

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

2024
ANNUAL REPORT



Contents

Corporate Information	2
Company Overview	3
Chairlady's Statement	4
Management Discussion and Analysis	6
Directors, Supervisors and Senior Management	15
Corporate Governance Report	19
Environmental, Social and Governance Report	33
Report of the Directors	42
Report of the Supervisory Committee	61
Independent Auditor's Report	62
Consolidated Statement of Profit or Loss and Other Comprehensive Income	67
Consolidated Statement of Financial Position	68
Consolidated Statement of Changes in Equity	70
Consolidated Statement of Cash Flows	71
Notes to the Consolidated Financial Statements	73
Five-Year Financial Summary	144

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Shen Wen (*Chairlady*)

Fu Changwen (*General Manager*)

Independent Non-Executive Directors

Hu Bin

Zhang Tao

Fang Hongbin (appointed on 8 January 2025)

Chen Yung-cheng (resigned on 8 January 2025)

AUDIT COMMITTEE

Zhang Tao (*Chairman of the Committee*)

Hu Bin

Fang Hongbin (appointed on 8 January 2025)

Chen Yung-cheng (resigned on 8 January 2025)

REMUNERATION COMMITTEE

Hu Bin (*Chairman of the Committee*)

Shen Wen

Zhang Tao

NOMINATION COMMITTEE

Shen Wen (*Chairlady of the Committee*)

Zhang Tao

Fang Hongbin (appointed on 8 January 2025)

Chen Yung-cheng (resigned on 8 January 2025)

SUPERVISORY COMMITTEE

Gong Ping (*Chairman of the Committee*)

Jia Yinghui

Lian Jing

COMPANY SECRETARY

Chan Yin Wah

AUTHORISED REPRESENTATIVES

Shen Wen

Chan Yin Wah

REGISTERED ADDRESS

Room 311, No. 2 Building, No. 28 Zhen Xing Road,
Chang Ping District,
Beijing, PRC

OFFICE AND CORRESPONDENCE ADDRESS

10th Floor, CCID Plaza, 66 Zizhuyuan Road,
Haidian District, Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

COMPANY WEBSITE

www.ccidconsulting.com

STOCK CODE

02176

AUDITOR

SHINEWING (HK) CPA Limited

Registered Public Interest Entity Auditor

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre, 16 Harcourt Road,
Hong Kong

PRINCIPAL BANKERS

China Construction Bank Corporation
Bank of Beijing Co., Ltd.

Company Overview

CCID Consulting Company Limited (“CCID Consulting”), the first listed consulting company in China (stock code: 02176), is a subsidiary of the Ministry of Industry and Information of China Center for Information Industry Development (CCID).

Adhering to the concept of “Thinking Creates the World” and practicing the core values of “Integrity, Commitment, Realism and Creativity”, CCID Consulting provides “Research + Consultation + Implementation” innovative integrated services and digital empowerment services for governments, parks and enterprises.

Relying on the profound industrial resources and methodology, CCID Consulting has built four major service systems of research, consulting, implementation and digitalization: research product system such as IT series research, advanced manufacturing series research, first line survey, annual report, insight, commentary, in-depth research, industrial index and top 100 list; consulting service system such as regional strategy, industrial park consultancy, industrial planning, industry research and feasibility study, enterprise strategy, investment and financing, digital transformation; implementation service system such as CCID Science and Technology Innovation Center, CCID Industrial Fund, CCID Industrial Conference and digitalization implementation, as well as the digital empowerment system, such as CCID Full Star, CCID Industrial Brain, CCID Specialized New Data Platform, CCID Investment Promotion and CCID Seeking Way.

CCID Consulting focuses on ICT, advanced manufacturing, regional economy and technological services, and is committed to becoming the first think tank of city economy, the first consultant of enterprise strategy and the first expert of capital operation.

Chairlady's Statement

I am pleased to present the annual report of CCID Consulting Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2024.

FINANCIAL RESULTS

For the year ended 31 December 2024 (the "year" or the "period"), the Group recorded a turnover of approximately RMB301,937,000 and a gross profit of approximately RMB158,159,000. Profit and total comprehensive income for the year amounted to RMB80,415,000 and RMB80,375,000, respectively, and basic earnings per share amounted to approximately RMB11.09 cents.

BUSINESS OUTLOOK

In 2025, the Group will continue to develop and solidify its Business 3.0 strategy focus, on the two major customer groups, explore new growth in both the government and enterprise sectors, and continue to enhance its technological attributes by relying on CCID Industrial Brain and CCID Digital Technology.

Promoting the development and solidification of Business 3.0 strategy. We will continue to enrich and innovate Business 3.0 and build a business ecosystem that connects government and enterprises. We will continue to refine and deepen the research product system such as first line survey, annual report, insight, in-depth research, industrial index, top 100 list, "IT 2025", "Advanced Manufacturing 2025", etc., and consolidate and enhance the research base; strengthen the existing consulting business, increase the development of regional markets, consolidate and enhance the consulting services such as regional strategy and industrial planning, and further expand the consulting base; build a standardized, efficient and replicable project operation framework, comprehensively guarantee the implementation of the science and innovation centers, provide industry operation and industry fund services, further promote digital empowerment, and rejuvenate Business 3.0.

Focusing on the two major customer groups and exploring new growth in both the government and enterprise sectors. We will focus on our research into local government clients, deepen our research into urban economy, county economy, and park economy, formulate a core methodology, further enhance the influence of regional economic research, increase regional market development, expand regional economic business, at the same time pay attention to the growth points of science and technology cities and high-tech zones, and transform them into new drivers of regional economic growth. In addition, we will invigorate corporate clients, explore new products and new services with IT and advanced manufacturing as the core, and enrich the product spectrum of enterprises; focus on innovative enterprises, create a "package" plan from research to activities, attract a group of high-quality enterprises with us, establish an enterprise resource ecosystem, and provide new handles for expanding business on the government and enterprise sectors.

Chairlady's Statement

Enhancing technological attributes. We will strengthen the data accumulation capacity of the research department, promote the digitization of industrial data, consolidate the digital foundation, transform research capacity into scientific and technological capacity, strengthen the supply of digital products, expand the CCID Investment Promotion customer base, and accelerate the application of CCID Seeking Way Big Model. We will design a full-process product line around the full life cycle of digital transformation, build a science and technology service system, and promote the transformation of consulting services into digital implementation services.

APPRECIATION

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

Shen Wen
Chairlady

Beijing, the People's Republic of China
28 March 2025

Management Discussion and Analysis

INDUSTRY OVERVIEW

Over the past five years, the consulting industry underwent unprecedented changes. The in-depth application of AI technology, the continuous advancement of digital transformation, and the reconstruction of the global economic landscape have jointly reshaped a new consulting industry.

Reshaping industrial landscape

The path of transformation on which traditional consulting giants are searching for their way is full of challenges and opportunities. Through large-scale technology investment and organizational restructuring, established consulting companies have gradually realized the intelligent upgrade of their business models. These transformation initiatives have enabled traditional giants to maintain their competitive edge in the new era. At the same time, cross-industry competition among technology giants has intensified the changes in the industry. Various technology companies have occupied an important position in the field of digital transformation through their technological advantages. Technology companies are redefining the connotation of consulting services with their strong technology integration capabilities and ecosystem advantages. In addition, emerging AI consulting companies have sprung up like mushrooms. These companies focus on intelligent solutions in vertical fields and quickly occupy market segments with flexible organizational structures and innovative service models.

Innovation in service mode

Intelligent decision-making support systems have become a standard. A large number of consulting companies have begun to provide real-time decision-making support services based on AI. These systems can integrate massive amounts of data, provide accurate market forecasts and strategic recommendations, significantly improve the quality and efficiency of decision-making, and gradually provide customers with strategic insights at minute level. The data-driven consulting service paradigm has been fully established. Consulting companies have established a huge industry database and intelligent analysis model that can quickly identify market trends and business opportunities, allowing consulting services to shift from experience-oriented to data-driven, and the human-machine collaboration model has become mainstream. Meanwhile, AI assistants take on repetitive tasks such as data collection and basic analysis, while consultants in turn focus on strategy formulation and customer communication.

Emerging business

The demand for digital transformation consulting continues to grow. Enterprises have made digital transformation a strategic priority, which has given rise to an enormous demand for consulting services. From IT architecture design to digital organization construction, consulting companies provide end-to-end transformation solutions. Consultations regarding ESG (environmental, social and governance) are rapidly rising. With the popularization of the concept of sustainable development, corporate ESG strategic consulting has become a new growth. The scale of the ESG consulting market continues to expand, covering carbon emission management, social responsibility assessment, governance structure optimization and many other fields. Innovation management consulting has attracted great attention. In the rapidly changing market environment, the construction of corporate innovation capabilities has become the key. Consulting companies may provide a full range of services from innovation strategy formulation to innovation ecosystem construction.

Management Discussion and Analysis

BUSINESS REVIEW

Adhering to the concept of “Thinking Creates the World” and practicing the core values of “Integrity, Commitment, Practicality and Pioneering” in 2024, the Group firmly implemented its Business 3.0 strategy, promoted the innovative integrated services of “Research + Consulting + Implementation” and digital empowerment services, explored the business layout under the 15th Five-Year Plan, created two research brands, facilitated the advancement of three businesses, and further enhanced its brand influence by becoming the “Voice of Consultants” through various methods such as utilizing our own new media matrix and external media.

Exploring strategic layout and targeting business expansion during the 15th Five-Year Plan

At the beginning of the 15th Five-Year Plan, the Group introduced the “Manual for the Commencement of Key Industries under the 15th Five-Year Plan and Industrial Commencement Partnership Program” based on our 25 years of experience in industry research. We focused on 19 viral industries and 4 types of regional economic units, comprehensively analyzed the current development status, proactively estimated the trends in the future, strategically prepared a development blueprint, efficiently ensured the implementation of the plan by providing a 5-year accompanying service and contributed to the good start of the “15th Five-Year Plan” and quality development.

Creating two research brands and utilizing the two-wheel drive of IT and advanced manufacturing

Continuing the publication of “IT 2024” to invigorate our prestigious IT brand

In 2024, 100 issues of “IT 2024” in total were published, which included two new in-depth research sections, “IT Trends” and “IT Cloud Map”, forming an all-category research matrix that covered viral and instant content and in-depth analysis. In addition, the 2024 IT Market Annual Meeting was comprehensively upgraded in three dimensions: content, on-site displays, and the mode of meeting. With respect to content, several new video sessions were added, including “Review on the 25th Anniversary”, “Prospects in 2024 by IT Leaders”, and “Announcement of Research Results”, while the first “IT Innovation Competition” was held at the same time. With respect to on-site displays, following the trend of the digital age, digital hosts were featured, and a small exhibition area was set up for the first time to enrich the experience of the attendees. With respect to the mode of the meeting, the main meeting continued to receive support from various IT industry organizations. Moreover, the four subordinate meetings were jointly held with relevant industry associations, significantly boosting the prestige and influence of the meeting.

Management Discussion and Analysis

Newly launching the publication of “Advanced Manufacturing 2024” to secure advantageous position in low-altitude economy hot spot in advance

In 2024, the Group launched a new series of research entitled “Advanced Manufacturing 2024”, which featured six major sections: “Digital Solutions”, “Frontiers”, “Observations”, “Regional Decoding”, “Super Factory” and “Thought Salon”. A total of 116 issues were published throughout the year, absolutely enhancing the research influence of the Group in advanced manufacturing. In addition, we closely followed the hot spots of low-altitude economy and published the “Research Report on the Development of Low-altitude Economy in China (2024)”, which received wide attention in the industry, as we were interviewed 26 times by mainstream media throughout the year, including 15 times by high-level media, and were selected for one news broadcast report and three posts on the Weibo page of the Ministry of Industry and Information Technology, striving to seize the advantageous position in the new track.

Promoting the advancement of three businesses and continuing investment in Business 3.0 strategy

Expansion and improvement in consultation business and achieving multi-area breakthroughs

In 2024, the Group provided consulting services such as regional strategy, park consulting, industrial planning, industry research and feasibility study, corporate strategy, investment and financing, digital transformation, etc. to diversified client groups such as governments, industrial parks, enterprises, and investment institutions. The Group provided industry research and consulting services for Neusoft Group and Longchao Cloud, etc., digital transformation services for China State Construction Digital Technology, GienTech, etc., industrial consulting services for Wujiang, Jiangsu, Tongan, Xiamen, assisted establishing industrial ecosystems.

Completing the launch of implementation business to facilitate integration and innovation

Facing the government and industrial parks, the Group created a high-end, high-efficiency and high-energy new industrial science and innovation comprehensive service body — CCID Science and Innovation Center — to provide policy docking, enterprise attraction and cultivation, industrial leapfrogging, technological assistance and capital empowerment, etc. Since the implementation of the Business 3.0 strategy, the Group has established 10 CCID Science and Innovation Centers in Pinghu, Zhejiang, Boluo, Guangdong, Sanhe, Hebei, Xiaogan, Hubei, Taicang, Jiangsu, Wuhu, Anhui, Yancheng, Jiangsu, Yangquan, Shanxi, Youxian, Sichuan and Kunming, Yunnan. In order to ensure the performance of each science and innovation center, the Group established a mid-end and back-end management department for the science and innovation center projects, issued a number of project management documents and performance appraisal methods, and accelerated the promotion of standardized management.

Management Discussion and Analysis

In 2024, CCID solidly launched the business of New Thinking Academy while a relatively complete curriculum and teaching staff were established, stressing on ensuring the training services of the Science and Innovation Center, providing important support for the integrated innovation and development of implementation businesses of the Group. In 2024, the Group successfully held the Beijing International Wind Energy Conference and Exhibition (CWP2024), with 855 enterprises from 20 countries and regions taking part in the exhibition, and received more than 110,000 professional visitors from 45 countries and regions.

Picking up the pace for digital business innovation and improving the capabilities of project transformation

In 2024, the Group was successfully certified as an innovative enterprise and an SRDI enterprise in Beijing and completed the evaluation and review of high-tech enterprises. The Group applied for technical patents and established technological competitive edge by utilizing industrial brain. In 2024, the Group continued to step up its efforts in the research and development of digital products, completed the iterative upgrade of standardized products, and formed N application products, such as CCID Full Star, CCID Industrial Big Data Platform, CCID Investment Promotion, and CCID Seeking Way Big Model, etc.

In 2024, the development and implementation of the Group's new product achieved remarkable results. CCID Investment Promotion has been put into operation in many places and is expected to form a new point of growth for the digital business. CCID Seeking Way, as the first authoritative and credible industry knowledge model in the field of industry and information technology, has been successfully selected by the Ministry of Industry and Information Technology as a model case of the application of advanced computing to empower new quality productivity.

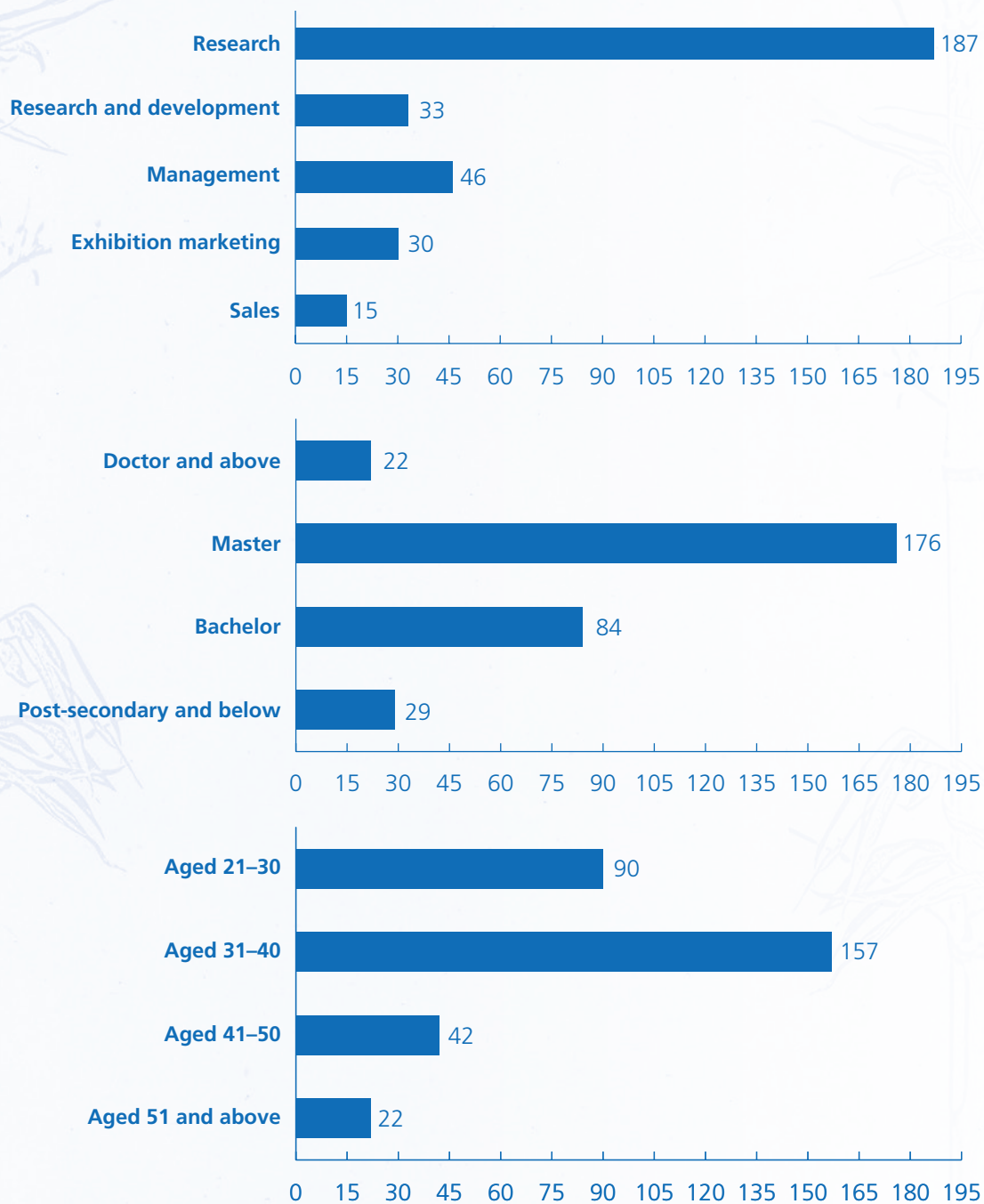
Enhancing brand influence

In 2024, the Group increased its effort in its brand promotion to expand its reach across the entire network. The Company's own new media matrix continued to make contribution while public attention to the WeChat official account and video account of CCID continued to grow. The number of readers and viewership continued to expand. Meanwhile, a new media connection matrix update mechanism was established, with multiple platforms such as Weibo, Toutiao, Sohu, Xueqiu, Netease and other platforms linking up to provide the Company's updates. The volume of external media publicity continued to expand. In 2024, the Group received more than 200 media reports and more than 40 interviews with high-level media. In addition, the professionalism and uniformity of the Group's brand were significantly enhanced. The format of the composition of research reports was standardized, while various research templates were optimized. Brand standardization management of branches and various CCID science and innovation centers were further strengthened.

Management Discussion and Analysis

Employee and Remuneration Policy

As at 31 December 2024, the Group had a total of 311 (2023: 270) employees, the composition of which was as follows:



Management Discussion and Analysis

The Group adopts a results-oriented performance appraisal method to determine employees' remuneration based on their performance, qualifications and experience. The Group provides employees with benefits such as housing provident fund, basic retirement insurance, basic medical insurance, unemployment insurance, work injury insurance and maternity insurance in accordance with applicable PRC laws and regulations, as well as additional commercial insurance such as supplementary medical and accidental injuries insurance.

The Group fully understands that employees are the key to the sustainable development of its business. The Group provides employees with training and career planning, reasonable promotion opportunities and comprehensive remuneration system to ensure that employees enjoy legal rights and perform relevant obligations. The Group works together with its employees to provide quality products and services for our customers.

FINANCIAL REVIEW

Turnover

For the year ended 31 December 2024, the Group recorded a turnover of approximately RMB301,937,000 (for the year ended 31 December 2023: approximately RMB278,325,000), representing an increase of approximately 8.5% as compared to the corresponding period of last year.

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, industry research and feasibility study, investment and financing consulting, and digitalization transformation consulting. The Group recorded revenue of approximately RMB171,284,000 for the year ended 31 December 2024 (for the year ended 31 December 2023: approximately RMB162,343,000) from the decision-making consulting services, accounting for approximately 57% of the Group's turnover and representing an increase of approximately 6% as compared to the corresponding period of last year.

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 year ended 31 December 2024, the Group had realized revenue of approximately RMB38,446,000 (for the year ended 31 December 2023: approximately RMB31,447,000), accounting for approximately 13% of the Group's turnover and representing an increase of approximately 22% as compared to the corresponding period of last year.

In terms of science and technology innovation platform services, the Group mainly provides comprehensive services for industrial innovation such as policy matching, enterprise introduction and growth, industrial upgrading, technical assistance and capital empowerment to governments and industrial parks and brand conference and exhibitions services to customers. For the year ended 31 December 2024, the Group had realized revenue in science and technology innovation platform services of approximately RMB92,207,000 (for the year ended 31 December 2023: approximately RMB84,535,000), accounting for approximately 30% of the Group's turnover and representing an increase of approximately 9% as compared to the corresponding period of last year.

Management Discussion and Analysis

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

	2024		2023	
	RMB'000	%	RMB'000	%
Decision-making consulting services	171,284	57%	162,343	58%
Data platform services	38,446	13%	31,477	11%
Science and technology innovation platform services	92,207	30%	84,535	31%
Total	301,937	100%	278,325	100%

Costs and expenses

For the year ended 31 December 2024, the Group's costs and expenses amounted to a total of approximately RMB204,178,000 (for the year ended 31 December 2023: RMB198,855,000), representing an increase of approximately 3% as compared to the corresponding period of last year mainly because in 2024, the Group's business volume gradually increased, and travel costs increased accordingly. On the other hand, staff costs also increased as the Group enhanced employee benefits.

Income tax

In accordance with the requirements under the Law of the People's Republic of China on Enterprise Income Tax and its implementation regulations, the Opinions of the State Council Concerning Accelerating the Development of the Technological Service Sector (Guo Fa [2014] No. 49), the Notice of the State Taxation Administration on Issues Concerning the Administration of Enterprise Income Tax Deduction and Exemption (Guo Shui Fa [2008] No. 111), the Supplementary Notice of the State Taxation Administration on Issues Concerning the Administration of Enterprise Income Tax Preferences (Guo Shui Han [2009] No. 255), the Notice of the State Taxation Administration on Issuing the Measures for the Administration of Tax Deduction or Exemption (for Trial Implementation) (Guo Shui Fa [2005] No. 129) and the Notice of the State Taxation Administration on Issues Concerning the Implementation of the Preferential Income Tax for High and New Technology Enterprises (Guo Shui Han [2009] No. 203), the Company is officially entitled to a preferential enterprise income tax rate of 15% with effect from 2016 and an income tax reduction and exemption of approximately RMB8,981,000 for the year ended 31 December 2024.

