

CCIDConsulting

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

- 資本運作第一專家 ●
- 城市經濟第一智庫 ●
- 企業戰略第一顧問 ●

2023
INTERIM
REPORT

HIGHLIGHTS

- For the six months ended 30 June 2023, the unaudited turnover of the Group amounted to approximately RMB98,289 thousand, representing an increase of approximately 36% over the corresponding period of last year (restated);
- For the six months ended 30 June 2023, the gross profit of the Group was approximately RMB43,756 thousand. The gross profit margin was approximately 45%, representing an increase of approximately 120% over the corresponding period of last year (restated);
- For the six months ended 30 June 2023, the earnings of the Group was approximately RMB28,184 thousand, representing an increase of approximately 278% over the corresponding period of last year (restated), of which earnings attributable to equity holders of the parent company was approximately RMB31,300 thousand, representing an increase of approximately 470% over the corresponding period of last year (restated);
- For the six months ended 30 June 2023, the basic earnings per share of the Group was approximately RMB4.47 cents;
- The board of Directors recommends the payment of an interim dividend of RMB0.0373 per share (tax inclusive) for the six months ended 30 June 2023. The proposed payment of the 2023 Interim Dividend is subject to the approval by the shareholders at the extraordinary general meeting.

INTERIM RESULTS

The board of Directors (the “Board”) of CCID Consulting Company Limited* (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2023, together with the unaudited comparative figures for the corresponding periods of 2022 as follows:

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

	<i>Notes</i>	For the six months ended 30 June	
		2023 <i>RMB'000</i>	2022 (Restated) <i>RMB'000</i>
Turnover	2 & 3	98,289	72,182
Cost of sales		(54,533)	(52,266)
Gross profit		43,756	19,916
Other income		869	(911)
Selling and distribution expenses		(5,315)	(8,273)
Administrative expenses and others		(11,050)	(23,825)
Credit impairment losses		4,047	(3,305)
Profit/(Loss) before tax	4	32,307	(16,398)
Taxation	5	(4,123)	556
Profit/(Loss) for the period		28,184	(15,842)
Attributable to:			
Equity holders of the Company		31,300	(8,464)
Non-controlling interests of the Group		(3,116)	(7,378)
		28,184	(15,842)
Earnings/(Loss) per share			
— Basic (RMB cents)	6	4.47	(1.21)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
NON-CURRENT ASSETS			
Fixed assets	8	12,164	12,872
Intangible assets	8	14,681	14,681
Equity instruments at fair value through other comprehensive income	9	1,524	1,524
Pledged bank deposits		—	—
Deferred tax assets		2,151	1,640
		30,520	30,717
CURRENT ASSETS			
Accounts receivables	10	48,780	27,391
Prepayments, deposits and other receivables		16,129	3,040
Financial assets at fair value through profit or loss		336	104
Tax recoverable		298	181
Amounts due from related parties	10	1,877	505
Pledged bank deposits		—	—
Cash and cash equivalents		274,038	247,653
		341,458	278,874

	<i>Notes</i>	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
CURRENT LIABILITIES			
Accounts payables	12	—	1,245
Other payables		62,577	27,485
Contract liabilities	11	132,164	113,460
Amounts due to the related parties	13	1,080	157
Income tax payable		349	751
		196,170	143,098
NET CURRENT ASSETS			
		145,288	135,776
Net assets			
		175,808	166,493
EQUITY			
Share capital		70,000	70,000
Reserves		83,036	70,605
Total equity attributable to equity holders of the Company			
		153,036	140,605
Non-controlling interests of the Group		22,772	25,888
TOTAL EQUITY			
		175,808	166,493

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Issued share capital <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Statutory reserve fund <i>RMB'000</i>	Investment reassessment reserve <i>RMB'000</i>	Retained profit <i>RMB'000</i>	Non- controlling interests of the Group <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2022 (audited) (restated)	70,000	18,167	31,206	—	109,432	65,309	294,114
Changes for the period	—	—	—	—	(8,464)	(7,378)	(15,842)
As at 30 June 2022 (unaudited) (restated)	70,000	18,167	31,206	—	100,968	57,931	278,272
As at 1 January 2023 (audited)	70,000	(20,004)	33,770	(117)	56,956	25,888	166,493
Changes for the period (<i>note a</i>)	—	—	—	—	12,431	(3,116)	9,315
As at 30 June 2023 (unaudited)	70,000	(20,004)	33,770	(117)	69,387	22,772	175,808

