funds, which is in the interests of the Group and the shareholders as a whole.

On 25 November 2020, the Company (as Limited Partner), the Exchange Center (as Limited Partner), Xiachuan Capital (as Limited Partner) and CCID Tiandi (as General Partner) entered into the Fund Partnership Agreement that is expected to reach a total capital contribution of RMB30 million with an initial capital contribution of RMB6 million upon subscription. As the Fund Partnership Agreement constitutes an exempted connected transaction, its details are set out in the paragraph headed "CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS" in the Report of the Directors of the 2020 annual report of the Company.

During the reporting period, the fund has not yet recorded a return. The Board believes that the Fund Partnership Agreement can obtain reasonable and long-term investment income, thus creating better income and investment returns for the Company and its shareholders.

Save as disclosed above, as at 30 June 2021, the Group had no other major investment.

MATERIAL ACQUISITIONS AND DISPOSALS

As of 30 June 2021, the Group had no material acquisition and disposal.

EMPLOYEES

As at 30 June 2021, the Group had 362 employees.

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

CAPITAL STRUCTURE

The capital structure of the Group as at 30 June 2021 is summarized below:

	<i>RMB'000</i>	<i>Percentage</i>
Total shareholders' equity attributable to equity holders of the Company	200,936	77.5%
Non-controlling interests	58,368	22.5%
Total	259,304	100%



CONTINGENT LIABILITIES

As at 30 June 2021, the Group had no contingent liabilities (as at 31 December 2020: Nil).

PLEDGE OF ASSETS

As at 30 June 2021, the Group had pledged bank deposits amounted to approximately RMB3,198,000 (as at 31 December 2020: RMB3,198,000).

GEARING RATIO

As at 30 June 2021, the Group's gearing ratio was approximately 34% (as at 31 December 2020: approximately 62%), which was calculated by dividing total liability (less amount due to the ultimate and immediate holding companies) as of 30 June 2021 by total equity.

EXCHANGE RISK

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

INTERIM DIVIDEND

The Board does not recommend payment of any dividend for the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil).

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

As at 30 June 2021, none of the Directors, supervisors of the Company ("Supervisor(s)") and chief executives or their close associates have any interest or short position in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for securities transactions by the Directors and Supervisors mentioned in Appendix 10 to the Listing Rules.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the paragraph under the heading "Directors', Supervisors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares" above, at no time during the six months ended 30 June 2021 were rights to acquire benefits by means of acquisition of shares in or debentures of the Company granted to any Director and Supervisor or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors and Supervisors to acquire such rights.

SHARE OPTION SCHEME

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

No share option has been granted under the Share Option Scheme as of 30 June 2021.



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

As at 30 June 2021, the following persons (other than the Directors, Supervisors and chief executives of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in shares

Name	Capacity	Number and class of shares ¹	Approximate percentage in the same class of shares	Approximate percentage of the issued share capital
China Centre of Information Industry Development* (中國電子信息產業發展研究院) ("CCID") ²	Interest of controlled corporation	491,000,000(L) domestic shares	100%	70.14%
China Software Testing Centre* (Research Centre of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion* (中國軟件評測中心)工業和信息化部軟件與集成電路促進中心) ("Research Centre") ²	Beneficial owner	392,610,000(L) domestic shares	79.96%	56.09%
Beijing CCID Riyue Investment Co., Ltd* (北京賽迪日月投資有限公司) ("CCID Riyue") ²	Beneficial owner	98,390,000(L) domestic shares	20.04%	14.06%
Lenovo Manufacturing Limited ³	Beneficial owner	20,000,000(L) H shares	9.57%	2.86%
Legend Holdings (BVI) Limited ³	Interest of controlled corporation	20,000,000(L) H shares	9.57%	2.86%
Lenovo Group Limited ³	Interest of controlled corporation	20,000,000(L) H shares	9.57%	2.86%

Notes:

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

2. CCID, through Research Centre (controlled and supervised by CCID) and CCID Riyue (directly and indirectly, wholly-owned by CCID), had effective interests in 491,000,000 domestic shares of the Company comprising 392,610,000 domestic shares directly held by Research Centre and 98,390,000 domestic shares directly held by CCID Riyue. Research Centre was known as China Software Testing Center (Research Centre of Ministry of Industry and Information Technology Computer and Microelectronics Industry Development)* (中國軟件評測中心(工業和信息化部計算機與微電子發展研究中心)).
3. Lenovo Manufacturing Limited, a wholly-owned subsidiary of Legend Holdings (BVI) Limited, directly held 20,000,000 H shares of the Company. Legend Holdings (BVI) Limited was a wholly-owned subsidiary of Lenovo Group Limited.

Save as disclosed above, as at 30 June 2021, no other person had any interest and short position in the shares or underlying shares of the Company that was required to be recorded in the register pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2021.

COMPETING INTEREST

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

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the "Model Code for Securities Transactions by the Directors and Supervisors" in Appendix 10 to the Listing Rules as the Model Code for securities transactions by the Directors and Supervisors, and regulates the securities transactions by the Directors and Supervisors pursuant to the requirements thereof. The Company, having made due enquiries with all the Directors and Supervisors, confirmed that, during the six months ended 30 June 2021, all Directors and Supervisors have complied with such code upon specific enquiries with all the Directors and Supervisors. The Company was not aware of any non-compliance during the period.



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

The information regarding Directors and Supervisors set out in the 2020 annual report of the Company remains unchanged.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) in accordance with Rule 3.21 of the Listing Rules, for the purposes of reviewing and supervising the Group’s financial reporting process, risk management and internal control systems. The Audit Committee is comprised of four independent non-executive Directors of the Company, namely, Ms. Li Xuemei, Mr. Guo Xinping, Mr. Chen Yung-cheng and Mr. Hu Bin. Ms. Li Xuemei is the chairlady of the Audit Committee. The Audit Committee has reviewed the Group’s unaudited consolidated results for the six months ended 30 June 2021 and considered that the preparation of those results is in compliance with the appropriate accounting standards and relevant regulations and laws.

MATERIAL EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material events affecting the Group which has occurred after the end of the reporting period.

CORPORATE GOVERNANCE

The Company has been in compliance with the provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2021.

FUTURE PLANS FOR MATERIAL ACQUISITION AND DISPOSALS

The Group has no material acquisition and disposal plan.

RISK MANAGEMENT AND INTERNAL CONTROL

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

SUFFICIENCY OF PUBLIC FLOAT

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

ACKNOWLEDGEMENT

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

By Order of the Board
CCID CONSULTING COMPANY LIMITED*
Ms. Xia Lin
Chairman

Beijing, The People's Republic of China
23 August 2021

As at the date of this report, the Board comprises two executive Directors namely Ms. Xia Li and Mr. Qin Hailin; and four independent non-executive Directors namely Mr. Guo Xinping, Ms. Li Xuemei, Mr. Chen Yung-cheng and Mr. Hu Bin.

* *For identification purposes only*