Profit and total comprehensive income for the year

For the year ended 31 December 2024, the Group reported profit and total comprehensive income for the year of approximately RMB80,415,000 and RMB80,375,000 (for the year ended 31 December 2023: approximately RMB63,744,000 and RMB63,713,000), respectively, representing an increase of approximately 26% and 26%, respectively, as compared to the corresponding period of last year mainly due to the Company's proactive response to market demand, accelerated business innovation, stabilized its research base, expanded its consulting base, initiated new dynamics in implementation, and kicked off its Business 3.0 strategy to promote "research + consulting + implementation" innovative integrated services and digital empowerment services, resulting in growth in decision-making consulting services, data platform services and science and technology innovation platform services.

Management Discussion and Analysis

Liquidity and Financial Resources

As at 31 December 2024, cash and bank balances of the Group amounted to approximately RMB358,735,000 (as at 31 December 2023: cash and bank balances amounted to approximately RMB299,686,000). The amount of cash and bank balances increased by approximately 20% as compared to the corresponding period of last year. The Group's primary source of funds was cash flow generated from operating activities. The management believes that the Group had adequate working capital for its present needs.

Capital Structure

The capital structure of the Group as at 31 December 2024 is summarised as follows:

	RMB'000	%
Total equity attributable to owners of the Company	183,460	86%
Non-controlling interests	29,331	14%
Total	212,791	100%

Operating Segment Information

Operating segment information is set out in note 8 to the consolidated financial statements.

Capital Commitment and Contingent Liabilities

As at 31 December 2024, the Group had no capital commitment (as at 31 December 2023: nil). As at 31 December 2024, the Group had no contingent liabilities (as at 31 December 2023: nil).

Pledge of Assets

As at 31 December 2024, no assets of the Group were pledged to secure its banking facilities (as at 31 December 2023: nil).

Gearing Ratio

As at 31 December 2024, the Group's gearing ratio was approximately 222% (as at 31 December 2023: 183%). It was mainly due to the fact that more orders were executed as the Group operates various businesses simultaneously. The gearing ratio was calculated by dividing the aggregate of total liabilities and proposed final dividends less amounts due to related parties by total equity less proposed final dividends.

Management Discussion and Analysis

Major Investments

For the year ended 31 December 2024, the Group did not have any major investment.

Material Acquisition and Disposal

For the year ended 31 December 2024, the Group did not have any material acquisition or disposal.

Major Future Investment

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

Exchange Rate Risk

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

Significant Event after the Reporting Period

There were no significant events after the reporting period which had materially affected the Group's operations and financial performance as at the date of this annual report.

Directors, Supervisors and Senior Management

EXECUTIVE DIRECTORS

Shen Wen (沈文), aged 57, was appointed as an Executive Director of the Company with effect from 22 March 2024. Ms. Shen served as chairlady of the supervisory committee of CCID Academy for Industry and Information Technology Limited* (賽迪工業和信息化研究院(集團)有限公司) from April 2021 to February 2024. From February 2023 to February 2024, Ms. Shen served as the chief consultant of CCID Academy for Industry and Information Technology Limited* (賽迪工業和信息化研究院(集團)有限公司). From May 2017 to February 2023, Ms. Shen served as the head of the project and intellectual management department, head of the conditions guarantee department, and head of the party community department of China Centre of Information Industry Development* (中國電子信息產業發展研究院). Ms. Shen also served as the administrative director of the software and integrated circuit promotion centre, a deputy officer of the comprehensive management department (in charge of work), the head of the comprehensive management department, a deputy head of the comprehensive department, the head of the confidentiality department, a deputy head of the science and technology department, the head of the human resources department, and the head of the project management department of the Ministry of Industry and Information Technology from March 2005 to May 2017. Ms. Shen graduated from the Central Party School of the Communist Party of China in December 2009.

Fu Changwen (付長文), aged 44, has been appointed as an Executive Director of the Company with effect from 31 March 2023 and was re-elected on 24 November 2023. He has been appointed as the General Manager of the Company since 6 March 2023. Mr. Fu joined the Company in 8 July 2004 and has served in the investment consulting business department, strategy consulting business department and investment management department. Mr. Fu served as the secretary of the Board from 25 November 2008 to 23 August 2022 and served as the deputy general manager of the Company from 10 January 2014 to 23 August 2022. Mr. Fu has concurrently served as the chairman of Beijing CCID Tiandi Investment Management Company Limited* (北京賽迪天地投資管理有限公司) since 15 December 2021. Mr. Fu has concurrently served as the general manager of Beijing CCID Technology Limited Company* (北京賽迪科創技術有限公司) since 21 March 2022. Mr. Fu has over 20 years of experience in strategy consulting, investment management and corporate governance. Mr. Fu graduated from the Renmin University of China with a master's degree in economics in June 2004.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hu Bin (胡斌), aged 43, was appointed as an Independent Non-Executive Director with effect from 23 December 2020 and was re-elected on 24 November 2023. Mr. Hu is a senior economist and assistant researcher. Mr. Hu has been the chairman of Xinjin Investment Holdings Limited* (信金投資控股有限公司) since July 2019. Mr. Hu was a member of the executive committee of CSC Financial Co., Ltd. (中信建投證券股份有限公司) and the chief executive officer of China Securities (International) Finance Holding Company Limited (中信建投(國際)金融控股有限公司) from January 2016 to July 2019. Mr. Hu served as a member of the management team of CSC Financial Co., Ltd. from June 2014 to January 2016. Mr. Hu was a director-level cadre (正處級幹部) of CITIC Group General Office* (中信集團辦公廳) from January 2010 to June 2014. Mr. Hu was a vice president of the capital markets department of CITIC Securities Co., Ltd.* (中信證券股份有限公司) from September 2006 to January 2010. Mr. Hu was a trader in the treasury department at the headquarters of Huaxia Bank (華夏銀行) from September 2004 to September 2006. Mr. Hu obtained a doctorate degree in economics from the School of Finance of the Renmin University of China in July 2012, a master of investment degree from the Birmingham Business School of the University of Birmingham in the United Kingdom in September 2004, a Bachelor of Business Management with Finance degree from the Business School of Edinburgh Napier University in the United Kingdom in September 2003 as well as a Bachelor of Economics degree from the department of finance of Shandong University of Finance and Economics (山東財經大學) in July 2002.

Directors, Supervisors and Senior Management

Zhang Tao (張濤), aged 44, was appointed as an Independent Non-Executive Director of the Company with effect from 22 March 2024. Mr. Zhang worked in the China University of Petroleum (East China) School of Economics and Management (中國石油大學(華東)經濟管理學院) since July 2005, and served as professor and doctoral advisor since December 2023. Mr. Zhang served as a committee of the Circular Economic Branch, Chinese Society for Economic Science since May 2023, served on the first session youth editorial board of Journal Natural Gas Industry since October 2019 and was reappointed in January 2023. Mr. Zhang has been engaged in teaching and research in the fields of application of business management theory and digitalization theory, presided over and participated in more than 40 scientific research projects commissioned by the Ministry of Education (教育部), Ministry of Science and Technology (科技部), Department of Science and Technology of Shandong Province (山東省科技廳), and many enterprises such as PetroChina (中石油), Sinopec (中石化). Mr. Zhang was a visiting scholar at The State University of New York at Stony Brook from August 2017 to August 2018. Mr. Zhang graduated from the China University of Petroleum (East China) in July 2002, and obtained a bachelor's degree in management; graduated from the China University of Petroleum (East China) in June 2005 and obtained a master's degree in management; graduated from the Shanghai Jiao Tong University in December 2014 and obtained a doctorate degree in management.

Fang Hongbin (方虹斌), aged 38, was appointed as an Independent Non-Executive Director of the Company with effect from 8 January 2025. Mr. Fang is a national overseas high-level imported talent, the chief scientist of the "Intelligent Robot" national key research and development project, and a "Science and Technology Innovation Action Plan" starter in Shanghai. Since February 2024, Mr. Fang has been the Associate Dean of the Institute of AI and Robotics of Fudan University, and since November 2023, he has been the Party Branch Secretary for teaching staff of the Academy of Engineering and Technology of Fudan University, and since December 2022, he has been a professor and doctoral supervisor of the Institute of AI and Robotics of Fudan University. Since September 2020, Mr. Fang has served as a member of the Technical Committee on Vibration and Noise (TCVS) of the American Society of Mechanical Engineers (ASME), a member of the Robotics Division of the Chinese Society of Mechanical Engineering, a member of the Intelligent Composite Materials Committee of the Chinese Society For Composite Materials, and a deputy director of the Mechanics and Control Committee of the Shanghai Society of Theoretical and Applied Mechanics; and he has served as an editorial board member of the Theoretical and Applied Mechanics Letters and the Journal of Dynamics and Control; invited young editorial board member of Journal of Mechanics and Journal of Solid State Mechanics. From May 2018 to December 2022, Mr. Fang served as a Young Researcher of the Institute of AI and Robotics of Fudan University. From October 2017 to June 2018, Mr. Fang engaged in research work at the postdoctoral research station of The Hong Kong Polytechnic University. From February 2015 to September 2017, Mr. Fang was engaged in research work at the postdoctoral research station of the University of Michigan. In December 2014, Mr. Fang obtained a doctor's degree in engineering from Tongji University.

SUPERVISORS

Gong Ping (龔平), aged 47, served as a supervisor of the Company from June 2017 to November 2017, appointed as a supervisor of the Company with effect from 20 May 2019, and was re-elected on 24 November 2023. Mr. Gong has been the director of the Finance Centre of China Centre of Information Industry Development* since June 2022, the general manager of the Finance Centre of China Centre of Information Industry Development* since February 2019, and a deputy head of the finance department of China Centre of Information Industry Development* from February 2010 to October 2016. He joined CCID Group in 2009 and served as the manager of the finance department of Beijing CCID Media Investments Co. Ltd.* (currently known as Nanhua Bio-medicine Co., Ltd.*, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000504)) from May 2009 to February 2010. Mr. Gong holds various professional qualifications, including a certified Beijing Institute of Certified Public Accountants (北京註冊會計師協會) in January 2011 senior accountant conferred by the Ministry of Industry and Information Technology (工業和信息化部) in January 2017. Mr. Gong graduated from Beijing Institute of Technology (北京理工大學) with an MBA degree in June 2012.

Directors, Supervisors and Senior Management

Jia Yinghui (賈映輝), aged 40, was appointed as a supervisor of the Company with effect from 25 November 2020 and was re-elected on 24 November 2023. He has been a member of the party committee and the head of the party community department of Finance Centre of China Centre of Information Industry Development* since February 2023. He was a director and senior deputy general manager (leading post cadre of divisions) of CCID Academy for Industry and Information Technology Limited* from April 2020 to February 2023. He has also been a deputy secretary of the Youth League Committee of the agencies directly under the Ministry of Industry and Information Technology since September 2021. Mr. Jia served as a Deputy Director of the Personnel Department and Secretary of the Youth League Committee of China Centre of Information Industry Development* from December 2012 to April 2021. Mr. Jia served as a researcher in the Industrial Policy Research Institute (產業政策研究所) and a cadre of the Personnel Department of China Centre of Information Industry Development* from July 2009 to December 2012. During this period, Mr. Jia worked for the Department of Policies and Regulations (政策法規司) and the Department of Personnel and Education (人事教育司) of the Ministry of Industry and Information Technology on secondment for three years. Mr. Jia was certified in November 2023 by the Ministry of Industry and Information Technology as senior economist. Mr. Jia graduated from Central Party School of the Communist Party of China (National Academy of Governance) with a doctorate degree in management in July 2021 and served as a domestic visiting scholar at the School of Economics of the Peking University from September 2021 to July 2022.

Lian Jing (廉晶), aged 54, was elected as an employee representative supervisor at an employee representative meeting on 20 December 2019 and re-elected on 6 November 2023. Ms. Lian has more than 20 years of work experience. Ms. Lian has been the Chief Executive Officer of the Company since 7 April 2024 and director of the general office from 12 June 2016 to 6 April 2024. Ms. Lian graduated from California State University, East Bay with a master's degree in business administration economics and foreign trade in June 2006.

SENIOR MANAGEMENT

Wen Fang (文芳), aged 46, has been a deputy general manager since 16 March 2016. Ms. Wen joined the Company on 30 June 2004 and has served as the deputy general manager, the general manager and the chief computer and software business executive of the Computer Industry Research Centre* (計算機產業研究中心), a deputy general manager of the Company, the general manager of Beijing CCID City Strategy Consulting Co., Ltd.* (北京賽迪方略城市經濟顧問有限公司) (currently known as Beijing CCID County Strategy Consulting Co., Ltd.* (北京賽迪方略縣域經濟顧問有限公司)), and the president of the Industrial Economics Institute* and a deputy director of the Technological Development Department (科技發展處) of China Centre of Information Industry Development*. She has 19 years of experience in the research of electronic information, software, industry planning and regional economy. Ms. Wen graduated from Beijing Jiaotong University with a master's degree in May 2004.

Yang Dongri (楊東日), aged 52, has been a deputy general manager of the Company since 15 May 2023. He has served as a deputy director of the public service platform department of the software and integrated circuit promotion centre of the Ministry of Industry and Information Technology and a deputy director of the platform operation and management department (in charge of work). From January 2019 to May 2023, he has been the head of the Institute of Small and Medium-sized Enterprises of China Centre of Information Industry Development*. Mr. Yang graduated from the University of Chinese Academy of Sciences in July 2014 with a doctorate degree in engineering (senior engineer).

Li Ke (李珂), aged 48, has been a deputy general manager of the Company since 22 September 2011. Mr. Li joined the Company on 1 May 2003 and has served as the general manager of the Semiconductor Industry Research Centre* and the director of semiconductors and consumer electronics business group. He has over 20 years of experience in industrial research of semiconductors, optoelectronics and internet of things. Mr. Li graduated from Beijing Institute of Technology with a bachelor's degree in July 1999.

Directors, Supervisors and Senior Management

Song Yu (宋宇), aged 52, has been a deputy general manager of the Company since 25 June 2013. Ms. Song joined the Company on 1 September 2002 and has served as a deputy general manager and the business group research director of the Semiconductor Industry Research Centre* (半導體產業研究中心). She has over 21 years of experience in the industrial research of digital economy and semiconductor. Ms. Song graduated from Peking University with a bachelor's degree in July 1996.

Lu Ping (呂萍), aged 46, has been a deputy general manager of the Company since 16 March 2016. Ms. Lu has over 19 years of experience in market research, industry planning and government consultation. Ms. Lu joined the Company on 22 June 2004 and has served as a deputy general manager of the Development Zone Consultation Centre* (開發區諮詢中心) and a deputy general manager of the Electronic Information Industry Research Centre* (電子信息產業研究中心). She served as a deputy president of the World Industrial Research Institute* (世界工業研究所) (responsible for operation) and a deputy director of the Technological Development Department of China Centre of Information Industry Development* from February 2012 to January 2015 and from January 2015 to March 2016, respectively. Ms. Lu graduated from Beihang University with a doctorate degree in management in June 2022. She is a senior economist.

Yu Debiao (余德彪), aged 34, has been a deputy general manager of the Company since 25 February 2025 and the general manager of Beijing CCID County Strategy Consulting Co., Ltd.* (北京賽迪方略縣域經濟顧問有限公司) since 22 December 2023, respectively. Mr. Yu joined the Company in July 2017 and has served as deputy director of the Park Economy Research Centre, director of the Consumption Economy Research Centre and director of the County Economy Research Centre, with extensive experience in the fields of regional economy, industrial economy and digital economy, etc. From December 2023 to February 2025, he served as assistant to the president of CCID Consulting Company Limited. Mr. Yu obtained a master's degree in engineering in July 2017 from China University of Geosciences, Beijing.

Hu Yun (胡雲), aged 51, has been the financial controller of the Company since 14 June 2017 and the secretary of the Board since 23 August 2022. Ms. Hu has 20 years of experience in audit, internal control consultation and financial management. Ms. Hu joined the CCID Group on 29 October 2007 and worked for the Company and Beijing CCID Media Investments Co. Ltd.*, respectively. Ms. Hu was a supervisor of the Company from 25 November 2014 to 13 June 2017 and was appointed as the financial controller of the Company on 14 June 2017. She served as the financial controller of China Software Testing Centre* (中國軟件評測中心) from January 2011 to June 2017.

COMPANY SECRETARY

Chan Yin Wah (陳燕華), aged 50, is the company secretary and an authorised representative. She joined the Company in March 2012. Ms. Chan is an Associate Director of SWCS Corporate Services Group (Hong Kong) Limited (formerly known as SW Corporate Services Group Limited). Ms. Chan has worked for various internationally well-known professional firms and listed companies in Hong Kong and has over 15 years of professional experience in handling the company secretarial services, compliance services and share registry services for listed companies in Hong Kong. Ms. Chan holds a bachelor's degree in economics and a master's degree in professional accounting. She is a fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute for Chartered Secretaries and Administrators in the United Kingdom. She is also a fellow member of the Association of Chartered Certified Accountants.

* For identification purpose only

Corporate Governance Report

CORPORATE PURPOSE, VALUES, STRATEGIES AND CULTURE

Adhering to the concept of “Thinking Creates the World” and practicing the core values of “Integrity, Commitment, Realism and Creativity”, CCID Consulting provides “Research + Consultation + Implementation” innovative integrated services and digital empowerment services for governments, parks and enterprises.

CCID Consulting focuses on ICT, advanced manufacturing, regional economy and technological services, and is committed to becoming the first think tank of city economy, the first consultant of enterprise strategy and the first expert of capital operation.

CORPORATE GOVERNANCE PRACTICES

During the reporting period, the Group has adopted and complied with the code provisions (the “Code Provision(s)”) of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “Model Code”) as the standard of conduct for securities transactions by the Directors and the supervisors of the Company (“Supervisor(s)”) and regulates securities transactions by the Directors and Supervisors pursuant to the requirements thereof. Having made enquiry of all Directors and Supervisors, the Company confirmed that, during the year ended 31 December 2024, all Directors and Supervisors have complied with the Model Code. The Company was not aware of any non-compliances during the period.

BOARD OF DIRECTORS

Throughout the year, the Board, which includes three independent non-executive Directors, has complied with the minimum requirements under the Rules 3.10(1) and 3.10A of the Listing Rules of appointing at least three independent non-executive Directors, the number of which represented one-third of the total number of members of the Board. At the same time, one of the independent non-executive Directors had appropriate professional qualifications or accounting or related financial management expertise pursuant to Rule 3.10(2) of the Listing Rules. In accordance with the requirements under Rule 3.13 of the Listing Rules, the Company has obtained a written confirmation of independence from each independent non-executive Director, and therefore considers that all independent non-executive Directors are independent from the Company. To the knowledge of the Company, there was no relationship, including financial, professional, family, or other significant/relevant relationship, between the members of the Board.

Ms. Shen Wen, Mr. Zhang Tao and Mr. Fang Hongbin were appointed to the Board on 22 March 2024, 22 March 2024 and 8 January 2025, respectively and have obtained the legal advice as described in Rule 3.09D of the Listing Rules on 22 March 2024, 22 March 2024 and 8 January 2025, respectively. All of them confirmed that they understand their obligations as Directors of the Company.

Corporate Governance Report

For the year ended 31 December 2024 and as at the date of this annual report, the Board comprised:

EXECUTIVE DIRECTORS

Shen Wen (*Chairlady*)

Fu Changwen (*General Manager*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hu Bin

Zhang Tao

Fang Hongbin (appointed on 8 January 2025)

Chen Yung-cheng (resigned on 8 January 2025)

Biographical details of all our Directors are set out on page 15 to page 18 of this annual report.

DUTIES AND AUTHORITIES OF THE BOARD

The Board is responsible for the overall management of the Company's business and is jointly responsible for the direction and supervision of the Group's affairs. All Directors and Supervisors of the Company comply with applicable laws and regulations, exercise their authority conscientiously and safeguard the interests of the Company and the shareholders.

Duties of the Board include but are not limited to:

- (i) determining the Company's business plan and investment program;
- (ii) formulating the Company's annual financial budget and final accounts;
- (iii) formulating the Company's profit distribution plan and loss recovery plan;
- (iv) formulating plans for increasing or decreasing the registered capital of the Company and for the issuance of corporate bonds;
- (v) appointing or dismissing the general manager of the Company, and appointing or dismissing the deputy general manager and other senior management personnel (including the person in charge of finance) of the Company in accordance with the nomination made by the general manager, as well as determining their remunerations; and
- (vi) performing any other duties conferred by the general meeting and the articles of association of the Company.

The Board has established three Board committees, namely the audit committee (the "Audit Committee"), the nomination committee (the "Nomination Committee") and the remuneration committee (the "Remuneration Committee") and delegated duties within their respective terms of reference to them. The power and responsibility to carry out daily operations and business management have been delegated by the Board to the executive Directors and senior management of the Group.

Corporate Governance Report

The Company has arranged appropriate insurance coverage against liabilities incurred by the Directors and officers for conducting the Group's business. The Company reviews the insurance coverage on an annual basis.

Mechanisms for the Board to obtain independent views and input

Pursuant to B.1.4 of Part 2 of the CG Code, the Company should establish mechanism(s) to ensure independent views and input are available to the Board. The Board has formulated a mechanism for the Board to obtain independent views and input to ensure the elements of strong independence within the Board through the daily operation mode of the Board for the improvement on the efficiency and decision-making independence of the Board. The Board will review the implementation and effectiveness of the Mechanism annually. The mechanism clarifies that each Director has the right to obtain sufficient resources provided by the Company to fulfill their duties, and Directors have the right to request independent professional advice from the Company, the expense of which shall be borne by the Company, if they consider such request is relevant and necessary for the performance of their duties.