Note (a):

- As of 31 December 2022, the 2022 dividend payable by the Company was RMB18,200 thousand.
- It was due to the liquidation loss of RMB669 thousand incurred by our subsidiary, CCID (Shanghai) Advanced Manufacturing Research Center Co., Ltd.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	For the six months ended 30 June 2023 <i>RMB'000</i>	For the six months ended 30 June 2022 (Restated) <i>RMB'000</i>
Net cash flow from operating activities	26,093	(20,084)
Net cash flow from investing activities	292	(43,673)
Net cash flow from financial activities	—	(32,000)
Net change in cash and cash equivalents	26,385	(96,295)
Cash and cash equivalents at the beginning of the period	247,653	389,973
Cash and cash equivalents at the end of the period	274,038	293,678
Cash at bank and on hand	274,038	293,678

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 2023 are consistent with those used by the Group in the annual consolidated financial statements for the year ended 31 December 2022.

Impact of newly issued accounting standards

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

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

2. TURNOVER

The Group, a consultancy service provider, is committed to providing government agencies at all levels, industrial parks and enterprises, with (i) decision-making consulting services; (ii) data platform services; and (iii) science and technology innovation platform services. Turnover represents the sales value of contract revenue with respect to services provided to customers (net of value-added tax), which excludes sales surtaxes. All significant intra-group transactions have been eliminated on consolidation.

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) Decision-making consulting services: provide customers with specific decision-making consulting services such as regional strategy, park consulting, industrial planning, executive research and feasibility study, investment and financing, and digitalization transformation;
- (b) Data platform services: provide customers with industry data and digital technology-driven data analytics and decision-making services; and
- (c) Science and technology innovation platform services: provide customers with comprehensive services such as science and technology innovation center operation, industry fund operation, and brand conferences and exhibitions.

For the six months ended 30 June 2023 (unaudited)	Decision- making consulting services <i>RMB'000</i>	Data platform services <i>RMB'000</i>	Science and technology innovation platform services <i>RMB'000</i>	Total <i>RMB'000</i>
Turnover	80,386	11,430	6,473	98,289
Segment expenses	(41,731)	(5,678)	(7,124)	(54,533)
Segment results	38,655	5,752	(651)	43,756
Utilities expenses				(12,318)
Other income				869
Profit before tax				32,307
Taxation				(4,123)
Profit/loss for the period				28,184
Non-controlling interests of the Group				(3,116)
Attributable to equity holders of the Company				31,300

For the six months ended 30 June 2022 (unaudited) (restated)	Decision- making consulting services <i>RMB'000</i>	Data platform services <i>RMB'000</i>	Science and technology innovation platform services <i>RMB'000</i>	Information engineering supervision services <i>RMB'000</i>	Total <i>RMB'000</i>
Turnover	38,864	497	992	31,829	72,182
Segment expenses	(29,600)	(378)	(2,361)	(19,927)	(52,266)
Segment results	9,264	119	(1,369)	11,902	19,916
Utilities expenses					(35,403)
Other income					(911)
Profit/(loss) before tax					(16,398)
Taxation					556
Loss for the period					(15,842)
Non-controlling interests of the Group					(7,378)
Attributable to equity holders of the Company					(8,464)

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	
	2023	2022
	<i>RMB'000</i>	<i>(restated)</i>
		<i>RMB'000</i>
Staff costs (excluding directors' remuneration)	52,346	62,025
Depreciation of fixed assets	565	3,188
Other income	869	(911)

5. TAXATION

	Unaudited	
	For six months ended 30 June	
	2023	2022
		(Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
PRC enterprise income tax	(4,123)	556

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 2023 (for the six months ended 30 June 2022: 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 Brain Technology Ltd.* (北京賽迪產業大腦科技有限公司) (“CCID Brain”) are subject to a corporate income tax at a rate of 25% (during the corresponding period of 2022: 25%).

The Company and CCID Brain 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 2022: the Company and Beijing CCID Technology Engineering Ltd.* (北京賽迪科技工程有限公司) (formerly known as Beijing CCID Industrial and Information Engineering Supervision Center Co., Limited* 北京賽迪工業和信息化工程監理中心有限公司): 15%).

There was no material unprovided deferred tax for the six months ended 30 June 2023 (during the corresponding period of 2022: Nil).

6. EARNINGS/(LOSS) PER SHARE

(Loss)/earnings per share have been calculated based on the earnings attributable to equity holders of the Company of approximately RMB31,300 thousand for the six months ended 30 June 2023 (during the corresponding period of 2022 (restated): loss of approximately RMB8,464 thousand) and the weighted average of 700,000,000 shares in issue during the current period (during the corresponding period of 2022: 700,000,000 shares).

No calculation of diluted earnings/(loss) per share for the six months ended 30 June 2023 involved as no diluting events existed during the current period (during the corresponding period of 2022: Nil).

7. DIVIDENDS

The Board recommends the payment of an interim dividend of RMB0.0373 per share (tax inclusive) for the six months ended 30 June 2023 (during the corresponding period of 2022: payment of an interim dividend of RMB0.0643 per share (tax inclusive)).

8. CAPITAL EXPENDITURE

	Fixed assets RMB'000	Intangible assets RMB'000
Net book value as at 1 January 2023	12,872	14,681
Additions	26	—
Depreciation/amortization expenses	(734)	—
Net book value as at 30 June 2023	12,164	14,681

9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Long-term investment	1,524	1,524

This long-term investment refers to the CCID Tiandi Equity Fund held by the Company. The Board, upon assessment, was of opinion that there has been no material change to the fair value during the period from 31 December 2022 to 30 June 2023.

10. ACCOUNTS RECEIVABLES

The ageing analysis of accounts receivable is as follows:

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Within 365 days	47,284	18,597
Over 365 days	1,496	8,794
Accounts receivables	48,780	27,391

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 2023 RMB'000	Audited 31 December 2022 RMB'000
China Centre of Information Industry Development* (中國電子信息產業發展研究院) ("CCID")	—	505
CCID Network Information Technology Co., Ltd.* (北京賽迪網信息技術有限公司)	27	—
Beijing CCID Publishing & Media Co. Ltd.* (北京賽迪出版傳媒有限公司)	1,850	—
	1,877	505

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 2023 RMB'000	Audited 31 December 2022 RMB'000
Contract liabilities	132,164	113,460

Contract liabilities represent advances received from customers for unsatisfied or partially satisfied service contracts.

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

Type of revenue

Significant payment terms

Decision-making consulting services, science and technology innovation platform services, data platform services, information engineering supervision services

By milestone payments per agreed terms at contract inception (ranging from 20% to 40% deposits), delivery of first draft, revised draft and final report upon acceptance

12. ACCOUNTS PAYABLES

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Within 60 days	—	1,080
Over 365 days	—	165
Current accounts payables	—	1,245

13. AMOUNTS DUE TO THE RELATED PARTIES

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Beijing CCID Industry and Information Technology Training Center Co., Ltd.* (北京賽迪工業和信息化技術培訓中心有限公司)	—	150
Beijing CCID Technology Engineering Ltd.* (北京賽迪科技工程有限公司)	—	7
CCID	1,080	—
	1,080	157

The above companies are members of CCID, the ultimate controlling shareholder of the Company, which include its subsidiaries, connected parties, controlling entities and agents (the "CCID Group"). Amounts due to related parties are unsecured, interest-free and has no fixed term of repayment.

14. RELATED PARTIES DISCLOSURES

The following related parties are also members of CCID Group and are under control of the same ultimate holding company. 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	
	2023	2022
		(Restated)
	RMB'000	RMB'000
Consultancy services provided to the following companies (Total income earned before sales surcharges)		
CCID Industrial and Information Technology Research Institute Group (Suzhou) Co. Ltd.* (賽迪工業和信息化研究院集團(蘇州)有限公司)	—	377
Beijing CCID Publishing & Media Co. Ltd.* (北京賽迪出版傳媒有限公司)	2,358	679
CCID	925	—
China Software Testing Centre (Research Centre of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion) (“Research Centre”)	151	—
CCID Network Information Technology Co., Ltd.* (北京賽迪網信息技術有限公司)	39	—
	3,473	1,056