Board Diversity Policy

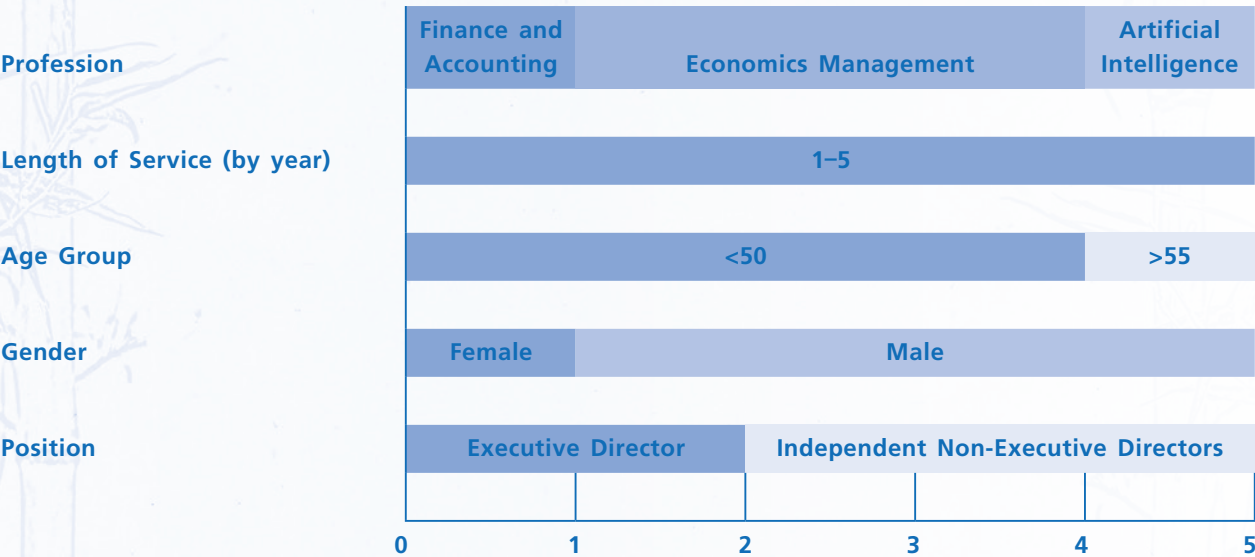
The Company recognises and embraces the benefits of having a diverse board to the quality of its performance. All board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of board diversity. The Nomination Committee supervises the implementation of the board diversity policy to safeguard its effectiveness.

The board diversity policy aims to set out policies to achieve board diversity. In designing the composition of the Board, the Company has taken into account various measurable factors in board diversity, including but not limited to gender, age, length of service, knowledge, and professional and industrial backgrounds. As at the date of this annual report, the Board is comprised of 5 Directors, in which 3 are independent non-executive Directors, who are responsible for enhancing management procedures through stringent review and control. In addition, as at the date of this annual report, among the 5 members of the Board, 1 of them are female Directors. Therefore, the goal of gender diversity with respect to the Board was achieved. The Board enjoys a high degree of diversity, whether in terms of gender, age, culture and education backgrounds, professional experiences, skills, knowledge or length of services.

As at 31 December 2024, males accounted for 48.87% and females accounted for 51.13% of all employees (including senior management) of the Group. The proportion of male and female employees in the Group is relatively balanced. In order to continue to achieve gender diversity, we create gender-neutral positions in our workplace, thereby becoming a gender-balanced enterprise.

Corporate Governance Report

As at the date of this annual report, the Board’s composition by key diversification criteria is summarised as follows:



Biographical details of the Directors are set out in the section headed “Directors, Supervisors and Senior Management” in this report. The Company considered that the current structure of the Board can ensure the balance between power and authority.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties as set out in Code Provision A.2.1 of the CG Code:

- to develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company’s compliance with the CG Code and the disclosure in the Corporate Governance Report.

For the year ended 31 December 2024, the above corporate governance functions have been performed by the Board.

Corporate Governance Report

Chairlady and General Manager

Ms. Shen Wen, an executive Director, acts as the Chairlady of the Company, and Mr. Fu Changwen, an executive Director, acts as the general manager. The positions of the Chairlady and the general manager are clearly separated. The Chairlady is responsible for the operation of the Board, and the general manager is responsible for the management of the Company's daily business operation. The Articles of Association of the Company have set out the respective duties of the Chairlady and the general manager in detail.

Appointment and re-election of Directors

Ms. Shen Wen was appointed by the Board as an executive Director of the Company and the Chairlady of the Board with effect from 22 March 2024. She has entered into a service agreement with the Company for a term from 22 March 2024 to 24 November 2026.

Mr. Fu Changwen was re-elected as an executive Director of the Company with effect from 24 November 2023. He has entered into a service agreement with the Company for a term from 24 November 2023 to 24 November 2026.

Mr. Hu Bin, an independent non-executive Director of the Company, was re-elected with effect from 24 November 2023, and has entered into a service agreement with the Company for a term of three years from 24 November 2023 to 24 November 2026. Mr. Zhang Tao was appointed as an independent non-executive Director with effect from 22 March 2024, and has entered into a service agreement with the Company for a term from 22 March 2024 to 24 November 2026. Mr. Fang Hongbin was appointed as an independent non-executive Director with effect from 8 January 2025, and has entered into a service agreement with the Company for a term from 8 January 2025 to 24 November 2026.

Directors' Training and Continuous Professional Development

All Directors confirmed that they have complied with Code Provision C.1.4 of Appendix C1 to the Listing Rules in relation to directors' training. During the year, all Directors have participated in continuous professional development by attending seminars and/or reading materials in relation to the following topics to develop and update their knowledge and skills, and have provided their training records to the Company:

Directors	Corporate Governance, Rules and Regulations	Financial Management and Other Affairs
Ms. Shen Wen	√	√
Mr. Fu Changwen	√	√
Mr. Hu Bin	√	√
Mr. Zhang Tao	√	√
Mr. Fang Hongbin (appointed on 8 January 2025)	√	√
Mr. Chen Yung-cheng (resigned on 8 January 2025)	√	√

Corporate Governance Report

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee according to the relevant requirements under the Listing Rules. As at the date of this annual report, the Remuneration Committee, which is chaired by Mr. Hu Bin, an independent non-executive Director, who was appointed as the Chairman of Remuneration Committee, and comprised of Ms. Shen Wen, an executive Director, and Mr. Zhang Tao, an independent non-executive Director, who were appointed as members of Remuneration Committee is in compliance with the requirement under the Listing Rules that the Remuneration Committee shall comprise a majority of independent non-executive directors.

The Company has set out the Remuneration Committee's authorities and duties in writing. The primary duties of the Remuneration Committee include making recommendations to the Board on the specific remuneration packages of individual executive Directors and members of the senior management, including benefits in kind, non-monetary benefits, retirement and pension rights and compensation payments, compensation payable for loss of office or upon joining and compensation amounts (including any compensation payable for loss or termination of their office or appointment), and making recommendations to the Board on the remuneration of the non-executive Directors. The Remuneration Committee shall consider various factors including the salaries paid by comparable companies, the time commitment and responsibilities of the Directors, the employment conditions of the Company and the feasibility of performance-based remuneration.

During the period, the Remuneration Committee held 3 meetings, at which the existing terms of the service contracts of all Directors have been reviewed. The Remuneration Committee considers that the existing terms of the service contracts of all Directors are fair and reasonable. The attendance of each member is set out below:

Name of Members	Number of Meetings Attended/Held
Mr. Hu Bin	3/3
Ms. Shen Wen	3/3
Mr. Zhang Tao	3/3

NOMINATION COMMITTEE

The Company has established the Nomination Committee according to the relevant requirements under the Listing Rules. As at the date of this annual report, the Nomination Committee is chaired by Ms. Shen Wen, the Chairlady of the Board, who was appointed on, and comprised of Mr. Zhang Tao and Mr. Fang Hongbin, who are independent non-executive Directors.

The Company has set out the Nomination Committee's authorities and duties in writing. The primary duties of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board regularly according to the shareholding structure of the Company and management and operation requirements of the Company, and making recommendations on any proposed changes to the Board; identifying individuals suitably qualified to become Directors, and selecting, or making recommendations to the Board on the selection of, individuals nominated for directorships; assessing the independence of the independent non-executive Directors; and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

During the period, the Nomination Committee held 3 meetings, at which the structure, size and composition of the Board that are in compliance with the relevant requirements under the Listing Rules and the Articles of Association are reviewed, the independence of the independent non-executive Directors was confirmed, and the board diversity policy was reviewed. In addition, the Nomination Committee considered the appointment of Ms. Shen Wen as an executive Director of the Company and Mr. Zhang Tao as a non-executive Director of the Company at the meeting and made recommendations to the Board. The attendance of each member is set out below:

Name of Members	Number of Meetings Attended/Held
Ms. Shen Wen	3/3
Mr. Zhang Tao	3/3
Mr. Fang Hongbin (appointed on 8 January 2025)	0/0
Mr. Chen Yung-cheng (resigned on 8 January 2025)	3/3

Nomination Policy

In accordance with the CG Code, the Company has adopted a nomination policy, which provides written guidelines for the Nomination Committee to identify individuals suitably qualified to become board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to specified criteria. The Board is ultimately responsible for the selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. In general, they are competent in the areas that are relevant and material to the Group.

The Nomination Committee shall assess, on a regular basis or as required, whether any vacancy on the Board shall be created or is expected to come up.

Corporate Governance Report

The Nomination Committee utilises various methods to identify candidates for directorship, including recommendations from Board members, the management, and professional headhunters. All candidates for directorship, including incumbents and candidates nominated by the shareholders, are evaluated by the Nomination Committee based on directors' qualifications. Candidates for directorship will be evaluated on the same criteria through review of resume, personal interview and background checks. The Nomination Committee reserves the discretion to establish the relative weighting of such criteria, which may vary based on diversified perspectives such as the composition, skill set, age, gender and experience of the collective Board rather than on the individual candidate, for the purpose of meeting the requirements of the Company's business.

Nomination Process

- (1) After sufficient communication, the Nomination Committee shall carefully consider the Company's needs, nomination policy and board diversity policy and prepare written materials;
- (2) The Nomination Committee shall identify suitable candidates from the Company internally and from the talent market and make recommendations to the Board on the candidates after preliminary review of the profession, academic qualifications, job title and detailed work experience, including existing jobs, of such candidates;
- (3) Other follow-up work shall be performed according to the decisions and feedback of the Board.

Selection Criteria

The factors listed below shall be used for reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- (1) Reputation for integrity;
- (2) Commitment in respect of available time and efforts to relevant affairs; and
- (3) Board diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only and are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person as it considers appropriate.

AUDIT COMMITTEE

The Company has established the Audit Committee that comprises three independent non-executive Directors. As at the date of this annual report, the Audit Committee is chaired by Mr. Zhang Tao and comprised of Mr. Hu Bin and Mr. Fang Hongbin. Mr. Hu Bin has corresponding professional qualifications and financial experience. The Company has set out the Audit Committee's authorities and duties in writing according to the requirements under Rule 3.22 of the Listing Rules.

During the period, the Audit Committee held 4 meetings, at which the consolidated financial statements and annual report for the year ended 31 December 2023, interim report for the six months ended 30 June 2024, respectively, were reviewed. The Audit Committee was of the view that the preparation of such results has complied with applicable accounting standards and relevant regulatory and legal requirements, and that sufficient disclosures have been made. The Audit Committee has also reviewed contents including related party transactions as well as the effectiveness of risk management and internal control procedures and the internal audit function and has submitted its opinions to the Board for consideration and approval.

The Audit Committee has reviewed the consolidated financial statements and annual report for the year ended 31 December 2024, and was of the view that the preparation of such results has complied with applicable accounting standards and relevant regulatory and legal requirements, and that sufficient disclosures have been made.

The attendance of each member is set out below:

Name of Members	Number of Meetings Attended/Held
Mr. Zhang Tao	4/4
Mr. Hu Bin	4/4
Mr. Fang Hongbin (appointed on 8 January 2025)	0/0
Mr. Chen Yung-cheng (resigned on 8 January 2025)	3/4

Corporate Governance Report

Attendance of Directors at Board Meetings and General Meetings

During the period, 6 board meetings were held, and 1 annual general meeting and 1 extraordinary general meeting were held. Set out below is a record of the attendance of the Directors at the meetings held during the period:

Name of Directors	Attendance at Meetings Held During the Period			
	Number of Board meetings attended/ Number of Board meetings	Attendance rate for Board meetings	Number of general meetings attended/ Number of general meetings	Attendance rate for general meeting
Ms. Shen Wen	6/6	100%	2/2	100%
Mr. Fu Changwen	6/6	100%	2/2	100%
Mr. Hu Bin	6/6	100%	2/2	100%
Mr. Zhang Tao	6/6	100%	2/2	100%
Mr. Fang Hongbin (appointed on 8 January 2025)	0/0	N/A	0/0	N/A
Mr. Chen Yung-cheng (resigned on 8 January 2025)	4/6	67%	2/2	100%

Apart from regular Board meetings, the Chairlady also held a meeting with the independent non-executive directors without the presence of other Directors during the year.

Remuneration of Senior Management by Remuneration Band

Pursuant to Code Provision E.1.5, the remunerations of the senior management by remuneration band for the year ended 31 December 2024 are set out below:

Remuneration band	Number of individuals
RMB501,000 to RMB1,000,000	1
RMB1,001,000 to RMB1,500,000	2
RMB1,501,000 and above	2

Two Senior Management of the Company voluntarily waived their entitlement to receive remuneration for the year ended 31 December 2024, and one Senior Management has been appointed by the Board on 25 February 2025.

Further details of Directors' emoluments and the five highest paid individuals required to be disclosed pursuant to paragraph 25 of Appendix D2 to the Listing Rules are set out in notes 14 and 15 to the consolidated financial statements on pages 117 to 120 of this annual report.

AUDITOR'S REMUNERATION

The Audit Committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit engagements performed by the external auditor, including whether such non-audit engagements would have any potential material adverse effect on the Company. During the year, an aggregate of RMB850,000 was payable by the Company to the external auditor as remuneration for their auditing services. Apart from the above, no non-audit service has been provided by the external auditor to the Company.

DIRECTORS' AND AUDITOR'S FINANCIAL REPORTING RESPONSIBILITIES

The Board is responsible for presenting balanced, clear and comprehensive annual reports and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The Directors are responsible for preparing accounts that present a true and fair view of the Group's operation, financial position and cash flow on a going concern basis. The accounts of the Group are prepared in accordance with the requirements under all relevant laws and regulations and the applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently, and that judgments and estimates made are prudent and reasonable.

The responsibilities of the auditor of the Company with respect to the consolidated financial statements of the Group are set out in the Independent Auditor's Report on pages 62 to 66.

GOING CONCERN

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue as a going concern in the foreseeable future and, therefore, it is appropriate to prepare the financial statements on the going concern basis.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has adopted effective processes to identify, evaluate and manage risks that potentially affect its ability to achieve its business objectives. The Board is responsible for evaluating the nature and extent of the risks it is willing to take in achieving the Group's business objectives; it should oversee the risk management and internal control systems on an ongoing basis and make judgement about their effectiveness; the internal audit team is responsible for identifying potential risks faced by the Company and their impacts, as well as assessing the risk portfolio and considering countermeasures against such risks; and the management is responsible for operating appropriate and effective risk management and internal control systems, as well as determining the departments and procedures to carry out relevant risk management based on the Group's organisational structure.

Corporate Governance Report

The Group operates its risk management and internal control systems mainly on a dynamic and ongoing basis. Constant follow-ups and records are used to identify and assess major risks that affect the Group's ability to achieve its business objectives. Such risks are then assessed and reviewed based on their possibilities and consequences, the level of which will determine the level of attention and efforts to be paid by the management. The effectiveness of these systems are ensured by formulating and updating countermeasures and testing the internal control procedures on an ongoing basis.

The Board has conducted a review on the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2024. Based on a review of the internal audit team's findings as well as an assessment of the risk management and internal control systems conducted by the Audit Committee, the Board was of the view that the risk management and internal control systems, including financial, operational and compliance controls, accounting policies, internal control procedures, staff qualifications and experience, staff training programmes and relevant budget of the Group are effective and adequate. No material defect in the risk management and internal control systems was identified in the review. Therefore, the Board believed that the risk management and internal control systems were effective and that appropriate resources were allocated.

To tighten control over its inside information and maintain true, accurate, complete and timely disclosures, the Group has taken appropriate measures to ensure that proper guarantee mechanisms are in place to prevent any violation of the relevant Listing Rules, including but not limited to:

- only a limited number of employees may access inside information wherever necessary, and Directors, Supervisors, senior management and employees in possession of inside information shall fully understand their confidentiality obligations;
- confidentiality clauses shall be incorporated into any significant negotiations and contracts entered into by the Group;
- the management of the Group shall inform the Board of any possible leakage or divulgement of inside information as soon as practicable so that appropriate actions can be taken in a timely manner;
- if there is any evidence of gross violation of the inside information policies, the Board shall appoint or designate appropriate personnel to take remedial actions with respect to the relevant issues.

COMPANY SECRETARY

Ms. Chan Yin Wah ("Ms. Chan"), the Company Secretary of the Company, has complied with the requirements set out in Rule 3.29 of the Listing Rules. Ms. Chan is an Associate Director of SWCS Corporate Services Group (Hong Kong) Limited (formerly known as SW Corporate Services Group Limited). Ms. Chan's primary contact person in the Company is Ms. Hu Yun, the secretary of the Board and the financial controller.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company adopted the Shareholders Communication Policy on 23 August 2022, which sets out the use of a number of mechanisms by the Company to provide effective and efficient communications to shareholders, including (i) the Hong Kong branch share registrar of the Company to provide share transfer registration and services of related matters; (ii) corporate communications such as annual reports, interim reports and circulars, available in both Chinese and English on the website of the Stock Exchange www.hkexnews.hk and the website of the Company www.ccidconsulting.com; and (iii) annual general meeting and extraordinary general meeting to provide a platform for shareholders to express their opinions and exchange their views with Directors and senior management. At the annual general meeting and extraordinary general meeting, the chairman of the Board, the chairmen of the Board committees, or in their absence, other members of the committees shall also answer shareholders' questions.

For the year ended 31 December 2024, the Board has reviewed the implementation and effectiveness of the Shareholders Communication Policy. The Board believes that various communication channels for shareholders provide effective channels through which shareholders and investors may obtain information with respect to the Group. Moreover, shareholders can contact the Board directly and express their opinions actively through the ways described in "Shareholders' Rights" and "Procedures for shareholders to direct enquiries to the Board" below. Accordingly, the Board recognizes the effectiveness of the Shareholders Communication Policy.

SHAREHOLDERS' RIGHTS

(1) Procedures for shareholders to convene extraordinary general meetings or class meetings

Pursuant to Article 73 of the Articles of Association, two or more shareholders holding ten per cents (10%) or more of the shares carrying the right to vote at the meeting sought to be held may, by signing one or more counterpart requisitions stating the object of the meeting, require the Board to convene an extraordinary general meeting or a class meeting. The Board shall as soon as possible proceed to do so. The shareholdings referred to shall be calculated as at the date of the delivery of the requisitions. If the Board fails to issue a notice of such a meeting within thirty (30) days from the date of the receipt of the requisition, the requisitionists may themselves convene such a meeting in a manner as nearly as possible as where meetings are to be convened by the Board, provided that any meeting so convened shall not be convened after the expiration of four months from the date of receipt of the requisition by the Board. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors to duly convene a meeting shall be borne by the Company and shall be set off against any sums owed to the Directors in default by the Company.

Corporate Governance Report

(2) Procedures for shareholders to direct enquiries to the Board

Shareholders have the right to make enquiries to the Board. All enquiries shall be submitted in writing to the following contact addresses:

Principal Place of Business in Hong Kong

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

Principal Place of Business in Beijing

Address: 10th Floor, CCID Plaza, 66 Zizhuyuan Road, Haidian District, Beijing, PRC

(3) Procedures for shareholders to put forward proposals at a general meeting

Pursuant to Article 55 of the Articles of Association, in an annual general meeting of the Company, shareholders holding more than five (5) per cent (including 5%) of total voting shares of the Company are entitled to propose new resolutions in written form (please refer to the following contact addresses). The Company shall include those matters which are within the scope of duties of the general meeting into the agenda of such meeting.

Shareholders have the right to make enquiries to the Board. All enquiries shall be submitted in writing to the following contact addresses:

Principal Place of Business in Hong Kong

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

Principal Place of Business in Beijing

Address: 10th Floor, CCID Plaza, 66 Zizhuyuan Road, Haidian District, Beijing, PRC

CONSTITUTIONAL DOCUMENTS

There is no significant change in the constitutional documents of the Company for the year ended 31 December 2024.

Environmental, Social and Governance Report

STATEMENT FROM THE BOARD

The Board of CCID Consulting believes that the establishment and improvement of the environmental, social and governance (ESG) management system can continuously promote the sustainable development of the Company. As the decision-making body for sustainable development, the Board of the Company is fully responsible for the Company's sustainable development strategy, and based on which conducts overall planning for the Company's ESG management. The Board regularly provides guidance on ESG working guidelines. The Group has integrated ESG risk management into its daily risk management system in order to identify and prevent major ESG risks in its daily operations and production, mainly comprising, among others, risks related to environmental protection, safety and operation. The Audit Committee conducts regular review on these risks and regularly reports the risk management situation to the Board.

The Board hereby presents this environmental, social and governance report, which was prepared pursuant to the Environmental, Social and Governance Reporting Guide in Appendix 20 to the Listing Rules.

ENVIRONMENT AND NATURAL RESOURCES

The Group complies with the Environmental Protection Law of the People's Republic of China and other relevant laws and regulations. Currently, it is principally engaged in consultancy services, which poses comparatively limited impacts on the environment. However, environmental protection remains a major concern, and the Group advocates environmental protection and enhances the environmental awareness of its employees.

The Group will review its environmental conditions from time to time and may consider implementing further environmental protection measures and sustainability objectives and practices in its business operations to advocate the principles of conservation, recycle and reuse and minimize its impacts on the environment.

Use of Resources

In compliance with the Water Law of the People's Republic of China, the Energy Conservation Law of The People's Republic of China, the Circular Economy Promotion Law of the People's Republic of China, the Design Standard for Energy Efficiency of Public Buildings and other relevant laws and regulations, the Group adopts a series of measures to protect the environment under the principles and practices of recycling and conservation. In light of the business nature of consultancy services, the main resources consumed by the Group included office water, power and paper. The Group does not need to use any packaging materials since it has no physical products for sale. The following table sets out major resources used by the Group during the year ended 31 December 2024:

Types of resources used	Unit	Amount used	Amount used per capita
Power consumption	kWh	88,286.68	283.88
Water consumption	ton	2,145.90	6.90
Paper consumption	ton	1.24	0.004

Environmental, Social and Governance Report

In 2024, the Group advocates water conservation and encourages the use of recycled paper for printing and photocopying as well as double-sided printing and photocopying in the office. The Group has adopted a computerized and network-based office system utilizing modern information technology to not only promote a paperless work environment and reduce paper consumption, telecommunication fees and postage, but also minimize the use of social resources such as telecommunication lines and postal services by using less telephone, fax, and postal services. Employees are regularly given educational and promotional materials about environmental protection, and are encouraged to practice reuse and recycling, as well as to use refillable instead of disposable office supplies and stationery.

Responding to Climate Change

The industry in which the Group operates is less affected by climate change. In response to climate change, the Group actively implements measures such as energy conservation and emission reduction and pursues green development.