	Unaudited	
	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	(Restated)
		<i>RMB'000</i>
Related expenses		
Property management and parking expenses charged by Beijing CCID Property Management Co., Ltd.	616	67
Water and electricity fees, internet fees and utilities expenses paid to Research Centre	34	—
Technical service fees paid to Beijing CCID Call Information Technology Ltd.* (北京賽迪數通信息科技有限公司)	230	—
	880	—

Notes:

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

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover Analysis

For the six months ended 30 June 2023, the turnover by operations of the Group is analyzed as follows:

	For the six months ended 30 June 2023	For the six months ended 30 June 2022 (Restated)
	Turnover RMB'000	Turnover RMB'000
Decision-making consulting services	80,386	38,864
Data platform services	11,430	497
Science and technology innovation platform services	6,473	992
Information engineering supervision services	—	31,829
Total	98,289	72,182

Business Review

For the six months ended 30 June 2023, the turnover and gross profit of the Group amounted to approximately RMB98,289 thousand and RMB43,756 thousand respectively (approximately RMB72,182 thousand and RMB19,916 thousand respectively during the corresponding period of 2022 (restated)). The turnover increased by approximately 36.2% and the gross profit increased by approximately 119.7% as compared to the corresponding period of last year (restated). These changes were attributable to the following factors:

It is expected that with the stabilization of the pandemic situation in China and the recovery of GDP, the overall situation is optimistic, thereby facilitating the market expansion and project execution of the Group. The Group proactively responds to the market demand, promotes the innovative business, stabilizes the research base, expands the fundamentals of consulting, activates the implementation of new growth momentum, launches the business 3.0, exploring industry innovative comprehensive services of "Research+Consulting+Implementation", and further accelerates digitalization transformation, with rapid growth of digital products and services, such as CCID Industry Brain, CCID Industrial Big Data Platform, CCID Full Star, and accelerates construction of digital platforms, such as CCID Asked, CCID Investment Promotion.

In terms of decision-making consulting services, the Group provides customers with specific decision-making consulting services such as regional strategy, park consulting, industrial planning, executive research and feasibility study, investment and financing, and digitalization transformation. The Group recorded a turnover from the decision-making consulting services of approximately RMB80,386 thousand for the six months ended 30 June 2023 (approximately RMB38,864 thousand during the corresponding period of 2022 (restated)), which mainly due to the Group proactively promoting integration of competitive business, centering on the implementation of the major national strategy planning, further enriching and improving a batch of key product lines including provincial economy, new IT, new industry, future industry and so on, strengthening its effort to expand the market and explore the need of the market, facilitating and accelerating the income from the decision-making consulting services business.

In terms of data platform services, the Group provides customers with industry data and digital technology-driven data analytics and decision-making services. For the six months ended 30 June 2023, the Group recorded a turnover from data platform services of approximately RMB11,430 thousand (approximately RMB497 thousand during the corresponding period of 2022 (restated)), which mainly due to the Group launches the business 3.0, exploring industry innovative comprehensive services of “Research+Consulting+Implementation”, and further accelerates digitalization transformation, with rapid growth of digital products and services, such as CCID Industry Brain, CCID Industrial Big Data Platform and CCID Full Star.

In terms of science and technology innovation platform services, the Group provides customers with comprehensive services such as science and technology innovation center operation, industry fund operation, and brand conferences and exhibitions. For the six months ended 30 June 2023, the Group recorded a turnover from the science and technology innovation platform services of approximately RMB6,473 thousand (approximately RMB992 thousand during the corresponding period of 2022 (restated)), which mainly due to the Group proactively promoting the science and technology innovation platform services such as science and technology innovation center, actively building a science and technology innovation platform maintenance services driven by industry research and comprehensive services such as innovative high-growth enterprises recruitment, project introduction, park operation, and industry cultivation. As of 30 June 2023, CCID Science and Technology Innovation Center (Pinghu) and CCID Science and Technology Innovation Center (Bolou) have successively secured and operated. Brand conference and exhibition business has been recovered gradually with the change of the epidemic prevention and control policy, resulting in steady increase in related business income.