EMISSIONS

According to the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Action Plan for Prevention and Control of Water Pollution, the Regulation on Urban Drainage and Sewage Treatment, and the Air Pollution Prevention and Control Action Plan, the Group pays close attention to its pollutants emissions. The Group mainly generates pollutants from daily office operations and does not generate hazardous waste as its business operation does not involve any manufacturing activity. Waste generated during the year mainly included domestic sewage, office waste and vehicle exhaust. Emissions generated from the domestic sewage included chemical oxygen demand (COD), biochemical oxygen demand (BOD), suspended solids (SS) and ammonia nitrogen. The following table sets out emissions generated by the Group from office waste and vehicle exhaust for the year ended 31 December 2024:

Types of emissions	Amount of emissions (ton)	Emission per capita (ton)	Density (ton/person)
Office waste			
Including: Waste paper	2.200	0.007	0.007
Garbage	5.250	0.017	0.017
Vehicle exhaust			
Including: Carbon monoxide	0.00315	N/A	N/A

During the year, the Group's total greenhouse gas emissions amounted to 49.158 tons of CO₂ equivalent, and the per capita greenhouse gas emissions was 0.158 tons of CO₂ equivalent.

Environmental, Social and Governance Report

In 2024, the Group maintained best environmental practices, used energy efficiently and reduced greenhouse gas emissions under the supervision of the administration department. These practices included: maximizing efficiency by keeping lamps and lightings clean, turning all idling lights and electrical appliances off, turning idling computers into standby or sleep modes automatically, and reviewing the Group's internal policies and practices regularly with the aim of incorporating environmental factors into its work procedures. Recyclable waste and waste paper of the Group were centrally collected by qualified property companies for recycling and processing.

SOCIAL

Employment

The Group is in strict compliance with relevant laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Regulation on the Implementation of the Employment Contract Law of the People's Republic of China, and the Social Insurance Law of the People's Republic of China, pursuant to which labor contracts are entered into with the employees to establish labor contract relationship with all employees and clarify the interests and obligations of the employees. The legitimate rights of the employees are protected pursuant to the law. The Group established and continues to improve human resource policies including remuneration systems and incentive mechanisms, while revising and improving relevant management systems including labor and employment and fringe benefits. All employees are entitled to various types of leave, including national statutory holidays, weekends, paid annual leave, wedding leave and maternity leave.

The Group adheres to the principle of accountability and has thus established a basic employee salary system and a performance-based assessment system that fit job requirements, clarify job standards and consider job performance in accordance with the relevant positions. In this way, the employees' competence, attitude and performance in their positions will be objectively and fairly evaluated. To ensure an effective employee performance management system, the Company conducts monthly performance-based assessment, which quantifies assessment indicators. The employees' performance assessment results directly affect their salary and income. This in return will effectively motivate the employees to work harder and enhance and stabilize the harmonious relationship between the employees and the employer.

The Group does not discriminate against its employees based on their gender, disability, pregnancy, family conditions, ethnicity, skin color, religion, age, sexual orientation, nationality, union membership or other conditions as recognized by the law. Staff representative supervisors are elected pursuant to the requirements of the Company Law and the Articles of Association, thereby ensuring that the employees fully enjoy their rights in the Company's corporate governance. Meanwhile, the Company proactively supports the staff representative meeting to carry out its work according to the law. The staff representative meeting takes the lead in improving the Company based on "reasonable and constructive implementation opinions". Through seminars and other means, the staff representative meeting listens to the opinions and recommendations of the employees and proposes rectifications to address reasonable demands raised by the employees, thereby safeguarding the employees' rights to democratic management.

Environmental, Social and Governance Report

In 2024, in order to encourage employee to work with enthusiasm, enhance employees' sense of wellbeing and cultivate a caring corporate culture, the Group organized theme activities such as "Red Hearts Always Turn Towards the Party. Together We Build the Great Wall ", "Promoting Integrity and Uprightness. Immersing Ourselves in the Canal Culture" and "Red Movies Screening to Celebrate the 75th Anniversary of the Founding of New China". In order to implement the "Health Promotion Project" in the Company, the union organized various hobby groups such as Ba Duan Jin, yoga, photography, badminton, tennis, etc., to enrich the spiritual and cultural life of employees and cultivate their sentiments. At the same time, the trade union of the Group pays attention to the opinions and voices of employees and solves their urgent problems. Based on comprehensive survey, the Group continues to provide supplementary critical illness insurance for the employees of the Company, organizes employees to participate in a series of training activities on "Caring for employees' safety and improving emergency rescue skills", and continues to implement measures to "commuting outside peak hours" for employees to enhance their sense of wellbeing at work. The Group also calls on everyone to participate in the "Strive for a New Era and Pursue Dreams for the Future" Little Red Flower Donation Activity organized by the trade union of the Ministry of Industry and Information Technology, and organizes employees to donate materials to help schools in Hunyuan County, Shanxi, and agricultural drones to Nanbu County, Sichuan, fulfilling the social responsibilities and obligations of a listed company.

As at 31 December 2024, the Group had a total of 311 employees. Breakdowns of the Group's employee composition by employment type, gender, age group and geographical region are as follows.

	Year	
	2024	2023
Total workforce by gender		
Male	152	130
Female	159	140
	Year	
	2024	2023
Total workforce by employment type		
Full-time	311	270
Part-time	0	0
	Year	
	2024	2023
Total workforce by age group		
21-30	90	89
31-40	157	126
41-50	42	40
51 and above	22	15

Environmental, Social and Governance Report

	Year	
	2024	2023
Total workforce by geographical region		
Mainland China	311	270

Employee turnover

During the reporting period, 22 employees left the Group, representing an overall turnover rate of 7.07%. The Group has implemented various measures to minimize its staff turnover, such as strengthening control over recruitment, letting candidates understand the Group's work environment and control, and reinforcing the staff training system in order to meet the employees' needs on their career development. Employee turnover rate of the Group by gender, age group and geographical location is set out as follows:

	Year	
	2024	2023
Employee turnover rate by gender		
Male	50%	66.67%
Female	50%	33.33%

	Year	
	2024	2023
Employee turnover rate by age group		
21-30	40.90%	33.33%
31-40	54.55%	55.56%
41-50	4.55%	11.11%
51 and above	0.00%	0.00%

	Year	
	2024	2023
Employee turnover rate by geographical region		
Mainland China	7.07%	6.67%

Environmental, Social and Governance Report

Health and Safety

In compliance with the Social Insurance Law of the People's Republic of China, the Regulations on Unemployment Insurance, the Provisional Regulations on Collection and Payment of Social Insurance Premiums, the Regulation on Work-Related Injury Insurances and other relevant laws and regulations, the Group has arranged and made monthly contributions in full to the housing provident fund, social retirement pension, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and other social insurances. In accordance with the relevant regulations set by the labor authorities, the Group processes the relevant formalities regarding labor contracts and social insurance policies for newly recruited and departed employees in a timely manner, thereby ensuring that employees enjoy the protection of social insurances. Critical illness insurance is also in place to protect employees from worrying too much and enable them to receive timely support and compensation due to their retirement, sickness, work-related injury, unemployment, pregnancy and other conditions. In addition, employees are entitled to paid annual leave and other benefits in order for them to work and develop steadily in a fair and equitable environment. The Group was not aware of any non-compliances in relation to the health and safety during the reporting period, nor any work-related fatalities or lost days due to work injury in 2020, 2021, 2023 and 2024.

Development and Training

The Group pays attention to employee training and career planning, and has therefore established a well-developed training system comprised of induction training, on-the-job training, professional training, off-duty continuing education and other training. For new employees, the Company proactively organizes induction training based on its comprehensive training materials and detailed training processes, thus facilitating employees' early adaptation to their workplace. In daily work, we have held more than 12 company-level trainings, organized the second and third training sessions of the Kunpeng Class, assembled the training results to form a collection of papers, and through our internal management platform, we have released in real time various types of training information related to the Company's business and called for active participation of our employees, which has strengthened the professional training of our staff and endeavored to enhance the professionalism and vocational qualities of our employees.

As at 31 December 2024, the training rate of senior management and middle management of the Group was 100%.

Training and development data	Year	
	2024	2023
<u>Percentage of employees trained by gender</u>		
Male	100%	100%
Female	100%	100%
<u>Percentage of employees trained by employee category</u>		
Senior management	100%	100%
Middle management	100%	100%
Frontline and other staff	100%	100%

Environmental, Social and Governance Report

Training and development data	Year	
	2024	2023
<u>Average training hours completed per employee by gender</u>		
Male	80	80
Female	80	80
<u>Average training hours completed per employee by employee category</u>		
Senior management	60	60
Middle management	60	55
Frontline and other staff	60	60

Labor Standards

In compliance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labor and other laws and regulations, the Group prohibits the use of any forced or child labor. All contracts entered into with any third-party suppliers also stipulate that the Group practices a zero-tolerance policy against any forced and child labor, pursuant to which all suppliers are required to accept and comply with the terms and code of conduct therein in order to avoid direct or indirect involvement of the Group in any violation against human rights while ensuring that all work executed on its behalf complies with all relevant labor laws and regulations.

SUPPLY CHAIN MANAGEMENT

With a strong sense of responsibility, the Group, together with its suppliers and customers, is committed to building supply-chain partnerships that promote equality, stability, good faith and mutual benefits. By constantly improving its operating systems, including organization, quality control, financial control and procedural control, the Group provides its customers with premium products and services and greater value. In addition, the Group insists on improving its value. In conjunction with its suppliers and customers, the Group carries out mutual supervision, common advancement and continuous improvement. By so doing, the Group promotes the interests and improvement of the entire industry chain while generating greater social value.

The Group has taken measures to improve its procurement procedures and enhance employee awareness to ensure that environmental, social and relevant factors are considered in the evaluation of cost efficiency when it makes decisions regarding procurement. To perfect its procurement process and mechanism, it has formulated an open and transparent screening process to stringently screen suppliers for its supply chain in the preparation and strict implementation of its well-established procurement management system. In the process of selecting suppliers, the Group conducts stringent reviews over suppliers in terms of their qualification, quality assurance abilities, product and service capacities and other related aspects. During the procurement, the Company collects, tracks and evaluates the quality, delivery schedule, technical support, after-sales services and other information related to the supplier. The Group has formulated the "Management of Supplier Entry and Annual Evaluation Management Measures" to strengthen internal management, improve risk prevention ability and standardize supplier management; the Group's Enterprise Star database has added the function of filling in supplier information, which realizes the centralized management of the Company's supplier information, and makes the information more orderly and easy to access and update. Secondly, the annual assessment and evaluation is realized online, so that the suppliers can be assessed in a timely manner and the quality of the Company's suppliers can be better guaranteed. At the same time, the staff of the Group can conveniently find the required supplier information through the online system, saving time and energy, and realizing fast communication and cooperation in business. Enterprise Star provides comprehensive support and optimization for the Company's supplier management.

Environmental, Social and Governance Report

Guided by the new concept of green development, the Group actively undertakes social responsibilities and contributes to the development of green supply chain. The Group assesses the environmental protection qualifications of the suppliers to ensure that they meet the international environmental protection requirements. At the same time, the Group requires suppliers to make full use of resources in processes such as product manufacturing, use, recycling and reuse, so as to reduce environmental pollution and actively fulfill social responsibilities.

The Group complies with national laws, regulations and social norms in an effort to cultivate a fair and healthy business environment. Anti-corruption and discipline training is organized for employees in various functions, including management and procurement. The Group strictly monitors and prevents commercial bribery and improper transactions. Any supplier that perpetuates commercial bribery and unfair competition will be prohibited by the Group from being admitted to its list of supplier partners.

PRODUCT RESPONSIBILITY

In compliance with the Product Quality Law of the People's Republic of China and relevant laws and regulations, the Group fully implements procedures to maintain information privacy and data security in order to protect individual privacy, safeguard sensitive trade information and prevent children and young people from accessing improper information. During the reporting period, no gross violation of the relevant laws and regulations that have a significant impact on the Group was not found, nor are there any complaints about the products and services of the Group. As of 31 December 2024, no products sold or shipped by the Group have been subject to recalls for safety and health reasons.

By capitalizing on the increasingly diversified channels and means, including product design and innovation integration of online and offline operations, and establishment of platforms, the Group continues to improve customer satisfaction. The Company establishes and enhances the mechanism for close and smooth communication with customers. Through follow-up calls, meetings, e-mails, conferences, WeChat, Weibo and other channels, the Company ensures that its research team timely and accurately collect and process customers' comments recommendations and other requirements. According to the "Measures to Operate and Manage the Customer Request Hotline as well as Measures to Investigate and Evaluate Customer Satisfaction" released and implemented by the Group, the customer request hotlines match sales regions and research areas in order to provide customers with highly efficient and professional services. The integration of customer satisfaction survey and project management and payment collection assessment improved customer satisfaction in terms of project consultancy services. Meanwhile, the Company shifted the focus of its customer satisfaction survey from post-event evaluation to in-progress control. Furthermore, quality control over the suspicious projects was implemented. These engagements played a positive role in improving the overall customer satisfaction of the Company and managing payment collection.

Environmental, Social and Governance Report

ANTI-CORRUPTION

The Group stringently complies with the Company Law of the People's Republic of China, the Bidding Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery for the prevention of unethical behavior. The Group attaches utmost importance to integrity and does not tolerate any impropriety. Once misconduct case is discovered and confirmed, the employee will be subject to disciplinary action and the case will be reported to related governing body when necessary. The Group is committed to maintaining a high level of corporate governance, the principles of which emphasize that the Company's business operations shall in all aspects be in full and strict compliance with the ethics, transparency, accountability and integrity. According to the Group's operating rules and corporate responsibility policy, Directors, management and employees of the Company are required to act in accordance with the highest ethical standards. The Group strictly prohibits any bribery or corruption in any form or to any degree from taking place in any aspect of its business operations. The Company has already set up a whistle-blowing channel, whereby the employees and other persons may report any unethical or illegal actions in a confidential and/or anonymous manner.

The Group launches a learning and training program, namely "A Lesson on Anti-Corruption and Advocation of Integrity for Every Quarter" to enable employees to master the basic theories and methods of "Anti-Corruption and Integrity Promotion" and to enhance their awareness of compliance with the law through thematic training, with members of the Board of the Company participating in the relevant training. Through such warning education, the Group will continue to consolidate the ideological foundation of the Party members and cadres in respect of integrity and lawful conduct.

Any person in violation of the Group's policies and/or relevant laws may be subject to disciplinary and administrative penalties, as well as civil or criminal liabilities. In case of any non-compliance with the policies of the Company, the involved employee may be subject to termination of employment or other actions. During 2024, the Company was not involved in any concluded legal cases regarding corrupt practices.

COMMUNITY INVESTMENTS

The Group cares about its sick employees and their family members. By so doing, a healthy and positive community and organization is created for the entire staff.

Report of the Directors

The Board hereby presents its report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Group is principally engaged in decision-making consulting services, data platform services, and science and technology innovation platform services. There was no significant change in the nature of the Group's principal activities during the year. The principal activities and other details of the Company and its subsidiaries are set out in note 1 and note 34 to the consolidated financial statements.

BUSINESS REVIEW

The fair review of the Group's business is set out in detail in the Management Discussion and Analysis on pages 6 to 14 of this annual report. Such discussion constitutes a part of this Report of the Directors.

BUSINESS OUTLOOK

The business outlook of the Group's business is set out in detail in the Chairlady's Statement on pages 4 and 5 of this annual report. Such statement constitutes a part of this Report of the Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

Market Risk

Major customers of the Group include government authorities at all levels, industrial parks and enterprises. Against the new backdrop of the rise of new think tanks with Chinese characteristics, the market is increasingly competitive as think tanks and consultancy institutions such as key academies of social science, institutes of administration under the party school, institutions of higher education and private entities are going to step up their services to governments and industrial parks. Furthermore, economic development in China has entered the era of new normal, under which economic growth shifted from high gear to medium-to-high gear. As the growth in fiscal revenue of local governments slowed down, there has been a significant change in the market environment faced by enterprises. Such changes may result in lower demands, budgets or investments of the governments and industrial parks for consultancy services and, thus, may affect the business growth of the Group.

Risk of Losing Talent

The Group always attaches great importance to incentives for talent. Although it has established and refined relevant remuneration and benefit systems, there can be no assurance that all outstanding talents and core personnel can be retained. Meanwhile, increasing competition among consultancy institutions has to a certain extent intensified the competition for professionals and exposed the Group to the risk losing talent.

Report of the Directors

Financial Risk

For details, please see note 6 to the consolidated financial statements on pages 100 to 106 of this annual report.

Save as mentioned above, there may be other risks and uncertainties that are unknown to the Group or which may not be material at present but may become material in the future.

RESULTS AND DIVIDENDS

The Company's profit for the year ended 31 December 2024 and the financial position of the Company and Group as at that date are set out on pages 67 to 69 of this annual report. 2023 final dividend of RMB0.0764 per share was distributed on 19 July 2024.

The Board has proposed the payment of a final dividend of RMB0.11 (tax inclusive) per share for the year ended 31 December 2024 to the shareholders whose names appear on the register of members of the Company on Friday, 30 May 2025 (the "2024 Final Dividend"). Based on the number of issued shares as at the date of the annual report, the 2024 Final Dividend, if declared and paid, will amount to an aggregate amount of RMB77,000,000 (tax inclusive). For distribution of the 2024 Final Dividend, dividends on domestic shares will be paid in RMB and dividends on H shares will be paid in HK\$, at the exchange rate being the average market rate of RMB to HK\$ announced by the People's Bank of China one week prior to the announcement of dividend (i.e. the date of the Company's annual general meeting (the "2024 AGM") to be held on Wednesday, 21 May 2025). The proposed payment of the 2024 Final Dividend is subject to the approval by the shareholders at the 2024 AGM.

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

Report of the Directors

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.

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company shall prioritise payments of dividends by cash to its shareholders to share profits with them.

Any proposed dividend payment shall be determined by the Board at its absolute discretion after taking into consideration the financial results and future prospect of the Group and other factors, and shall be subject to the Articles of Association, investment and operation requirements of the Company, and any other factors that have material impacts on the Company. Announcement of any dividend payment is conditional upon the approval of the shareholders.

ANNUAL GENERAL MEETING

The annual general meeting will be held on Wednesday, 21 May 2025. A notice convening the annual general meeting will be published and despatched to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the shareholders who are entitled to attend and vote at the 2024 AGM, the register of members will be closed from Friday, 16 May 2025 to Wednesday, 21 May 2025, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the 2024 AGM, all transfer documents of the shares accompanied by the relevant share certificate(s) must be lodged to the Company's principal place of business in the PRC at 10th Floor, CCID Plaza, No. 66 Zizhuyuan Road, Haidian District, Beijing, the PRC (in the case of the holders of domestic shares) or the Company's H share registrar, Tricor Investor Services Limited, at 17/F, 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 Thursday, 15 May 2025.

Shareholders whose names appear on the register of members of the Company on Wednesday, 21 May 2025 will be entitled to attend and vote at the 2024 AGM.

Report of the Directors

In order to determine which of the shareholders are entitled to receive the final dividend, the register of members will be closed from Wednesday, 28 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of the shares will be effected. In order to qualify for the 2024 Final Dividend, all transfer documents of the shares accompanied by the relevant share certificate(s) must be lodged in the Company's principal place of business in the PRC at 10th Floor, CCID Plaza, No. 66 Zizhuyuan Road, Haidian District, Beijing, the PRC (in the case of the holders of domestic shares) or the Company's H share registrar, Tricor Investor Services Limited, at 17/F, 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 Tuesday, 27 May 2025 for registration.

Shareholders whose names appear on the register of members of the Company on Friday, 30 May 2025 are entitled to receive the 2024 Final Dividend. The proposed 2024 Final Dividend will be paid on or about Friday, 27 June 2025 following the approval by the shareholders at the 2024 AGM.

FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years extracted from audited consolidated financial statements are set out on page 144. Such summary is not a part of the audited consolidated financial statements.

FIXED ASSETS

Details of movements in the fixed assets of the Group during the year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Movements in the Company's registered, issued and fully paid share capital during the year are set out in note 30 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the Company Law of the PRC. Therefore, the Company is not obliged to offer new shares on pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company (including sale of treasury shares).

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 35 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

Report of the Directors

DISTRIBUTABLE RESERVES

For the year ended 31 December 2024, no capital reserve of the Group was available for distribution by way of a future capitalisation issue. Other than that, the Company had retained profits of approximately RMB84,897,000 available for distribution.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's top five customers accounted for approximately 16% of the total sales of the Company for the year, of which sales to the top customer accounted for 4%.

The Group provided companies that had the same ultimate shareholders as the Company with certain consultancy services, details of which are set out in note 31 to the consolidated financial statements, "Related Parties Relationships and Transactions". Save as disclosed above, none of the Directors or any of their associates or any other shareholder which, to the knowledge of the Directors, owns more than 5% of the Company's issued share capital had any interests in the Company's top five customers.

As the nature of the Group's main activities are the provision of consultation and research services, which may be obtained from various suppliers at similar prices, there is no major supplier (as defined in Appendix D2 to the Listing Rules). The Group maintains sustained and stable relationships with its customers and suppliers and provides its customers with products and services of good quality. The Group's business does not rely on any individual customers and suppliers who may have a material impact on the Group.

BOARD OF DIRECTORS

For the year ended 31 December 2024 and as at the date of this annual report, the Board comprised:

Executive Directors

Shen Wen (*Chairlady*)

Fu Changwen (*General Manager*)

Independent Non-Executive Directors

Hu Bin

Zhang Tao

Fang Hongbin (appointed on 8 January 2025)

Chen Yung-cheng (resigned on 8 January 2025)

Pursuant to the requirements of the Articles of Association, the term of all existing Directors is three years and all existing Directors can elect to be re-elected.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the biographies of the Directors, Supervisors and senior management of the Company are set out in pages 15 to 18 of this annual report.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Ms. Shen Wen, an executive Director of the Company, was appointed as executive Director on 22 March 2024 and has entered into a service agreement with the Company for a term from 22 March 2024 to 24 November 2026.

Mr. Fu Changwen, an executive Director of the Company, was re-elected with effect from 24 November 2023 and has entered into a service agreement with the Company for a term from 24 November 2023 to 24 November 2026. In addition, Mr. Fu has acted as the General Manager of the Company with effect from 6 March 2023 and has entered into a service contract with the Company in respect of his appointment as General Manager with effect from 6 March 2023.

Mr. Hu Bin, an independent non-executive Director of the Company, was re-elected with effect from 24 November 2023 and has entered into a service agreement with the Company for terms of three years from 24 November 2023 to 24 November 2026. Mr. Zhang Tao, an independent non-executive Director of the Company, was appointed with effect from 22 March 2024 and has entered into a service agreement with the Company for a term from 22 March 2024 to 24 November 2026. Mr. Fang Hongbin, an independent non-executive Director of the Company, was appointed with effect from 8 January 2025 and has entered into a service agreement with the Company for a term from 8 January 2025 to 24 November 2026.

Mr. Gong Ping and Mr. Jia Ying, Supervisors of the Company, were re-elected with effect from 24 November 2023 and have entered into service agreements with the Company for terms from 24 November 2023 to 24 November 2026.

Ms. Lian Jing was elected as the employee representative supervisor at an employee representative meeting and has entered into a service agreement with the Company for a term from 6 November 2023 to 6 November 2026.

Mr. Chen Yung-cheng resigned as an executive Director with effect from 8 January 2025. He entered into a service contract with the Company for a term from 24 November 2023 to 8 January 2025.