Business outlook

In 2023, the Group will develop its four service systems of research, consulting, implementation and digitalization, to provide an innovative comprehensive services and digitalization empowerment services “Research+Consulting+Implementation”.

Stabilize the research base

To optimize the research product systems such as annual reports, insights and reviews, press forward the construction of industry database, strengthen the development of methodologies and research capabilities of theories, and enhance the quality of the research and influences.

Expand the fundamentals of consultancy

To strengthen regional market development efforts, consolidate and improve regional strategy, industry planning and other consulting services, accelerate the promotion of digitalization transformation, investment and financing and other consulting business.

Activate the implementation of new growth momentum

To promote the implementation of plans, accelerate the launch of Science and Technology Innovation Center, provide industry operation and industry fund services, and expand international wind energy exhibition advantages, explore new exhibition projects in the fields of advanced materials and consumer electronics.

Promote digitalization empowerment

To promote iterative upgrade of CCID Full Star, CCID Brain, CCID specialized new big data platform, and accelerate the launch of new digitalized products.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, cash and bank balance of the Group were approximately RMB274,038 thousand, representing a decrease of approximately 7% over the corresponding period of last year (as at 30 June 2022 (restated): RMB293,678 thousand). The Group's primary source of funds was cash generated from operation activities. Management believes that the Group has adequate working capital for its present needs.

SIGNIFICANT INVESTMENT

As of 30 June 2023, the Group had no significant investment.

MATERIAL ACQUISITIONS AND DISPOSALS

As of 30 June 2023, the Group had no material acquisitions or disposals.

EMPLOYEES

As at 30 June 2023, the Group had 275 employees.

The Group adopts a healthy and flexible policy, 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 2023 is summarized below:

	<i>RMB'000</i>	<i>Percentage</i>
Total shareholders' equity attributable to equity holders of the Company	153,036	87%
Non-controlling interests	22,772	13%
Total	175,808	100%

CONTINGENT LIABILITIES

As at 30 June 2023, the Group had no contingent liabilities (as at 31 December 2022: Nil).

PLEDGE OF ASSETS

As at 30 June 2023, the Group had not pledge any assets (as at 31 December 2022: Nil).

GEARING RATIO

As at 30 June 2023, the Group's gearing ratio was approximately 148% (as at 31 December 2022: approximately 109%), which was calculated by dividing the sum of total debt less amount due to related parties and 2022 final dividend by total equity less 2022 final dividend.

EXCHANGE RATE RISK

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

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of RMB0.0373 per share (tax inclusive) for the six months ended 30 June 2023 (for the six months ended 30 June 2022: the payment of an interim dividend of RMB0.0643 per share (tax inclusive)) (the “2023 Interim Dividend”). Based on 700,000,000 Shares in issue, the 2023 Interim Dividend, if declared and paid, will amount to an aggregate amount of RMB26,110,000 (tax inclusive). According to the articles of association of the Company, the 2023 Interim Dividend will be denominated and declared in RMB. The 2023 Interim Dividend payable to the holders of the Domestic Shares will be paid in RMB, whilst the 2023 Interim Dividend payable to the holders of the H Shares will be paid in HK\$ (at the exchange rate being the average market rate of RMB to HK\$ announced by the People’s Bank of China one week prior to the announcement of the dividend, i.e. the date of the extraordinary general meeting). The proposed payment of the 2023 Interim Dividend is subject to the approval by the shareholders at the extraordinary general meeting to be held on 18 September 2023 (the “EGM”). The 2023 interim dividend will be payable on or about 24 October 2023.

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

Pursuant to relevant laws and regulations and regulatory documents such as the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), the Implementation Rules of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124) (《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)) and the Notice of the State Administration of Taxation on the Issues Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]45號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), dividends received by overseas resident individual shareholders from the stocks issued by domestic non-foreign investment enterprises in Hong Kong is subject to the payment of individual income tax, which shall be withheld by the withholding agents. However, overseas resident individual shareholders of the stocks issued by domestic non-foreign investment enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries in which they are residents and China, or the tax arrangements between Mainland China and Hong Kong (Macau). For individual holders of H Shares, dividends payable to them are subject to the individual income tax withheld at a tax rate of 10% in general unless otherwise specified by the tax regulations and the relevant tax agreements.