Except for the above contracts, during the year ended 31 December 2024, the Directors and the Supervisors did not have any other service contract with the Company and its subsidiaries.

Report of the Directors

DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

Directors' and Supervisors' remuneration must be approved by the shareholders at the general meeting. Other emoluments must be fixed by the Board based on the Directors' and Supervisors' responsibilities, duties and performance as well as the Company's results. Details of the Directors' and Supervisors' remuneration of the Group for the year ended 31 December 2024 are set out in note 14 to the consolidated financial statements. Details of the five highest paid individuals of the Group for the year ended 31 December 2024 are set out in note 15 to the consolidated financial statements.

Ms. Shen Wen, Mr. Fu Changwen, Mr. Gong Ping and Mr. Jia Yinghui voluntarily waived their remunerations for the year ended 31 December 2024.

CONTRACT OF SIGNIFICANCE

Apart from those disclosed under the sections relating to connected transactions and continuing connected transactions in this annual report and the related parties relationships and transactions as set out in note 31 to the consolidated financial statements, none of the Company, its holding company or any of its subsidiaries or subsidiaries of the Company has entered into any contract of significance during the year.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual written confirmation of his/her independence in accordance with Rule 3.13 of the Listing Rules for the year ended 31 December 2024. The Company considers each of the independent non-executive Directors to be independent.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2024, the Group has entered into the following continuing connected transactions, of which the disclosure of certain details is in compliance with the requirements of Chapter 14A of the Listing Rules.

1. Non-Exempted Continuing Connected Transactions (with terms of co-operation from 1 January 2022 to 31 December 2024)

- (1) On 17 December 2021, the Company and China Centre of Information Industry Development* (中國電子信息產業發展研究院) ("CCID") renewed the information consultancy and supervision services revenue framework agreement that expired on 31 December 2021 (the "Renewed Framework Agreement 1"). Pursuant to the Renewed Framework Agreement 1, the Company and/or its subsidiaries (hereinafter as defined in the announcement of the Company dated 17 December 2021) shall, upon the request of CCID and/or its associates (hereinafter as defined in the announcement of the Company dated 17 December 2021), provide information planning, information engineering supervision and related services to CCID and/or its associates during the period from 1 January 2022 to 31 December 2024. The Renewed Framework Agreement 1 prescribed that the maximum annual caps of the service fees for the three financial years ending 31 December 2024 are RMB5,000,000, RMB5,000,000 and RMB5,000,000 (until the date of termination of the Renewed Framework Agreement 1), respectively. Individual continuing connected transactions between CCID and/or its associates and the Company and/or its subsidiaries under the Renewed Framework Agreement 1 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Renewed Framework Agreement 1 nor constitute new categories of continuing connected transactions.
- (2) On 17 December 2021, the Company and CCID renewed the information consultancy and supervision services expense framework agreement that expired on 31 December 2021 (the "Renewed Framework Agreement 2"). Pursuant to the Renewed Framework Agreement 2, CCID and/or its associates shall, upon the request of the Company and/or its subsidiaries, provide information planning, information engineering supervision and related services to the Company and/or its subsidiaries during the period from 1 January 2022 to 31 December 2024. The Renewed Framework Agreement 2 prescribed that the maximum annual caps of the service fees for the three years ending 31 December 2024 are RMB3,200,000, RMB3,200,000 and RMB3,200,000 (until the date of termination of the Renewed Framework Agreement 2), respectively. Individual continuing connected transactions between the Company and/or its subsidiaries and CCID and/or its associates under the Renewed Framework Agreement 2 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Renewed Framework Agreement 2 nor constitute new categories of continuing connected transactions.

Report of the Directors

- (3) On 17 December 2021, the Company and CCID renewed the management and strategy consultancy services revenue framework agreement that expired on 31 December 2021 (the “Renewed Framework Agreement 3”). Pursuant to the Renewed Framework Agreement 3, the Company and/or its subsidiaries shall, upon the request of CCID and/or its associates, provide management and strategy consultancy services in respect of industry research, industry planning, industrial park development, urban economic development, enterprise management and investment and financing to CCID and/or its associates during the period from 1 January 2022 to 31 December 2024. The Renewed Framework Agreement 3 prescribed that the maximum annual caps of the service fees for the three years ending 31 December 2024 are RMB6,000,000, RMB6,000,000 and RMB6,000,000 (until the date of termination of the Renewed Framework Agreement 3), respectively. Individual continuing connected transactions between CCID and/or its associates and the Company and/or its subsidiaries under the Renewed Framework Agreement 3 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Renewed Framework Agreement 3 nor constitute new categories of continuing connected transactions.
- (4) On 17 December 2021, the Company and CCID renewed the management and strategy consultancy services expense framework agreement that expired on 31 December 2021 (the “Renewed Framework Agreement 4”). Pursuant to the Renewed Framework Agreement 4, CCID and/or its associates shall, upon the request of the Company and/or its subsidiaries, provide management and strategy consultancy services in respect of industry research, industry planning, industrial park development, urban economic development, enterprise management and investment and financing to the Company and/or its subsidiaries during the period from 1 January 2022 to 31 December 2024. The Renewed Framework Agreement 4 prescribed that the maximum annual caps of the service fees for the three years ending 31 December 2024 are RMB2,200,000, RMB2,200,000 and RMB2,200,000 (until the date of termination of the Renewed Framework Agreement 4), respectively. Individual continuing connected transactions between CCID and/or its associates and the Company and/or its subsidiaries under the Renewed Framework Agreement 4 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Renewed Framework Agreement 4 nor constitute new categories of continuing connected transactions.
- (5) On 17 December 2021, the Company and CCID renewed the administration services expense framework agreement that expired on 31 December 2021 (the “Renewed Framework Agreement 5”). Pursuant to the Renewed Framework Agreement 5, CCID and/or its associates shall, upon the request of the Company and/or its subsidiaries, provide administration services in respect of house leasing, property management, Internet port and telephone and translation to the Company and/or its subsidiaries during the period from 1 January 2022 to 31 December 2024. The Renewed Framework Agreement 5 prescribed that the maximum annual caps of the service fees for the three years ending 31 December 2024 are RMB4,000,000, RMB4,200,000 and RMB4,410,000 (until the date of termination of the Renewed Framework Agreement 5), respectively. Individual continuing connected transactions between CCID and/or its associates and the Company and/or its subsidiaries under the Renewed Framework Agreement 5 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Renewed Framework Agreement 5 nor constitute new categories of continuing connected transactions.

Report of the Directors

For the category of information consultancy and supervision services, the applicable percentage ratios (other than the profit ratio and equity capital ratio) for the Renewed Framework Agreement 1 and the Renewed Framework Agreement 2 in aggregate do not exceed 25% and the total consideration is less than HK\$10,000,000. Pursuant to Rule 14A.76(2) of the Listing Rules, such transactions are exempted from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For the category of management and strategy consultancy services, the applicable percentage ratios (other than the profit ratio and equity capital ratio) for the Renewed Framework Agreement 3 and the Renewed Framework Agreement 4 in aggregate do not exceed 25% and the total consideration is less than HK\$10,000,000. Pursuant to Rule 14A.76(2) of the Listing Rules, such transactions are exempted from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For the category of administration services, the applicable percentage ratios (other than the profit ratio and equity capital ratio) for the Renewed Framework Agreement 5 do not exceed 5%. Pursuant to Rule 14A.76(2) of the Listing Rules, such transactions are exempted from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

CCID is the ultimate controlling shareholder of the Company and holds approximately 70.14% of the total issued share capital of the Company as at the date of this annual report. Accordingly, CCID and its associates are connected persons of the Company under the Listing Rules. In accordance with Chapter 14A of the Listing Rules, the above renewed framework agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

As of the date of renewal of the framework agreement, Ms. Xia Lin (resigned on 21 January 2022) is the chief investment advisor of CCID Academy for Industry and Information Technology Limited* (賽迪工業和信息化研究院(集團)有限公司) ("CCID Group Co") and Mr. Qin Hailin (resigned on 31 March 2023) is the general manager of CCID Group Co. CCID Group Co is ultimately held by CCID, the controlling shareholder of the Company, and is an associate of CCID. Therefore, Ms. Xia Lin and Mr. Qin Hailin are deemed to be materially interested in the above continuing connected transactions and have abstained from voting for passing the resolutions in relation to the approval of the aforementioned renewed framework agreements at the Board meeting. Save as disclosed above, as of the date of renewal of the framework agreement, none of the Directors was required to abstain or has abstained from voting on the board resolutions to approve the respective framework agreements as mentioned above pursuant to the Articles of Association and the Listing Rules.

Details of the above continuing connected transactions are set out in the Company's announcement published on 17 December 2021.

Report of the Directors

2. Non-Exempted Continuing Connected Transactions (with terms of co-operation from 1 January 2025 to 31 December 2027)

- (1) On 10 December 2024, the Company and CCID entered into decision-making consulting services revenue framework agreement ("Framework Agreement 1"). Pursuant to the Framework Agreement 1, the Company and/or its subsidiaries (hereinafter as defined in the announcement of the Company dated 10 December 2024) shall, upon the request of CCID and/or its associates (hereinafter as defined in the announcement of the Company dated 10 December 2024), provide specific decision-making consulting services such as decision-making consulting services, including regional strategy, park consulting, industrial planning, executive research and feasibility study, investment and financing, and digitalization transformation to CCID and/or its associates during the period from 1 January 2025 to 31 December 2027. The Framework Agreement 1 prescribed that the maximum annual caps of the service fees for the three financial years ending 31 December 2027 are RMB6,250,000, RMB6,250,000 and RMB6,250,000 (until the date of termination of the Framework Agreement 1), respectively. Individual continuing connected transactions between CCID and/or its associates and the Company and/or its subsidiaries under the Framework Agreement 1 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Framework Agreement 1 nor constitute new categories of continuing connected transactions.
- (2) On 10 December 2024, the Company and CCID entered into decision-making consulting services expense framework agreement ("Framework Agreement 2"). Pursuant to the Framework Agreement 2, CCID and/or its associates shall, upon the request of the Company and/or its subsidiaries, provide specific decision-making consulting services such as decision-making consulting services, including regional strategy, park consulting, industrial planning, executive research and feasibility study, investment and financing, and digitalization transformation to the Company and/or its subsidiaries during the period from 1 January 2025 to 31 December 2027. The Framework Agreement 2 prescribed that the maximum annual caps of the service fees for the three years ending 31 December 2027 are RMB2,650,000, RMB2,650,000 and RMB2,650,000 (until the date of termination of the Framework Agreement 2), respectively. Individual continuing connected transactions between the Company and/or its subsidiaries and CCID and/or its associates under the Framework Agreement 2 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Framework Agreement 2 nor constitute new categories of continuing connected transactions.

Report of the Directors

- (3) On 10 December 2024, the Company and CCID entered into data platform services revenue framework agreement ("Framework Agreement 3"). Pursuant to the Framework Agreement 3, the Company and/or its subsidiaries shall, upon the request of CCID and/or its associates, provide data platform services such as industry data and digital technology-driven data analytics and decision-making services to CCID and/or its associates during the period from 1 January 2025 to 31 December 2027. The Framework Agreement 3 prescribed that the maximum annual caps of the service fees for the three financial years ending 31 December 2027 are RMB5,000,000, RMB5,000,000 and RMB5,000,000 (until the date of termination of the Framework Agreement 3), respectively. Individual continuing connected transactions between CCID and/or its associates and the Company and/or its subsidiaries under the Framework Agreement 3 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Framework Agreement 3 nor constitute new categories of continuing connected transactions.
- (4) On 10 December 2024, the Company and CCID entered into data platform services expense framework agreement ("Framework Agreement 4"). Pursuant to the Framework Agreement 4, CCID and/or its associates shall, upon the request of the Company and/or its subsidiaries, provide data platform services such as industry data and digital technology-driven data analytics and decision-making services to the Company and/or its subsidiaries during the period from 1 January 2025 to 31 December 2027. The Framework Agreement 4 prescribed that the maximum annual caps of the service fees for the three years ending 31 December 2027 are RMB3,000,000, RMB3,000,000 and RMB3,000,000 (until the date of termination of the Framework Agreement 4), respectively. Individual continuing connected transactions between the Company and/or its subsidiaries and CCID and/or its associates under the Framework Agreement 4 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Framework Agreement 4 nor constitute new categories of continuing connected transactions.
- (5) On 10 December 2024, the Company and CCID entered into science and technology innovation platform services revenue framework agreement ("Framework Agreement 5"). Pursuant to the Framework Agreement 5, the Company and/or its subsidiaries shall, at the request of CCID and/or its associates, provide a comprehensive range of services such as science and technology innovation platform services, including science and technology innovation center operation, brand conferences and exhibitions to CCID and/or its associates during the period from 1 January 2025 to 31 December 2027. The Framework Agreement 5 prescribed that the maximum annual caps of the service fees for the three years ending 31 December 2027 are RMB3,000,000, RMB3,000,000 and RMB3,000,000 (until the date of termination of the Framework Agreement 5), respectively. Individual continuing connected transactions between CCID and/or its associates and the Company and/or its subsidiaries under the Framework Agreement 5 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Framework Agreement 5 nor constitute new categories of continuing connected transactions.

Report of the Directors

- (6) On 10 December 2024, the Company and CCID entered into science and technology innovation platform services expense framework agreement ("Framework Agreement 6"). Pursuant to the Framework Agreement 6, CCID and/or its associates shall, upon the request of the Company and/or its subsidiaries, provide a comprehensive range of services such as science and technology innovation platform services, including science and technology innovation center operation, brand conferences and exhibitions to the Company and/or its subsidiaries during the period from 1 January 2025 to 31 December 2027. The Framework Agreement 6 prescribed that the maximum annual caps of the service fees for the three years ending 31 December 2027 are RMB3,500,000, RMB3,500,000 and RMB3,500,000 (until the date of termination of the Framework Agreement 6), respectively. Individual continuing connected transactions between the Company and/or its subsidiaries and CCID and/or its associates under the Framework Agreement 6 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Framework Agreement 6 nor constitute new categories of continuing connected transactions.
- (7) On 10 December 2024, the Company and CCID entered into administration services expense framework agreement ("Framework Agreement 7"). Pursuant to the Framework Agreement 7, CCID and/or its associates shall, upon the request of the Company and/or its subsidiaries, provide administration services in respect of, among other matters, house leasing, property management, technical services and telephone and translation to the Company and/or its subsidiaries during the period from 1 January 2025 to 31 December 2027. The Framework Agreement 7 prescribed that the maximum annual caps of the service fees for the three years ending 31 December 2027 are RMB7,850,000, RMB8,100,000 and RMB8,400,000 (until the date of termination of the Framework Agreement 7), respectively. Individual continuing connected transactions between the Company and/or its subsidiaries and CCID and/or its associates under the Framework Agreement 7 can be confirmed by order or by separate agreements, provided that such confirmation by orders and separate agreements shall not breach any terms, requirements and relevant annual caps under the Framework Agreement 7 nor constitute new categories of continuing connected transactions.

For the category of decision-making consulting services, the applicable percentage ratios (other than the profits ratio and equity capital ratio) for the Framework Agreement 1 and the Framework Agreement 2 in aggregate do not exceed 25%, and the total consideration is less than HK\$10 million. Pursuant to the requirements of Rule 14A.76(2) of the Listing Rules, such transactions are exempt from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For the category of data platform services, the applicable percentage ratios (other than the profits ratio and equity capital ratio) for the Framework Agreement 3 and the Framework Agreement 4 in aggregate do not exceed 25%, and the total consideration is less than HK\$10 million. Pursuant to the requirements of Rule 14A.76(2) of the Listing Rules, such transactions are exempt from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

Report of the Directors

For the category of science and technology innovation platform services, the applicable percentage ratios (other than the profits ratio and equity capital ratio) for the Framework Agreement 5 and the Framework Agreement 6 in aggregate do not exceed 25%, and the total consideration is less than HK\$10 million. Pursuant to the requirements of Rule 14A.76(2) of the Listing Rules, such transactions are exempt from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For the category of administration services, the applicable percentage ratios (other than the profits ratio and equity capital ratio) for the Framework Agreement 7 do not exceed 25%, and the total consideration is less than HK\$10 million. Pursuant to the requirements of Rule 14A.76(2) of the Listing Rules, such transactions are exempt from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

CCID is the ultimate controlling shareholder of the Company and holds approximately 70.14% of the total issued share capital of the Company as at the date of this annual report. Accordingly, CCID and its associates are connected persons of the Company under the Listing Rules. In accordance with Chapter 14A of the Listing Rules, the above framework agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

At the time of entering into the aforesaid framework agreements, Mr. Fu Changwen is the chairman of Beijing CCID Tiandi Investment Management Company Limited* (北京賽迪天地投資管理有限公司), a wholly-owned subsidiary of CCID Group Co and the general manager of Beijing CCID Technology Limited Company* (北京賽迪科創技術有限公司), a wholly-owned subsidiary of CCID Group Co. CCID Group Co is ultimately held by CCID, the actual controlling shareholder, and is an associate of CCID. Therefore, Mr. Fu Changwen is deemed to be materially interested in the aforesaid continuing connected transactions and has abstained from voting when approving the resolutions in relation to the respective framework agreements as mentioned above at the Board meeting. Save as disclosed above, at the time of entering into the aforesaid framework agreements, none of the Directors is required to abstain or has abstained from voting on the Board resolutions to approve the respective framework agreements as mentioned above pursuant to the Articles of Association and the Listing Rules.

Details of the aforesaid continuing connected transactions are set out in the announcement of the Company published on 10 December 2024.

Save as disclosed above, during the year ended 31 December 2024, the Group did not enter into any other connected transactions and continuing connected transactions.

Report of the Directors

3. Confirmation from Directors and Auditor

Further details of the above continuing connected transactions and connected transactions are set out in note 31 to the consolidated financial statements on pages 136 to 138 of this annual report. The independent non-executive Directors have reviewed the above non-exempted continuing connected transactions and confirmed that the transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better (as defined in the Listing Rules); and
- (3) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Pursuant to Rules 14A.56 of the Listing Rules, the auditor has issued a letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group on page 136 to 138 of this annual report.

The Group's auditor has reviewed the above non-exempted continuing connected transactions for the year ended 31 December 2024 and confirmed to the Board that:

- (1) nothing has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board;
- (2) were not, in all material respects, in accordance with the pricing policies of the Group if the continuing connected transactions involve the provision of goods or services by the Group;
- (3) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (4) have exceeded the proposed annual caps as set out in the relevant agreements and announcements.

* The English translation is for identification only

TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as disclosed under the sections relating to connected transactions and continuing connected transactions in this annual report and the related parties relationships and transactions as set out in note 31 to the consolidated financial statements, no Directors or Supervisors have, directly or indirectly, any material interests in any transaction, arrangement or contract of significance entered into by the Company or any of its subsidiaries during the year ended 31 December 2024.

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

As at 31 December 2024, none of the Directors, Supervisors and chief executives of the Company or their close associates had 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 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 they were taken or deemed to have under such provision 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 otherwise notified to the Company and the Stock Exchange pursuant to the requirements under the Model Code.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period was any right to acquire benefits by means of acquisition of the 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 which enables the Directors and Supervisors to acquire such rights.

EQUITY-LINKED AGREEMENTS

There was no equity-linked agreement entered into by the Company during the year ended 31 December 2024.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 20 November 2002. The principal terms and conditions of the share option scheme were set out in the section headed "Summary of Principal Terms of the Share Option Scheme" under Appendix IV of the prospectus 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 31 December 2024, 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.

Report of the Directors

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

As at 31 December 2024, to the knowledge of the Directors, Supervisors and chief executives of the Company, the following corporations or persons (other than the Directors, Supervisors and chief executives of the Company) had interests and short positions in the shares and underlying shares of the Company which were required to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO or required pursuant to Section 336 of the SFO to be recorded in the register required to be kept pursuant thereto:

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.
- CCID Group Co was owned by CCID and China Software Testing Center (Research Center of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion)* (中國軟件評測中心(工業和信息化部軟件與集成電路促進中心)) ("Research Centre") 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)).
- 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 31 December 2024, no other corporation or person had interests and short position in the shares and underlying shares which were required to be kept in the register pursuant to Section 336 of the SFO.

* The English translation is for identification only

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 required by the Listing Rules as at the latest practicable date prior to the publication of this annual report.

COMPETING INTEREST

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

MANAGEMENT CONTRACT

During the year, the Company did not enter into any contracts with respect to the management and administration of all or any substantial part of the business of the Company.

DONATION

The Group has donated agricultural drones of more than RMB76,000 to Nanbu County, Sichuan; and has donated more than RMB180,000 in materials and scholarships to Hunyuan County, Shanxi for educational assistance.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group currently focuses on consultancy services which have a low impact on the environment. However, environmental protection remains a key concern of the Group, which promotes environmental protection and the environmental awareness of all its employees.

The Group is committed to the principle and practice of recycling and reducing. It adopts a series of measures to protect the environment, such as encouraging water conservation, use of recycled paper for printing and copying, double-sided printing and copying, as well as switching off idle lightings and air conditioners in a timely manner to reduce energy consumption at its offices.

The Group will review its environmental practices from time to time and consider implementing further environmental friendly measures, sustainability targets and practices in the operation of the Group's businesses to embrace the principles of reduce, recycle and reuse, and further minimise our already low impact on the environment.

For more detail about the environmental policies and performance of the Group, please refer to the "Environmental, Social and Governance Report" set out on pages 33 to 41 of this annual report.

Report of the Directors

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group carried out monitoring in respect of the Company's operations, financial management and staff management in accordance with relevant economic laws, regulations and implementation rules such as the Law of the People's Republic of China on Anti-Unfair Competition (《中華人民共和國反不正當競爭法》), the Contract Law of the People's Republic of China (《中華人民共和國合同法》), the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) and the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》). Meanwhile, it also reviewed its compliance with the Listing Rules and the SFO.

To the best of the knowledge of the Board and the management, the Group has complied with the relevant laws and regulations which have material impact on the business and operation of the Company and its subsidiaries in all material respects.

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance coverage for Directors', Supervisors' and senior management's liabilities in respect of legal actions against the Directors, Supervisors and senior management arising out of corporate activities.

AUDITOR

The consolidated financial statements for the year ended 31 December 2024 have been audited by SHINEWING (HK) CPA Limited, who will retire and offer themselves for re-appointment at the 2024 AGM.

There was no change in the Company's auditor in the past three years.

CORPORATE GOVERNANCE

The principal corporate governance practices adopted by the Group and the Group's compliance thereof are set out in the "Corporate Governance Report" on pages 19 to 32 of this annual report.

By Order of the Board

Shen Wen

Chairlady

Beijing, the People's Republic of China
28 March 2025

Report of the Supervisory Committee

To all Shareholders,

The supervisory committee of CCID Consulting Company Limited (the “Supervisory Committee”) has discharged its duties and authorities conscientiously, protected the interests of the shareholders and the benefits of the Company, and performed its work according to the principles of integrity and dedication with reasonable care and diligence on a proactive basis in compliance with the Company Law of the PRC, requirements of the relevant laws and regulations of Hong Kong and the Articles of Association.