CLOSURE OF REGISTERS OF MEMBERS

In order to determine which of the shareholders are entitled to attend and vote at the EGM, the registers of members will be closed from Wednesday, 13 September 2023 to Monday, 18 September 2023, both days inclusive, during which period no transfer of the Shares will be effected. In order to qualify for attending the EGM, all transfer documents of the Shares accompanied by the relevant share certificate(s) must be lodged in the Company's principal place of business in the PRC at 10th Floor, CCID Plaza, No. 66 Zizhuyuan Road, Haidian District, Beijing, the PRC (in the case of the holders of Domestic Shares) or the Company's H Share registrar, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in the case of the holders of H Shares) not later than 4:30 p.m. on Tuesday, 12 September 2023 for registration.

Shareholders whose names appear on the registers of members of the Company on Monday, 18 September 2023 will be entitled to attend and vote at the EGM.

In order to determine the shareholders who are entitled to receive the 2023 Interim Dividend, the registers of members will be closed from Monday, 25 September 2023 to Tuesday, 26 September 2023, both days inclusive, during which period no transfer of the Shares will be effected. In order to qualify for receiving the 2023 Interim Dividend, all transfer documents of the Shares accompanied by the relevant share certificate(s) must be lodged to the Company's principal place of business in the PRC at 10th Floor, CCID Plaza, No. 66 Zizhuyuan Road, Haidian district, Beijing, the PRC (in case of the holders of Domestic Shares) or the Company's H Share registrar, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in case of the holders of H Shares) not later than 4:30 p.m. on Friday, 22 September 2023 for registration.

Shareholders whose names appear on the registers of members of the Company on Tuesday, 26 September 2023 are entitled to receive the 2023 Interim Dividend. The proposed Interim Dividend will be paid on or about Tuesday, 24 October 2023 following the approval by the shareholders at the EGM.

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

As at 30 June 2023, 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 2023 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 the Share Option Scheme on 20 November 2002. The major terms and conditions of the Share Option Scheme were set out in the section headed “Summary of the Terms of Share Option Scheme” under Appendix IV to the Prospectus as published by the Company on 29 November 2002. According to the terms of the Share Option Scheme, the effectiveness of the Share Option Scheme is conditional upon, among other things, the restrictions under the relevant PRC laws and regulations restricting Chinese nationals from subscribing for and dealing in H shares or any laws or regulations with similar effects having been abolished or removed. As at 30 June 2023, such condition has not been met and thus the Share Option Scheme is not yet effective and no option has been granted or agreed to be granted under the Share Option Scheme. Subject to the applicable rules and regulations, if the Share Option Scheme becomes effective, it will be implemented in compliance with the requirements of Chapter 17 of the Main Board Listing Rules.

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

As at 30 June 2023, 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
CCID ²	Interest of controlled corporation	491,000,000(L) Domestic Shares	100%	70.14%
CCID Group Co 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%	2.89%
Legend Holdings (BVI) Limited ³	Interest of controlled corporation	20,000,000(L) H Shares	9.57%	2.89%
Lenovo Group Limited ³	Interest of controlled corporation	20,000,000(L) H Shares	9.57%	2.89%

Notes:

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

* For identification purpose only

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

Save as disclosed above, as at 30 June 2023, 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 2023.

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 2023, all Directors and Supervisors have complied with such code. The Company was not aware of any non-compliance during the period.

* *For identification purpose only*

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

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

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") in accordance with Rule 3.21 of the Listing Rules, for the purposes of reviewing and supervising the Group's financial reporting process, risk management and internal control systems. The Audit Committee is comprised of three independent non-executive Directors of the Company, namely, Ms. Li Xuemei, Mr. Chen Yung-cheng and Mr. Hu Bin. Ms. Li Xuemei is the chairlady of the Audit Committee. The Audit Committee has reviewed the Group's unaudited consolidated results for the six months ended 30 June 2023 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 2023.

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, supervisors, management of the Group and all the employees for their dedication and commitment and all suppliers, customers, bankers and shareholders for their continued support.

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

Beijing, The People's Republic of China
23 August 2023

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

* *For identification purposes only*