During the year, the Supervisory Committee prudently reviewed the operational and development plans of the Company and provided reasonable suggestions and advice to the Board, strictly and effectively supervised the Company’s management as to whether the significant decision-making and specific decisions were in compliance with the PRC laws and regulations and the Articles of Association, and whether they were in the interests of the shareholders.

The Supervisory Committee has reviewed conscientiously and gave its consent to the report of the Directors, the audited financial report and the dividend distribution proposal to be proposed at the 2024 AGM. It is of the opinion that the members of the Board, the general manager and other senior management of the Company have strictly observed the principles of integrity and dedication, performed their duties diligently and scrupulously, and have exercised their authority of office in good faith for the best interests of the Company, and have been capable of conducting their work in accordance with the Articles of Association, featuring relatively standardised operation and ever-perfecting internal control system. The transactions between the Company and related companies are executed strictly pursuant to terms in the interests of the shareholders of the Company as a whole and at fair and reasonable considerations. To date, none of the Directors, general manager and senior management members has been found abusing their official positions, prejudicing the interests of the Company and infringing on the interests of shareholders and employees of the Company, or breaching requirements of the laws and regulations and the Articles of Association.

The Supervisory Committee is satisfied with the work of and the economic benefits obtained by the Company in the year of 2024 and is fully confident in the future development of the Group.

By Order of the Supervisory Committee

Gong Ping

Chairman of the Supervisory Committee

Beijing, the People’s Republic of China
28 March 2025

Independent Auditor's Report



SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF CCID CONSULTING COMPANY LIMITED

賽迪顧問股份有限公司

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

OPINION

We have audited the consolidated financial statements of CCID Consulting Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 67 to 143, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, 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 (the "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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 year. 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 matters identified in our audit are summarised as follows:

- Revenue recognition
- Expected credit losses for accounts receivables

REVENUE RECOGNITION

Refer to Note 7 to the consolidated financial statements and the accounting policies on pages 89 to 91.

The key audit matter

How the matter was addressed in our audit

The Group recorded revenue amounted to approximately RMB301,937,000 mainly from provision of decision-making consulting services, data platform services, and science and technology innovation platform services for the year ended 31 December 2024. The Group recognises revenue at a point in time or over time by reference to the satisfaction of relevant performance obligations.

We identified revenue recognition as a key audit matter as it is quantitatively significant to the consolidated financial statements as a whole and revenue is one of the key performance indicators of the Group. The recognition of each of the Group's revenue stream requires judgement by the directors of the Company in determining the timing of satisfaction of performance obligations.

In relation to the recognition of revenue from provision of decision-making consulting services, data platform services, and science and technology innovation platform services, we performed the following procedures, on a sample basis:

We have evaluated the design, implementation and operating effectiveness of key internal controls over the revenue recognition process;

We have inspected customer contracts to identify terms and conditions relating to the provision of services and assessing the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards; and

We have compared specific revenue transactions recorded before and after the financial year end date with underlying documentation, including service contracts and service records, to determine whether the related revenue had been recognised in the appropriate financial period.

Independent Auditor's Report

EXPECTED CREDIT LOSSES FOR ACCOUNTS RECEIVABLES

Refer to Note 23 to the consolidated financial statements and the accounting policies on pages 82 to 86.

The key audit matter

How the matter was addressed in our audit

As at 31 December 2024, the Group's accounts receivables amounted to approximately RMB40,239,000, net of allowance for impairment of accounts receivables of approximately RMB4,401,000.

Loss allowance for accounts receivables is estimated based on lifetime expected credit losses ("ECL") model, which is estimated by taking into account the credit loss experience and forward looking information including both current and forecast general economic conditions.

We have identified ECL of accounts receivables as a key audit matter because the impairment assessment of accounts receivables involved a significant degree of management estimation and may be subject to management bias.

In relation to the estimation, assumptions and judgements adopted by the Group in ECL model on impairment assessment of accounts receivables, we performed the following procedures, on a sample basis:

We have evaluated the design and implementation of key internal controls that the Group has implemented to manage and monitor its credit risk and measurement on ECL;

We have assessed the reasonableness of management's estimates for loss allowance by examining the information used by management to form such judgements, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward looking information, and

We have also inspected cash received from debtors after year end relating to accounts receivables balance as at 31 December 2024 on a sample basis.

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.

Independent Auditor's Report

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY 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 of the Company 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 of the Company 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 of the Company 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, solely to you, as a body, in accordance with our agreed terms of engagement, 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 HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism 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.
- 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 of the Company.

Independent Auditor's Report

- Conclude on the appropriateness of the Company's 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose 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 Mr. Chan Wing Kit.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Chan Wing Kit

Practising Certificate Number: P03224

Hong Kong

28 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	7	301,937	278,325
Cost of sales		(143,778)	(150,244)
Gross profit		158,159	128,081
Other income and gains	9	2,506	1,967
Selling and distribution expenses		(16,367)	(15,013)
Administrative and other operating expenses		(44,033)	(33,598)
Impairment loss recognised on accounts and other receivables, net	11	(1,981)	(2,767)
Finance cost	10	(203)	(81)
Profit before taxation		98,081	78,589
Income tax expense	12	(17,666)	(14,845)
Profit for the year	13	80,415	63,744
Other comprehensive (expense) income for the year			
Item that will not be reclassified subsequently to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income		(54)	(41)
Income tax relating to items that will not be reclassified subsequently to profit or loss		14	10
		(40)	(31)
Total comprehensive income for the year		80,375	63,713
Profit for the year attributable to:			
Owners of the Company		77,643	63,073
Non-controlling interests		2,772	671
		80,415	63,744
Total comprehensive income for the year attributable to:			
Owners of the Company		77,603	63,042
Non-controlling interests		2,772	671
		80,375	63,713
Earnings per share:	16		
Basic and diluted (RMB cents)		11.09	9.01

Consolidated Statement of Financial Position

At 31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment	18	10,350	11,463
Right-of-use assets	19	3,924	5,659
Intangible asset	20	14,681	14,681
Financial assets at fair value through other comprehensive income	21	1,429	1,483
Restricted bank deposits	25	673	—
Deferred tax assets	22	893	492
		31,950	33,778
Current assets			
Accounts receivables	23	40,239	37,871
Prepayments, deposits and other receivables	24	1,209	1,867
Financial assets at fair value through profit or loss	21	188	148
Tax recoverable		108	636
Amount due from a related party	29	5	5
Restricted bank deposits	25	5,187	451
Cash and bank balances	25	358,735	299,686
		405,671	340,664
Current liabilities			
Accounts payables	26	14,382	21,974
Accruals and other payables	27	49,817	37,739
Contract liabilities	28	138,669	109,160
Amount due to a related party	29	150	150
Income tax payable		17,491	13,835
Lease liabilities	19	1,215	1,367
		221,724	184,225
Net current assets		183,947	156,439
Total assets less current liabilities		215,897	190,217

Consolidated Statement of Financial Position

At 31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current liability			
Lease liabilities	19	3,106	4,321
Net assets		212,791	185,896
Equity			
Share capital	30	70,000	70,000
Reserves		113,460	89,337
Total equity attributable to owners of the Company		183,460	159,337
Non-controlling interests		29,331	26,559
Total equity		212,791	185,896

The consolidated financial statements on pages 67 to 143 were approved and authorised for issue by the board of directors of the Company on 28 March 2025 and are signed on its behalf by:

Ms. Shen Wen
Director

Mr. Fu Changwen
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company							Total RMB'000
	Share Capital RMB'000	Capital reserve (Note (a)) RMB'000	Statutory reserve (Note (b)) RMB'000	Investment revaluation reserve (Note (c)) RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non- controlling interests RMB'000	
At 1 January 2024	70,000	(20,004)	35,000	(148)	74,489	159,337	26,559	185,896
Profit for the year	—	—	—	—	77,643	77,643	2,772	80,415
Other comprehensive expense for the year	—	—	—	(40)	—	(40)	—	(40)
Total comprehensive (expense)/income for the year	—	—	—	(40)	77,643	77,603	2,772	80,375
Dividends recognised as distribution (Note 17)	—	—	—	—	(53,480)	(53,480)	—	(53,480)
At 31 December 2024	70,000	(20,004)	35,000	(188)	98,652	183,460	29,331	212,791

	Attributable to owners of the Company							Total RMB'000
	Share Capital RMB'000	Capital reserve (Note (a)) RMB'000	Statutory reserve (Note (b)) RMB'000	Investment revaluation reserve (Note (c)) RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non- controlling interests RMB'000	
At 1 January 2023	70,000	(20,004)	33,770	(117)	56,956	140,605	25,888	166,493
Profit for the year	—	—	—	—	63,073	63,073	671	63,744
Other comprehensive expense for the year	—	—	—	(31)	—	(31)	—	(31)
Total comprehensive (expense)/income for the year	—	—	—	(31)	63,073	63,042	671	63,713
Appropriation of statutory reserve	—	—	1,230	—	(1,230)	—	—	—
Dividends recognised as distribution (Note 17)	—	—	—	—	(44,310)	(44,310)	—	(44,310)
At 31 December 2023	70,000	(20,004)	35,000	(148)	74,489	159,337	26,559	185,896

Notes:

- (a) The capital reserve represented the sum of (i) share premium reserve of the Company which can be used to increase share capital; (ii) merger reserve of the Group arose from the deemed acquisition of a subsidiary under common control and calculating as the difference between the consideration paid for the deemed acquisition and the carrying amount of the net assets of the acquired subsidiary when the Group and the acquired subsidiary become under common control; and (iii) other reserve of the Group arose from the loss arising from transaction with non-controlling interests and the difference between the fair value of shares acquired of the acquired subsidiary for the deemed acquisition and carrying amount of the net assets of the diluted subsidiary at the date when the Group and the acquired subsidiary at the date of acquisition.
- (b) According to the People's Republic of China ("PRC") Company Law, companies in the PRC are required to transfer 10% of their respective after-tax profits, calculated in accordance with the relevant accounting principles and financial regulations applicable to entities established in the PRC, to the statutory reserve until the reserve balance reaches 50% of the registered capital. The statutory reserve can be utilised, upon approval of the relevant authorities, to offset accumulated losses or to increase registered capital of these companies, provided that such fund is maintained at a minimum of 25% of the registered capital. The statutory reserve is not distributable as cash dividends and must be made before distribution of dividend to equity owners.
- (c) As at 31 December 2024 and 2023, the investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investment in unlisted equity instruments designated as financial assets at fair value through other comprehensive income.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
OPERATING ACTIVITIES		
Profit before taxation	98,081	78,589
Adjustments for:		
Depreciation of property, plant and equipment	1,527	1,658
Loss on disposal of property, plant and equipment	3	—
Depreciation of right-of-use assets	1,735	933
Interest expenses on lease liabilities	203	81
Impairment loss recognised on accounts and other receivables, net	1,981	2,767
Interest income from bank deposits	(2,202)	(1,845)
Government grant	(63)	(5)
Investment income arising from financial assets at fair value through profit or loss	(5)	(9)
Fair value gain arising from financial assets at fair value through profit or loss	(40)	(44)
Operating cash flows before movements in working capital	101,220	82,125
Increase in accounts receivables	(1,240)	(15,348)
Increase in restricted bank deposits	(5,409)	(451)
Decrease in prepayments, deposits and other receivables	658	1,164
(Decrease)/increase in accounts payables	(8,642)	21,809
Increase in accruals and other payables	12,078	10,254
Increase/(decrease) in contract liabilities	29,509	(4,300)
(Increase)/decrease in amounts due from fellow subsidiaries	(3,109)	1,276
Decrease in amount due from ultimate holding company	—	834
Increase/(decrease) in amount due to an intermediate holding company	107	(1,080)
Increase in amount due to ultimate holding company	943	—
Decrease in amounts due to fellow subsidiaries	—	(7)
Cash generated from operations	126,115	96,276
Income taxes paid	(13,869)	(1,058)
NET CASH FROM OPERATING ACTIVITIES	112,246	95,218

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(419)	(255)
Proceeds from disposal of property, plant and equipment	2	6
Interest received from bank deposits	2,202	1,845
Investment income from financial assets at fair value through profit or loss	5	9
Repayment from ultimate holding company	—	500
NET CASH FROM INVESTING ACTIVITIES	1,790	2,105
FINANCING ACTIVITIES		
Repayment of lease liabilities (capital element)	(1,367)	(904)
Repayment of lease liabilities (interest element)	(203)	(81)
Government grant received	63	5
Dividends paid	(53,480)	(44,310)
NET CASH USED IN FINANCING ACTIVITIES	(54,987)	(45,290)
NET INCREASE IN CASH AND CASH EQUIVALENTS	59,049	52,033
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	299,686	247,653
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	358,735	299,686

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. GENERAL

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

The Company’s immediate holding company is CCID Academy for Industry and Information Technology Limited* (“賽迪工業和信息化研究院(集團)有限公司”) (“CCID Group Co”), a company established in the PRC. China Software Testing Center (“Research Center of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion”)* (“中國軟件評測中心(工業和信息化部軟件與集成電路促進中心)”) (“Research Centre”), a company established in the PRC and held 50% equity interest in CCID Group Co, is the intermediate holding company of the Group. The Group is ultimately held by China Center of Information Industry Development* (“中國電子信息產業發展研究院”) (“CCID”), a public institution and the ultimate controlling party of which is the Ministry of Industry and Information Technology of the PRC.

The address of the registered office of the Company is Room 311, No.2 Building, No. 28 Zhen Xing Road, Chang Ping District, Beijing, the PRC. Its head office and principal place of business in the PRC is located at the 9th and 10th Floors of CCID Plaza, 66 Zizhuyuan Road, Haidian District, Beijing, PRC. Its principal place of business in Hong Kong is at the 40th Floor, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are the provision of decision-making consulting services, data platform services, and science and technology innovation platform services.

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

* The English translation is for identification only

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning on 1 January 2024.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020)
	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. The amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets and liabilities (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Intangible asset

Intangible asset with indefinite useful life that is acquired separately is measured at initial recognition at cost. After initial recognition, intangible asset with indefinite useful life is measured at cost less any subsequent accumulated impairment losses, if any.

Property, plant and equipment

Property, plant and equipment stated in the consolidated statement of financial position is measured at initial recognition at cost and subsequently measured at cost less accumulated depreciation and subsequent accumulated impairment losses, if any.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment (Continued)

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which include both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as right-of-use assets in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off their costs, less their residual values over their estimated useful lives, using straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 25.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment losses on tangible assets and intangible asset

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible asset with indefinite useful life is tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for accounts receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 “Revenue from Contracts with Customers”. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (“FVTOCI”) and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding the expected credit loss ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECL, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "Other income and gains" line item (Note 9).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments as at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income ("OCI") and accumulated in the "Investment revaluation reserve". The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other income and gains" line item (Note 9).

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets. Fair value is determined in the manner described in Note 6.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment assessment under HKFRS 9 “Financial Instruments”. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for accounts receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a debt instrument to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of low risk. Low risk means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amounts through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Payments to state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends current tax liabilities and assets on a net basis.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the services underlying the particular performance obligations is transferred to customers.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Control is transferred overtime and revenue is recognised overtime by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance 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.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes sales related taxes.

Contract liabilities

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such case, a corresponding receivable would also be recognised.

The Group recognised revenue from the following major sources:

- provision of decision-making consulting services
- provision of data platform services
- provision of science and technology innovation platform services

Provision of decision-making consulting services

Revenue from the provision of decision-making consulting services is recognised at the point in time when the service for the transaction is completed under the terms of each contract.

Provision of data platform services

Revenue from the provision of data platform services is recognised at the point in time when the service for the transaction is completed under the terms of each contract.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Provision of science and technology innovation platform services

Science and technology innovation platform services mainly include science and technology innovation center operation, and brand conference and exhibitions.

The science and technology innovation center operation consists of a series of services provided to customers such as innovative high-growth enterprises recruitment, project introduction, park operation and industry cultivation. Revenue from innovative high-growth enterprises recruitment and project introduction services is recognised at the point of time when the service for the transaction is completed under the terms of each contract. Revenue from park operation and industry cultivation services is recognised over the service period. The progress towards complete satisfaction of a performance obligation is measured based on input method. Input method recognises revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended, costs incurred or time elapsed) relative to the total expected inputs to the satisfaction of that performance obligation. The Group's efforts or inputs are expended evenly throughout the service period, the Group recognises revenue on a straight-line basis.

Revenue from the provision of brand conference and exhibitions services is recognised at the point in time when the service for the transaction is completed under the terms of each contract.

Contract costs

Since the amortisation period of the incremental costs of obtaining a contract would be one year or less, the Group has applied practical expedient to recognise all incremental costs of obtaining a contract as expenses when incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Fair value measurement

When measuring fair value except for the value in use of tangible assets and intangible asset for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of input, as follow:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period which it is incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

For contracts entered into or modified on or after the date of initial application of HKFRS 16 “Leases”, the Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing (Continued)

Lease liabilities (Continued)

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies HKAS 36 "Impairment of Assets" to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Government grants

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing-basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Assessment of the indefinite useful life of an intangible asset

Management estimates the useful life of digital management platform based on the expected useful life of the digital management platform. Digital management platform is considered by the management of the Group as having indefinite useful life because the Group relies on information provided by the digital management platform to make profits, and the Group has to maintain the digital management platform and to update its data in the foreseeable future. In addition, the digital management platform could be prolonged indefinitely on the condition that it was under ongoing maintenance and data update which corresponds to the present situation and long-term development orientation of the Group.

The useful life of digital management platform could change significantly as a result of changes in commercial and technological environment. When the actual useful life of digital management platform is different from its estimated useful life due to change in commercial and technological environment, such difference will impact the amortisation charges and the amounts of assets written down for future periods. As at 31 December 2024, the carrying amount of digital management platform with indefinite useful life is approximately RMB14,681,000 (2023: RMB14,681,000).

Judgments in determining the timing of satisfaction of performance obligations

The recognition of each of the Group's revenue stream requires judgment by the directors of the Company in determining the timing of satisfaction of performance obligations.

In making their judgment, the directors of the Company considered the detailed criteria for recognition of revenue set out in HKFRS 15 and in particular, whether the Group has satisfied all the performance obligations over time or at a point in time with reference to the details terms of transaction as stipulated in the contracts entered into with its customers.

For the provision of decision-making consulting services and data platform services, the directors of the Company have determined that when the service for the transaction is completed under the terms of each contract, the revenue is recognised at the point in time.

Science and technology innovation platform services mainly include science and technology innovation center operation, and brand conference and exhibitions. The science and technology innovation center operation services consists of a series of services provided to customers such as innovative high-growth enterprises recruitment, project introduction, park operation and industry cultivation.

For the provision of innovative high-growth enterprises recruitment and project introduction services, the directors of the Company have determined that when the service for the transaction is completed under the terms of each contract, the revenue is recognised at the point in time.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Judgments in determining the timing of satisfaction of performance obligations (Continued)

For the provision of park operation and industry cultivation services, the directors of the Company have determined that the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Therefore, the directors of the Company have satisfied that the performance obligation is satisfied over time and recognised the revenue over the service period.

For the provision of brand conference and exhibitions services, the directors of the Company have determined that when the service for the transaction is completed under the terms of each contract, the revenue is recognised at the point in time.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income taxes

As at 31 December 2024, no deferred tax asset has been recognised on the tax losses of approximately RMB36,740,000 (2023: RMB19,248,000) due to the unpredictability of future profit streams for certain subsidiaries. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

ECL on accounts receivables

The impairment provisions for accounts receivables are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that those grouped debtors is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment loss to the consolidated statement of profit or loss and other comprehensive income.

During the year ended 31 December 2024, impairment loss recognised on accounts receivables is approximately RMB1,981,000 (2023: RMB2,918,000) and impairment loss reversed on accounts receivables is nil (2023: RMB160,000).

At 31 December 2024, the carrying amount of accounts receivables is approximately RMB40,239,000 (2023: RMB37,871,000), net of accumulated allowance for impairment of accounts receivables approximately RMB4,401,000 (2023: RMB2,420,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty (Continued)

Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs.

Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2024, the carrying amounts of property, plant and equipment and right-of-use assets were approximately RMB10,350,000 (2023: RMB11,463,000) and RMB3,924,000 (2023: RMB5,659,000), net of accumulated impairment losses amounted to nil (2023: nil). No impairment loss was recognised during the years ended 31 December 2024 and 2023.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives, after taking into account their residual values. The determination of useful lives and residual values involve management's estimated based on experience about the economic useful lives of the assets and by making reference to market prices of similar assets. The Group assesses annual residual values and the useful lives of the property, plant and equipment and if the expectation differs from the original estimates, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

As at 31 December 2024, the carrying amount of property, plant and equipment is approximately RMB10,350,000 (2023: RMB11,463,000). During the current year, the directors of the Company determined the useful lives and residual values of the property, plant and equipment are not required to be revised.

Estimated impairment of an intangible asset

Intangible asset is stated at cost less accumulated impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty (Continued)

Estimated impairment of an intangible asset (Continued)

Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2024, the carrying amount of an intangible asset is approximately RMB14,681,000 (2023: RMB14,681,000), net of accumulated impairment losses amounted to nil (2023: nil). No impairment loss was recognised during the years ended 31 December 2024 and 2023. Details of the impairment of an intangible asset are disclosed in Note 20.

Fair value measurement of financial assets

As described in Note 6(c), the directors of the Company use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For unlisted equity investments, assumptions are made based on the allocation of the value of the underlying investment portfolio, which is determined based on the asset approach, according to the investment agreement. The estimation of fair value of unlisted equity investment include some assumptions not supported by observable market prices or rates.

The carrying amount of the unlisted equity investments as at 31 December 2024 is approximately RMB1,429,000 (2023: RMB1,483,000). Details of the assumptions used are disclosed in Note 6(c). The directors of the Company believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of financial instruments.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of net debt, which includes total liabilities less amounts due to related parties, and total equity, comprising total equity.

The directors of the Company reviews the capital structure on a regular basis. As part of this review, the directors of the Company considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 RMB'000	2023 RMB'000
Financial assets		
Financial assets at amortised cost (including cash and cash equivalents)	405,978	339,810
Financial assets at FVTOCI		
— Equity instruments designated at FVTOCI	1,429	1,483
Financial assets at FVTPL		
— Financial assets mandatorily measured at FVTPL	188	148
	407,595	341,441
Financial liabilities		
Financial liabilities at amortised cost	59,459	56,137

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTOCI, accounts receivables, deposits and other receivables, financial assets at FVTPL, restricted bank deposits, cash and cash equivalents, accounts payables, accruals and other payables and amount due from/to a related party. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Interest rate risk

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (Note 25).

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary action when significant interest rate exposure is anticipated.

As all the Group's variable-rate bank balances was short-term in nature, any changes in the interest rate from time to time is not considered to have significant impact to the Group's performance and no sensitivity analysis has been presented.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) *Other price risk*

The Group is exposed to other price risk through its listed and unlisted equity instruments measured at FVTPL and FVTOCI. For equity securities measured at FVTPL, the management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on unlisted equity investments measured at FVTOCI operating in certain industry sectors. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the fair value of the respective equity instruments had been 1% (2023: 1%) higher/lower, investment valuation reserve would increase/decrease by approximately RMB11,000 (2023: increase/decrease by RMB11,000) for the Group as a result of the changes in fair value of unlisted equity instruments measured at FVTOCI.

The Group's method and assumption used in preparing the sensitivity to unlisted equity instruments measured at FVTOCI has not changed significantly from the prior year.

In the opinion of the directors of the Company, the Group's exposure to listed equity instruments measured at FVTPL was insignificant. Accordingly, no other price risk sensitivity analysis is presented.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31 December 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of the Group mainly arises from restricted bank deposits, cash and cash equivalents, accounts receivables, deposits and other receivables and amount due from a related party. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

For accounts receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The management reviews the categories of customers from time to time or at the time when the credit risk is significantly increased since initial recognition. The credit risk of a customer will increase significantly when the contractual payments are more than 60 days (2023: 60 days) past due, based on the background and characteristic of customers in the industry for granting a longer credit period.

The directors of the Company determine concentration of credit risk based on the size of project, location of customers, credit limit and credit terms. The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounts for all accounts receivables as at 31 December 2024 and 2023.

The Group usually requires customer to pay deposits before commencement of work. Progress billings will be served to customer based on the progress of the projects. In the opinion of the directors of the Company, the concentration of credit risk is moderate.

As at 31 December 2024 and 2023, no single customer or a group of customers contribute more than 10% of the Group's revenue. The Group has concentration of credit risk as 18% (2023: 25%) and 13% (2023: 11%) of the total accounts receivables was due from the Group's five largest customers and the largest customer respectively. The concentration of credit risk is limited due to the customer base being large and unrelated.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

For other non-traded related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. The Group considers that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL

Management considered certain deposits and other receivables and amount due from a related party to be low credit risk and thus the measurement of the loss allowance was limited to 12-month ECL.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies and thus the measurement of the loss allowance was limited to 12-month ECL.

Other than the concentration of credit risk on liquid funds which are deposited with several banks with good reputation and high credit ratings, the Group does not have any other significant concentration of credit risk, with exposure spread over a number of counterparties.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increase in credit risk on other financial instruments of the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group's exposure to credit risk

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Basis for recognising ECL
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	There have been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired
High risk	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The credit quality of the Group's financial assets and maximum exposure to credit risk by credit rating grades are disclosed in their respective notes.

Liquidity risk

In the management of 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.

All financial liabilities are non-interest bearing and their maturity dates are repayable on demand or due within one year from the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement. The financial assets of the Group at fair value in the consolidated statement of financial position are grouped into fair value hierarchy as follows:

Financial instruments	Fair value hierarchy	Fair value as at		Valuation Technique and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
		2024 RMB'000	2023 RMB'000			
Financial assets at FVTOCI — unlisted equity investment	Level 3	1,429	1,483	Based on the allocation of the value of the underlying investment portfolio, which is determined based on the asset approach, according to the investment agreement	Value of the underlying investment portfolio Probabilities of different scenarios	The higher the value of the investment, the higher its overall fair value (Note (a)) The fair value varies depending on different combinations of scenario probabilities.
Financial assets at FVTPL — equity securities listed in the PRC	Level 1	188	148	Quoted bid price in an active market	N/A	N/A

There were no transfers between level 1 and level 2 of fair value hierarchy in the current and prior years.

Note:

- (a) A 5% increase in the value of the underlying investment portfolio, while all the other variables were held constant, would result in an increase in fair value measurement of unlisted equity investment at FVTOCI by approximately RMB71,000 (2023: RMB74,000) and vice versa.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements of financial asset:

	2024 RMB'000	2023 RMB'000
Unlisted equity instruments at FVTOCI		
At the beginning of the year	1,483	1,524
Change in fair value recognised in OCI	(54)	(41)
At the end of the year	1,429	1,483

The above total change in fair value for the year ended 31 December 2024 of approximately RMB54,000 (2023: RMB41,000) is included in investment revaluation reserve.

The directors of the Company consider that the carrying amounts of current financial assets and current financial liabilities recorded at amortised costs in the consolidated financial statements approximate to their fair values due to their immediate or short-term maturities.

The directors of the Company also consider that the carrying amounts of non-current financial assets recorded at amortised costs in the consolidated financial statements approximate to their fair values as the impact of discounting of non-current financial assets is not significant.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. REVENUE

Revenue mainly represents revenue arising from provision of decision-making consulting services, data platform services and science and technology innovation platform services for the years. An analysis of the Group's revenue for the years is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major services lines		
— Decision-making consulting services	171,284	162,343
— Data platform services	38,446	31,447
— Science and technology innovation platform services	92,207	84,535
	301,937	278,325
Disaggregation of revenue from contracts with customers by:		
Timing of revenue recognition		
At a point in time	288,258	278,325
Overtime	13,679	—
Total revenue from contracts with customers	301,937	278,325

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

As at 31 December 2024, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately RMB606,505,000 (2023: RMB321,540,000). The amount mainly represents revenue expected to be recognised in the future from provision of decision-making consulting services and science and technology innovation platform services.

The Group will recognise this revenue as the service is completed, which is expected to occur over the next 12–60 months (2023: next 12–60 months).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. REVENUE (Continued)

Transaction price allocated to the remaining performance obligations for contracts with customers (Continued)

The transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period and the expected timing of recognition are, as follows:

	2024 RMB'000	2023 RMB'000
Within one year	272,819	162,629
More than one year	333,686	158,911
	606,505	321,540

8. SEGMENT INFORMATION

Descriptive information about the Group's reportable segments

The Group's operating segments are structured and managed separately, according to the nature of their operations and services they provide. Each operating segment represents a strategic business unit that provides services which are subject to risks and returns that are different from those of other operating segments. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker (the "CODM"), being the executive directors of the Company, for the purpose of resource allocation and performance assessment, the Group has presented the following three reportable segments. All of their respective reported revenue and absolute amount of reported profit or loss exceed the 10% threshold prescribed by HKFRS 8 "Operating Segments".

- the decision-making consulting services segment 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 data platform services segment provides customers with industry data and digital technology-driven data analytics and decision-making services; and
- the science and technology innovation platform services segment provides customers with comprehensive services such as science and technology innovation center operation and brand conferences and exhibitions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

8. SEGMENT INFORMATION (Continued)

Segment revenue and result

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

For the year ended 31 December 2024

	Decision- making consulting services RMB'000	Data platform services RMB'000	Science and technology innovation platform services RMB'000	Total RMB'000
External sales	171,284	38,446	92,207	301,937
Inter-segment sales	5,519	—	—	5,519
Segment revenue	176,803	38,446	92,207	307,456
Eliminations				(5,519)
Group revenue				301,937
Segment profit	96,377	23,975	35,826	156,178
Unallocated income				2,506
Unallocated expenses				(60,603)
Profit before taxation				98,081

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

8. SEGMENT INFORMATION (Continued)

Segment revenue and result (Continued)

For the year ended 31 December 2023

	Decision- making consulting services RMB'000	Data platform services RMB'000	Science and technology innovation platform services RMB'000	Total RMB'000
External sales	162,343	31,447	84,535	278,325
Inter-segment sales	11,057	5,377	—	16,434
Segment revenue	173,400	36,824	84,535	294,759
Eliminations				(16,434)
Group revenue				278,325
Segment profit	88,683	18,582	18,058	125,323
Impairment loss recognised on other receivables, net				(9)
Unallocated income				1,967
Unallocated expenses				(48,692)
Profit before taxation				78,589

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of other income and gains, selling and distribution expenses, administrative and other operating expenses, finance costs and impairment loss recognised on other receivables, net. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market price.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

8. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

Segment assets

	2024 RMB'000	2023 RMB'000
Decision-making consulting services	27,446	23,775
Data platform services	6,367	8,155
Science and technology innovation platform services	6,426	5,941
Total segment assets	40,239	37,871
Unallocated assets	397,382	336,571
Consolidated assets	437,621	374,442

Segment liabilities

	2024 RMB'000	2023 RMB'000
Decision-making consulting services	100,107	89,368
Data platform services	21,356	15,790
Science and technology innovation platform services	31,588	25,976
Total segment liabilities	153,051	131,134
Unallocated liabilities	71,779	57,412
Consolidated liabilities	224,830	188,546

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

- all assets are allocated to operating segments other than property, plant and equipment, intangible asset, right-of-use assets, financial assets at FVTOCI, deferred tax assets, prepayments, deposits and other receivables, financial assets at FVTPL, tax recoverable, amount due from a related party, restricted bank deposits and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than accruals and other payables, amount due to a related party, lease liabilities and income tax payable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

8. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 December 2024

	Decision-making consulting services RMB'000	Data platform services RMB'000	Science and technology innovation platform services RMB'000	Total RMB'000
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Amounts included in the measure of segment profit or segment assets:

Impairment loss recognised on accounts receivables, net	1,408	316	257	1,981
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Amounts regularly provided to the CODM but not included in the measure of segment profit or segment assets:

Additions to non-current assets (Note)	17	4	398	419
Depreciation of property, plant and equipment	1,008	260	259	1,527
Depreciation of right-of-use assets	1,735	—	—	1,735
Income tax expense	8,786	2,063	6,817	17,666

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

8. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2023

	Decision- making consulting services RMB'000	Data platform services RMB'000	Science and technology innovation platform services RMB'000	Total RMB'000
--	--	---	--	------------------

Amounts included in the measure of segment profit or segment assets:

Impairment loss recognised on accounts receivables, net	2,255	393	110	2,758
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Amounts regularly provided to the CODM but not included in the measure of segment profit or segment assets:

Additions to non-current assets (Note)	6,772	34	41	6,847
Depreciation of property, plant and equipment	1,286	268	104	1,658
Depreciation of right-of-use assets	933	—	—	933
Impairment loss recognised on other receivables, net	—	—	9	9
Income tax expense	8,423	1,495	4,927	14,845

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

Geographical information

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

Information about major customers

During the years ended 31 December 2024 and 2023, there is no single customer or a group of customers contributing over 10% of the total revenue of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

9. OTHER INCOME AND GAINS

	2024 RMB'000	2023 RMB'000
Interest income from bank deposits	2,202	1,845
Investment income arising from financial assets at FVTPL	5	9
Fair value gain arising from financial assets at FVTPL	40	44
Government grant (Note (a))	63	5
Sundry income	196	64
	2,506	1,967

Note:

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

10. FINANCE COST

	2024 RMB'000	2023 RMB'000
Interest expense on lease liabilities	203	81

11. IMPAIRMENT LOSS RECOGNISED ON ACCOUNTS AND OTHER RECEIVABLES, NET

	2024 RMB'000	2023 RMB'000
Accounts receivables	1,981	2,758
Other receivables	—	9
	1,981	2,767

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

12. INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
Income tax expense comprises:		
PRC Enterprise Income Tax (the "EIT"):		
— Current tax	17,491	13,687
— Under-provision in prior year	562	—
	18,053	13,687
Deferred tax (Note 22)	(387)	1,158
	17,666	14,845

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT tax rate of the PRC companies is 25% for both years. During the years ended 31 December 2024 and 2023, the Company and Beijing CCID Industrial Brain Technology Co., Ltd.* ("CCID Brain") ("北京賽迪產業大腦科技有限公司"), a subsidiary of the Company, are high and new technology enterprises (the "HNTE") registered in Beijing New Technology Enterprise Development Zone. Pursuant to the EIT Law, the EIT of those entities registered as HNTE is at a preferential tax rate of 15%.

The income tax expense can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 RMB'000	2023 RMB'000
Profit before taxation	98,081	78,589
Tax at domestic income tax rate of 25%	24,520	19,647
Preferential tax rate granted to HNTE	(9,217)	(7,141)
Tax effect of super deduction of research and development expenses	(1,565)	(1,121)
Tax effect of expenses not deductible for tax purpose	29	2,037
Tax effect of tax losses not recognised	3,386	2,612
Utilisation of tax losses previously not recognised	(49)	(1,189)
Under-provision in respect of prior year	562	—
Income tax expense	17,666	14,845

Details of deferred taxation are set out in Note 22.

* The English translation is for identification only

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

13. PROFIT FOR THE YEAR

	2024 RMB'000	2023 RMB'000
Profit for the year has been arrived at after charging:		
Directors', supervisors' and general manager's emoluments (Note 14)	1,048	791
Staff costs (excluding directors', supervisors' and general manager's emoluments)		
— Salaries, wages, allowances and other benefits	114,239	96,134
— Contributions to retirement benefits scheme	25,401	21,484
Total staff costs (excluding directors', supervisor's and general manager's emoluments)	139,640	117,618
Auditor's remuneration	850	800
Depreciation of property, plant and equipment	1,527	1,658
Depreciation of right-of-use assets	1,735	933
Loss on disposal of property, plant and equipment	3	—
Research and development expenses (Note (a))	12,220	8,905

Note:

- (a) The research and development expenses disclosed here included salaries and wages, allowances and other benefits of approximately RMB8,462,000 (2023: RMB6,624,000), and contributions to retirement benefits scheme of approximately RMB2,402,000 (2023: RMB1,811,000) for the year ended 31 December 2024 which had been included in total staff costs disclosed above.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

14. DIRECTORS', SUPERVISORS' AND GENERAL MANAGER'S EMOLUMENTS

The emoluments paid or payable to each of the ten (2023: nine) directors, supervisors and general manager were as follows:

For the year ended 31 December 2024

	Fees RMB'000	Salaries and allowances RMB'000	Discretionary bonuses (Note) RMB'000	Contributions to retirement benefits scheme RMB'000	Total RMB'000
Emoluments paid or receivable in respect of director's other service in connection with the management of the affairs of the Company and its subsidiary undertaking					
Executive directors					
Ma Yaqing ¹	—	—	—	—	—
Fu Changwen ²	—	—	—	—	—
Shen Wen ³	—	—	—	—	—
Emoluments paid or receivable in respect of a person's services as a director/supervisor of the Company and its subsidiary undertaking					
Independent non-executive directors					
Chen Yung-cheng ⁷	143	—	—	—	143
Hu Bin	143	—	—	—	143
Li Xuemei ⁵	36	—	—	—	36
Zhang Tao ⁶	111	—	—	—	111
Supervisors					
Lian Jing	—	301	210	104	615
Gong Ping	—	—	—	—	—
Jia Yinghui	—	—	—	—	—
	433	301	210	104	1,048

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

14. DIRECTORS', SUPERVISORS' AND GENERAL MANAGER'S EMOLUMENTS (Continued)

For the year ended 31 December 2023

	Fees RMB'000	Salaries and allowances RMB'000	Discretionary bonuses (Note) RMB'000	Contributions to retirement benefits scheme RMB'000	Total RMB'000
Emoluments paid or receivable in respect of director's other service in connection with the management of the affairs of the Company and its subsidiary undertaking					
Executive directors					
Ma Yaqing ¹	—	—	—	—	—
Fu Changwen ²	—	—	—	—	—
Qin Hailin ⁴	—	—	—	—	—
Emoluments paid or receivable in respect of a person's services as a director/supervisor of the Company and its subsidiary undertaking					
Independent non-executive directors					
Li Xuemei ⁵	95	—	—	—	95
Chen Yung-cheng ⁷	95	—	—	—	95
Hu Bin	95	—	—	—	95
Supervisors					
Lian Jing	—	232	175	99	506
Gong Ping	—	—	—	—	—
Jia Yinghui	—	—	—	—	—
	285	232	175	99	791

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

14. DIRECTORS', SUPERVISORS' AND GENERAL MANAGER'S EMOLUMENTS (Continued)

- 1 Ms. Ma Yaqing resigned as executive director on 22 March 2024.
- 2 Mr. Fu Changwen was appointed as an executive director on 31 March 2023, and as general manager on 6 March 2023.
- 3 Ms. Shen Wen was appointed as executive director on 22 March 2024.
- 4 Mr. Qin Hailin resigned as executive director and general manager on 31 March 2023 and 6 March 2023, respectively.
- 5 Ms. Li Xuemei resigned as independent non-executive director on 22 March 2024.
- 6 Mr. Zhang Tao was appointed as an independent non-executive director on 22 March 2024.
- 7 Mr. Chen Yung-cheng resigned as independent non-executive director on 8 January 2025.

Note: Discretionary bonuses are determined by the Remuneration Committee and paid depending on staff grading, individual performance and the profitability of the Group.

Ms. Shen Wen was appointed as chairlady of the board of directors of the Company upon Ms. Ma Yaqing's retirement on 22 March 2024.

No emoluments were paid by the Group to the directors of the Company as an incentive payment for joining the Group or as compensation, for loss of office during the years ended 31 December 2024 and 2023.

In addition to the directors' emoluments disclosed above, certain directors are not paid directly by the Company but receive emoluments from the Company's holding companies, in respect of their services to the larger group which includes the Group. No apportionment has been made as the qualifying services provided by these directors to the Group are incidental to their responsibilities to the larger group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

15. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, none (2023: none) was a director and the emoluments of all five (2023: five) individuals were as follows:

	2024 RMB'000	2023 RMB'000
Salaries and allowances	4,433	5,188
Contributions to retirement benefits scheme	342	316
Discretionary bonuses (Note)	3,269	2,809
	8,044	8,313

Their emoluments were within the following bands:

	2024 No. of employees	2023 No. of employees
HK\$1,500,001 to HK\$2,000,000 (equivalent to approximately RMB1,389,000 to RMB1,852,000) (2023: RMB1,373,000 to RMB1,831,000)	5	5

No emoluments were paid by the Group to these five (2023: five) individuals of the Company as an incentive payment for joining the Group or as compensation, for loss of office during the years ended 31 December 2024 and 2023.

Note: Discretionary bonuses are determined by the Remuneration Committee of the Company and paid depending on staff grading, individual performance and the profitability of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

16. EARNINGS PER SHARE

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

	2024	2023
Profit for the year attributable to owners of the Company (RMB'000)	77,643	63,073
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share ('000)	700,000	700,000
Basic and diluted earnings per share (RMB cents)	11.09	9.01

There is no difference between basic and diluted earnings per share as there were no potential dilutive shares outstanding during the years ended 31 December 2024 and 2023.

17. DIVIDENDS

	2024 RMB'000	2023 RMB'000
2023 final dividend (Note (a))	53,480	—
2023 interim dividend (Note (b))	—	26,110
2022 final dividend (Note (c))	—	18,200

Notes:

- Pursuant to the resolution of the shareholders meeting on 13 June 2024, the Company distributed cash dividends of RMB7.64 cents per share (tax included) based on 700,000,000 shares held amounting to approximately RMB53,480,000 during the year ended 31 December 2024. The dividends on domestic shares were paid in RMB and dividends on H shares were paid in Hong Kong dollars.
- Pursuant to the resolution of the shareholders meeting on 18 September 2023, the Company distributed interim cash dividends of RMB3.73 cents per share (tax included) based on 700,000,000 shares held amounting to approximately RMB26,110,000 during the year ended 31 December 2023. The dividends on domestic shares were paid in RMB and dividends on H shares were paid in Hong Kong dollars.
- Pursuant to the resolution of the shareholders meeting on 8 June 2023, the Company distributed cash dividends of RMB2.6 cents per share (tax included) based on 700,000,000 shares held amounting to approximately RMB18,200,000 during the year ended 31 December 2023. The dividends on domestic shares were paid in RMB and dividends on H shares were paid in Hong Kong dollars.

Subsequent to the end of the reporting period, a final dividend of RMB11 cents (2023: RMB7.64 cents) per share in respect of the year ended 31 December 2024, in aggregate amount of approximately RMB77,000,000 (2023: RMB53,480,000) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

18. PROPERTY, PLANT AND EQUIPMENT

	Ownership interests in leasehold land and buildings RMB'000	Leasehold improvement RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost					
At 1 January 2023	32,819	—	4,876	1,092	38,787
Additions	—	—	255	—	255
Disposals	—	—	(13)	—	(13)
At 31 December 2023	32,819	—	5,118	1,092	39,029
Additions	—	370	49	—	419
Disposals	—	—	(130)	—	(130)
At 31 December 2024	32,819	370	5,037	1,092	39,318
Accumulated depreciation					
At 1 January 2023	21,509	—	3,525	881	25,915
Provided for the year	1,039	—	575	44	1,658
Eliminated on disposals	—	—	(7)	—	(7)
At 31 December 2023	22,548	—	4,093	925	27,566
Provided for the year	1,041	28	413	45	1,527
Eliminated on disposals	—	—	(125)	—	(125)
At 31 December 2024	23,589	28	4,381	970	28,968
Carrying amounts					
At 31 December 2024	9,230	342	656	122	10,350
At 31 December 2023	10,271	—	1,025	167	11,463

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

	Estimated residual value	Estimated useful lives
Ownership interests in leasehold land and buildings	5%	30 years
Leasehold improvement	0%	Over the shorter of term of the lease, or 5 years
Furniture, fixtures and equipment	5%	5 years
Motor vehicles	5%	5 years

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

19. LEASES

(a) Right-of-use assets

	2024 RMB'000	2023 RMB'000
Office premises	3,924	5,659

The Group has lease arrangements for office premises. The lease terms generally ranged from two to five years.

Additions to the right-of-use assets for the year ended 31 December 2023 amounted to approximately RMB6,592,000 (2024: nil) due to new leases of office premises.

(b) Leases liabilities

	2024 RMB'000	2023 RMB'000
Non-current	3,106	4,321
Current	1,215	1,367
	4,321	5,688

Amounts payable under lease liabilities	2024 RMB'000	2023 RMB'000
Within one year	1,215	1,367
After one year but within two years	962	1,215
After two years but within five years	2,144	3,106
	4,321	5,688
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,215)	(1,367)
Amount due for settlement after 12 months	3,106	4,321

Additions to the lease liabilities for the year ended 31 December 2023 amounted to approximately RMB6,592,000 (2024: nil) due to new leases of office premises.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

19. LEASES (Continued)

(c) Amounts recognised in profit or loss

	2024 RMB'000	2023 RMB'000
Depreciation of right-of-use assets		
— Office premises	1,735	933
Interest expense on lease liabilities (Note 10)	203	81
Expense relating to short-term leases	525	982

(d) Others

During the year ended 31 December 2024, the total cash outflow for leases amounted to approximately RMB2,095,000 (2023: RMB1,967,000).

20. INTANGIBLE ASSET

The intangible asset represents a digital management platform which is stored in the computer system, which consists of domain names, electronic databases, computer software, a data processing system and a database management platform, used to offer assistance in providing customers with data content of consultation business. The Group relies on the digital management platform and the information provided by the information database to earn subscription fees, as well as service charges for standard research reports, special research reports, and providing consultation on public relations.

The directors of the Company have the intention and the ability to maintain the intangible asset in such a way that there is no foreseeable limit on the period over which the intangible asset is expected to generate net cash inflows for the Group. The directors of the Company consider that the estimated useful life of the digital management platform is indefinite.

As the useful life of the intangible asset is indefinite, no amortisation is recognised. Still, it needs to be reviewed for impairment annually and whenever there is an indication that the intangible asset may be impaired.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

20. INTANGIBLE ASSET (Continued)

At 31 December 2024, the directors of the Company determined the recoverable amount of the intangible asset based on the higher of the value-in-use and fair value less cost of disposal. The assessment of the recoverable amount of the intangible asset as at 31 December 2024 has been arrived at based on a valuation carried out by an independent qualified professional valuer not connected with the Group. The calculations use a cash flow projection based on financial budgets approved by management covering a 5-year period and a discount rate of 13% (2023: 15%). The cash flow beyond the fifth year is extrapolated using a steady 3% (2023: 3%) growth rate. This long-term growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. This discount rate is based on the weighted average cost of capital by using the data from the relevant comparable company. Other key assumptions include budgeted revenue, contribution rate of the intangible asset and royalty rate of the intangible asset as of the valuation date. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the intangible asset to exceed its recoverable amount. No impairment loss was recognised for the years ended 31 December 2024 and 2023 as the recoverable amount of the intangible asset was greater than the carrying amount.

21. FINANCIAL ASSETS AT FVTOCI/FVTPL

	2024 RMB'000	2023 RMB'000
Unlisted equity investments at FVTOCI (Note (i)):		
— Wuhan Jiangxia CCID Strategic Emerging Industry Equity Investment Partnership (Limited Partnership)* (“武漢江夏賽迪戰略新興產業股權投資合夥企業(有限合夥)”)	1,429	1,483
Financial assets held for trading measured at FVTPL:		
— Equity securities listed in the PRC	188	148
Analysed for reporting purposes as:		
Non-current assets at FVTOCI	1,429	1,483
Current assets at FVTPL	188	148
	1,617	1,631

Note:

- (i) The unlisted equity investments represent investment in 5.6% (2023: 5.6%) unlisted equity interests in Wuhan Jiangxia CCID Strategic Emerging Industry Equity Investment Partnership (Limited Partnership) held by the Company of approximately RMB1,429,000 (2023: RMB1,483,000).

The above unlisted equity investments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purpose and realising their performance potential in long run.

* The English translation is for identification only

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

22. DEFERRED TAXATION

The following is an analysis of the deferred tax balances, after set off certain deferred tax assets against deferred tax liabilities of the same tax entity, for financial reporting purposes:

	2024 RMB'000	2023 RMB'000
Deferred tax assets	893	492

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Credit loss allowances and impairment of assets RMB'000	Changes in fair value of financial assets at FVTOCI RMB'000	Fair value gain arising from financial assets at FVTPL RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2023	1,598	39	3	—	—	1,640
(Charge) credit to profit or loss (note 12)	(1,193)	—	27	(1,414)	1,422	(1,158)
Credit to other comprehensive income	—	10	—	—	—	10
At 31 December 2023 and 1 January 2024	405	49	30	(1,414)	1,422	492
Credit (charge) to profit or loss (note 12)	301	—	(6)	434	(342)	387
Credit to other comprehensive income	—	14	—	—	—	14
At 31 December 2024	706	63	24	(980)	1,080	893

At the end of reporting period, the Group has unused tax losses of approximately RMB36,740,000 (2023: RMB19,248,000) available for offset against future profits. No deferred tax asset has been recognised for those unused tax losses of approximately RMB36,740,000 (2023: RMB19,248,000) due to the unpredictability of future profit streams.

Included in unrecognised tax losses are losses of the Group of approximately RMB1,073,000, RMB986,000, RMB6,534,000, RMB10,450,000 and RMB17,697,000 that will expire in 2025, 2026, 2027, 2028 and 2029 respectively. (2023: RMB8,000, RMB1,073,000, RMB1,183,000, RMB6,534,000 and RMB10,450,000 that will expire in 2024, 2025, 2026, 2027 and 2028 respectively).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

23. ACCOUNTS RECEIVABLES

	2024 RMB'000	2023 RMB'000
Receivables at amortised cost comprise:		
Accounts receivables	44,640	40,291
Less: allowance for impairment of accounts receivables	(4,401)	(2,420)
Net accounts receivables	40,239	37,871

As at 31 December 2024, the gross amount of accounts receivable arising from contracts with customers amounted to approximately RMB44,640,000 (2023: RMB40,291,000).

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

	Related parties RMB'000	Third parties RMB'000	Total RMB'000
2024			
0 to 60 days	3,111	30,137	33,248
61 to 180 days	—	1,832	1,832
181 to 365 days	—	361	361
More than 365 days	—	4,798	4,798
	3,111	37,128	40,239
	Related parties RMB'000	Third parties RMB'000	Total RMB'000
2023			
0 to 60 days	2	25,890	25,892
61 to 180 days	—	8,218	8,218
181 to 365 days	—	537	537
More than 365 days	—	3,224	3,224
	2	37,869	37,871

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

23. ACCOUNTS RECEIVABLES (Continued)

The Group measures the loss allowance at an amount equal to lifetime ECL, which is based on the categories of customers, expected credit loss rates and ageing analysis of gross carrying amount. Expected loss rates are determined by reference to historical data over the past 3 years (2023: 3 years) adjusted with the credit quality of grouped debtors, current economic conditions and the forecast economic conditions over the expected lives of the accounts receivables. In view of the macroeconomic in the PRC showing no material unfavourable factors to the customers of the Group, the management does not expect significant credit loss due to credit curtailment. There has been no change in the estimation techniques or significant assumptions made during the year from preceding reporting period.

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

As at 31 December 2024

	Weighted average expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Low risk customers			
0 to 60 days	0.32	21,452	69
61 to 180 days	0.32	1,102	3
181 to 365 days	0.32	120	—
More than 365 days	2.74	4,933	135
		27,607	207
High risk customers			
0 to 60 days	0.29	8,779	25
61 to 180 days	5.71	777	44
181 to 365 days	32.85	360	119
More than 365 days	100.00	3,997	3,997
		13,913	4,185
		41,520	4,392

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

23. ACCOUNTS RECEIVABLES (Continued)

As at 31 December 2023

	Weighted average expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Low risk customers			
0 to 60 days	0.25	10,864	27
61 to 180 days	0.25	8,192	20
181 to 365 days	0.25	45	—
More than 365 days	3.82	3,353	129
		22,454	176
High risk customers			
0 to 60 days	0.52	15,131	78
61 to 180 days	8.00	50	4
181 to 365 days	38.33	801	309
More than 365 days	100.00	1,853	1,853
		17,835	2,244
		40,289	2,420

Amounts due from related parties are analysed as follows:

	2024 RMB'000	2023 RMB'000
Name of fellow subsidiaries		
Beijing CCID Technical Innovation Co. Ltd.* ("CCID Technical") ("北京賽迪科創技術有限公司")	1,825	—
Beijing CCID Publishing & Media Co. Ltd.* ("CCID Publishing") ("北京賽迪出版傳媒有限公司")	1,271	—
CCID Network Information Technology Co., Ltd.* ("CCID NIT") ("北京賽迪網信息技術有限公司")	15	2
Total	3,111	2

* The English translation is for identification only

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

23. ACCOUNTS RECEIVABLES (Continued)

The amounts due from related parties are trade nature, unsecured, interest-free and repayable at a credit period of 60 days as at 31 December 2024 and 2023.

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

	2024 RMB'000	2023 RMB'000
At the beginning of the year	2,420	9,469
Impairment losses recognised	1,981	2,918
Amounts reversed	—	(160)
Amount written off as uncollectible	—	(9,807)
At the end of the year	4,401	2,420

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

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Prepayments	70	70
Rental and other deposits	251	143
Other receivables	1,050	1,816
	1,371	2,029
Less: Allowance for impairment of other receivables	(162)	(162)
Prepayment, deposit and other receivables, net	1,209	1,867

As at 31 December 2024, the Group classifies rental and other deposits and other receivables with gross carrying amount of approximately RMB1,139,000 (2023: RMB1,797,000) under low risk category, and measures the loss allowance equal to 12-month ECL amounted to nil (2023: nil).

As at 31 December 2024, the Group classifies other receivables with gross carrying amount of approximately RMB162,000 (2023: RMB162,000) under high risk category since there are significant increase in credit risk, and measures the loss allowance equal to lifetime ECL (credit-impaired) amounting to approximately RMB162,000 (2023: RMB162,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

The following table shows the movement in allowance for impairment of other receivables during the current and prior years:

	Lifetime ECL (credit-impaired) RMB'000
As at 1 January 2023	205
— Impairment losses recognised	9
— Amount written off as uncollectible	(52)
As at 31 December 2023 and 2024	162

25. CASH AND BANK BALANCES AND RESTRICTED BANK DEPOSITS

Cash and bank balances

Cash and bank balances include demand deposits and short-term bank deposits for the purpose of meeting the Group's short term cash commitment, which carry interest at market rates ranging from 0.1% to 2.1% (2023: 0.2% to 2.1%) per annum.

Restricted bank deposits

Restricted bank deposits include demand deposits of approximately RMB5,860,000 (2023: RMB451,000) that are required to be maintained as performance guarantee and can be used only to settle future claims, if any, on the certain ongoing consulting projects. The contractual restriction on the use of demand deposits amounting to approximately RMB5,187,000 and RMB673,000 ends within one year and after two years but within three years, respectively (2023: RMB451,000 ends on 30 November 2024). The restricted bank deposits carry fixed interest rates which range from 0.1% to 1.1% (2023: fixed interest rate of 0.2%) per annum.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

26. ACCOUNTS PAYABLES

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

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

	2024 RMB'000	2023 RMB'000
Within 30 days	14,382	21,974

Amounts due to related parties included in accounts payables are analysed as follows:

	2024 RMB'000	2023 RMB'000
Name of related parties		
— Ultimate holding company — CCID	943	—
— Intermediate holding company — Research Centre	107	—
	1,050	—

27. ACCRUALS AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Accrued salaries, wages, allowances and other benefits	39,104	28,626
Accrued social insurance fees and the public housing funds	4,478	4,237
Other tax payables	4,890	3,726
Other payables	1,345	1,150
	49,817	37,739

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

28. CONTRACT LIABILITIES

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 and data platform 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
Science and technology innovation platform services (science and technology innovation center operation)	By milestone payments per agreed terms at contract inception (ranging from 20% to 30% deposits), the beginning of each consecutive years after the first year of operation (approximately 10% deposits) and delivery of services upon acceptance
Science and technology innovation platform services (brand conference and exhibitions)	By milestone payments per agreed terms at contract inception (ranging from 70% to 100% deposits) and delivery of services upon acceptance

Revenue recognised during the year ended 31 December 2024 that was included in the contract liabilities at the beginning of the year is approximately RMB90,459,000 (2023: RMB92,721,000). There was no revenue recognised in the current year that related to performance obligations that were satisfied in prior year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

29. AMOUNT DUE FROM/TO A RELATED PARTY

- (i) As at 31 December 2024, the amount due from ultimate holding company, CCID, of approximately RMB5,000 (2023: RMB5,000) is non-trade nature, unsecured, interest-free and repayable on demand.

The management considered that the amount due from ultimate holding company to be low credit risk and thus no impairment provision is recognised during the year.

- (ii) The amount due to a related party as at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
A fellow subsidiary:		
— 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”) (Note (a))	150	150

Note:

- (a) The amount is non-trade nature, unsecured, interest-free and repayable on demand.

* The English translation is for identification only

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

30. SHARE CAPITAL

Share capital of the Company as at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
Registered, issued and fully paid ordinary shares of RMB0.1 each:		
— Ordinary shares	70,000	70,000
At the beginning and the end of the year	70,000	70,000

Note:

As at the end of reporting periods, the Company's number of issued shares are as follows:

	2024 '000	2023 '000
Domestic shareholders	491,000	491,000
H shareholders	209,000	209,000
At end of the year	700,000	700,000

Pursuant to chapter 7 of the Company's constitution, all of the holders of domestic shares, legal person shares and H shares are the ordinary shareholders of the Company; they bear the same rights and obligations. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the general meeting of the Company. All ordinary shares rank equally with regard to the Group's residual assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

31. RELATED PARTIES RELATIONSHIPS AND TRANSACTIONS

(a) Related parties of the Group

The Company is ultimately controlled by the government of the PRC and the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the government of the PRC ("government-related entities").

In addition, the Group itself is part of a larger group of companies controlled by CCID (CCID and its subsidiaries are referred to as the "CCID Group") which is controlled by the government of the PRC.

Transactions with the CCID Group	2024 RMB'000	2023 RMB'000
(i) Gross revenue earned before sales surtaxes		
Provision for decision-making consulting services:		
Fellow subsidiary — CCID Publishing	1,962	613
Ultimate holding company — CCID	—	925
Intermediate holding company — Research Centre	—	151
	1,962	1,689
Provision for data platform services:		
Fellow subsidiaries		
— CCID Technical	3,085	—
— CCID NIT	32	64
	3,117	64
Provision for science and technology innovation platform services:		
Fellow subsidiary — CCID Publishing	873	1,745

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

31. RELATED PARTIES RELATIONSHIPS AND TRANSACTIONS (Continued)

(a) Related parties of the Group (Continued)

Transactions with the CCID Group	2024 RMB'000	2023 RMB'000
(ii) Administrative and promotion services		
Rental, building management fee, internet fee and utilities fare charged by:		
Intermediate holding company — Research Centre	710	682
Rental, building management fee charged by:		
Fellow subsidiary — Beijing CCID Property Management Co., Ltd.* (“北京賽迪物業管理有限公司”)	1,361	1,359
Technical service fee charged by:		
Fellow subsidiary — Beijing CCID Infotech, Inc.* (“北京賽迪時代信息產業股份有限公司”)	423	368
Immediate holding company — CCID Group Co	1,126	991
	3,620	3,400
(iii) Service fee paid for consulting services by:		
Ultimate holding company — CCID	1,104	94
Immediate holding company — CCID Group Co	—	1,708
	1,104	1,802
(iv) Services fee paid for conference and exhibition service by:		
Fellow subsidiary — Beijing CCID Tong Call Center Co., Ltd.* (“北京賽迪數通信息科技有限公司”)	34	86
	34	86

Note: The directors of the Company are of their opinion that the above transactions with related parties were conducted in the normal course of business and all others were charged at cost incurred plus a reasonable profit margin.

* The English translation is for identification only

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

31. RELATED PARTIES RELATIONSHIPS AND TRANSACTIONS (Continued)

(b) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the year was as follow:

	2024 RMB'000	2023 RMB'000
Salaries, wages, allowances and other benefits	27,408	20,822
Contributions to retirement benefits scheme	2,247	2,058
	29,655	22,880

Note: The remuneration of directors of the Company and key executives is determined by the Remuneration Committee of the Company and paid depending on staff grading, individual performance and the profitability of the Group.

32. SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 20 November 2002. Pursuant to the share option scheme, the board of directors of the Company may, at its discretion, grant options to any full-time employees of the Group to subscribe for shares in the Company, to a maximum of 30% of the Company's H shares in issue from time to time. The exercise price will be determined by the Board of Directors, and will not be less than the highest of: (a) the closing price of the H shares as stated in the daily quotations sheet on the date of offer, which must be a business day; (b) the average closing prices of the H shares as stated in the daily quotation sheets for the five business days immediately preceding the date of offer; and (c) the nominal value of an H share. However, employees who are Chinese nationals in the PRC shall not be entitled to exercise the option until the current restrictions on these persons for subscribing or dealing in H shares imposed by the laws and regulations in the PRC have been amended or removed. At the end of reporting period, the share option scheme is not effective. Until 31 December 2024 and 2023, no options were granted to the Group's employees.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities for the current year, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	Amount due to a fellow subsidiary (Note 29(ii)) RMB'000	Lease liabilities (Note 19(b)) RMB'000	Total RMB'000
At 1 January 2023	150	—	150
Financing cash flows			
— Repayment	—	(985)	(985)
Non-cash changes			
— Increase in lease liabilities	—	6,592	6,592
— Interest expenses	—	81	81
At 31 December 2023 and 1 January 2024	150	5,688	5,838
Financing cash flows			
— Repayment	—	(1,570)	(1,570)
Non-cash changes			
— Interest expenses	—	203	203
At 31 December 2024	150	4,321	4,471

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the subsidiaries as at 31 December 2024 and 2023 are as follows:

Name of subsidiary	Place of establishment/ operations	Kind of legal entity	Registered and fully paid share capital or paid in capital (RMB'000)		Proportion of effective ownership interest and voting power held by the Company				Principal activities
					Directly		Indirectly		
			2024	2023	2024	2023	2024	2023	
Beijing CCID Data Co., Ltd.* ("北京賽迪數科技術有限公司")	Beijing, PRC	Company with limited liability	80,000	80,000	59.4%	59.4%	—	—	Provision of decision-making consulting services and data platform services
Beijing CCID Capital Consulting Co., Ltd.* ("北京賽迪經智投資顧問有限公司")	Beijing, PRC	Company with limited liability	500	500	80%	80%	11.9%	11.9%	Provision of decision-making consulting services
CCID Brain	Beijing, PRC	Company with limited liability	5,000	5,000	80%	80%	11.9%	11.9%	Provision of data platform services
Beijing CCID County Strategy Consulting Co., Ltd.* ("北京賽迪方略縣域經濟顧問有限公司")	Beijing, PRC	Company with limited liability	5,000	5,000	90.1%	90.1%	—	—	Provision of decision-making consulting services
Shenzhen CCID Strategy Consulting Co., Ltd.* ("深圳賽迪方略諮詢顧問有限公司")	Shenzhen, PRC	Company with limited liability	1,000	1,000	100%	100%	—	—	Provision of decision-making consulting services
Guangdong CCID Industrial and Information Research Centre Co., Ltd.* ("廣東賽迪工業和信息化研究院有限公司")	Guangzhou, PRC	Company with limited liability	5,000	5,000	—	—	59.4%	59.4%	Provision of decision-making consulting services
Beijing CCID Exhibition Co., Ltd.* ("北京賽迪會展有限公司")	Beijing, PRC	Company with limited liability	10,000	10,000	—	—	59.4%	59.4%	Provision of science and technology innovation platform services

No subsidiary has material non-controlling interests to the Group and had issued any debt securities at the end of both years or any time during both years.

* The English translation is for identification only

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		9,820	11,212
Interests in subsidiaries		33,168	33,168
Intangible asset		14,681	14,681
Financial assets at fair value through other comprehensive income		1,429	1,483
Restricted bank deposits		673	—
Deferred tax assets		720	421
		60,491	60,965
Current assets			
Accounts receivables		39,157	32,835
Prepayment, deposits and other receivables		564	565
Amount due from ultimate holding company	(i)	5	5
Amounts due from subsidiaries	(i)	6,795	118
Financial assets at fair value through profit or loss		188	148
Restricted bank deposits		4,917	451
Cash and bank balances		275,658	221,459
		327,284	255,581
Current liabilities			
Accounts payables		1,873	—
Accruals and other payables		33,630	25,857
Contract liabilities		129,552	102,736
Amounts due to subsidiaries	(i)	1,440	2,272
Income tax payable		13,471	9,225
		179,966	140,090
Net current assets		147,318	115,491
Net assets		207,809	176,456
Equity			
Share capital	30	70,000	70,000
Reserves	(ii)	137,809	106,456
Total equity		207,809	176,456

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

- (i) The amounts due from/to ultimate holding company/subsidiaries are unsecured, interest-free and repayable on demand.
- (ii) Movements in the Company's reserves

	Capital reserve RMB'000	Statutory reserve RMB'000	Investment revaluation reserve RMB'000	Retained profits (Note) RMB'000	Total RMB'000
At 1 January 2023	18,100	33,770	(117)	44,615	96,368
Profit for the year	—	—	—	54,429	54,429
Other comprehensive expense for the year	—	—	(31)	—	(31)
Total comprehensive (expense) income for the year	—	—	(31)	54,429	54,398
Appropriation of statutory reserve	—	1,230	—	(1,230)	—
Dividends recognised as distribution (Note 17)	—	—	—	(44,310)	(44,310)
At 31 December 2023 and 1 January 2024	18,100	35,000	(148)	53,504	106,456
Profit for the year	—	—	—	84,873	84,873
Other comprehensive expense for the year	—	—	(40)	—	(40)
Total comprehensive (expense) income for the year	—	—	(40)	84,873	84,833
Dividends recognised as distribution (Note 17)	—	—	—	(53,480)	(53,480)
At 31 December 2024	18,100	35,000	(188)	84,897	137,809

Note:

In accordance with the Articles of Association of the Company, the net profit after tax of the Company for the purpose of profit distributions/dividends will be deemed to be the lesser of (i) the net profit determined in accordance with PRC accounting principles and financial regulations; and (ii) the net profit determined in accordance with HKFRSs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

36. RETIREMENT BENEFITS SCHEME

Employees of the subsidiaries in the PRC are members of the state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specific percentage of payroll costs to the retirement benefit plan to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the required contributions.

There were no forfeited contributions utilised to offset employees' contributions for the year. The employers' contributions which have been dealt with in the consolidated statement of profit or loss and other comprehensive income were as follows:

	2024 RMB'000	2023 RMB'000
Employers' contributions charged to the consolidated statement of profit or loss and other comprehensive income	25,505	21,583

37. NON-CASH TRANSACTIONS

During the year ended 31 December 2023, the Group entered into certain new lease arrangements in respect of office premises. Right-of-use assets and lease liabilities of approximately RMB6,592,000 (2024: nil) were recognised at the commencement of the leases (Note 19).

Five-Year Financial Summary

The summary of the results of the Group for the past five financial years extracted from the published annual consolidated financial statements are as follow.

	Year ended 31 December				2024 RMB'000
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	
Turnover	211,954	281,800	203,836	278,325	301,937
Cost of sales	(111,271)	(134,174)	(108,982)	(150,244)	(143,778)
Gross profits	100,683	147,626	94,854	128,081	158,159
Profit before taxation	33,506	55,994	29,846	78,589	98,081
Taxation	(6,909)	(10,026)	(5,230)	(14,845)	(17,666)
Profit for the year	26,597	45,968	24,616	63,744	80,415
Attributable to:					
Equity holders of the Company	21,224	42,921	30,098	63,073	77,643
Non-controlling interests	5,373	3,047	(5,482)	671	2,772
	26,597	45,968	24,616	63,744	80,415

The summary of the assets and liabilities of the Group at the reporting date of last five financial years extracted from its published annual consolidated financial statements are as follow.

	As at 31 December				2024 RMB'000
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	
Total assets	398,290	481,519	309,591	374,442	437,621
Total liabilities	(142,613)	(187,405)	(143,098)	(188,546)	(224,830)
	255,677	294,114	166,493	185,896	212,791