

# CCID Consulting

## CCID Consulting Company Limited

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

Stock Code: 02176

# 思維 創造世界

## Annual Report 2023

資本運作第一專家



城市經濟第一智庫



企業戰略第一顧問



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Shen Wen (*Chairlady*) (appointed on 22 March 2024)

Fu Changwen (*General Manager*)

Ma Yaqing (*Chairlady*) (resigned on 22 March 2024)

### Independent Non-Executive Directors

Chen Yung-cheng

Hu Bin

Zhang Tao (appointed on 22 March 2024)

Li Xuemei (resigned on 22 March 2024)

## AUDIT COMMITTEE

Zhang Tao (*Chairman of the Committee*)

(appointed on 22 March 2024)

Chen Yung-cheng

Hu Bin

Li Xuemei (resigned on 22 March 2024)

## REMUNERATION COMMITTEE

Hu Bin (*Chairman of the Committee*)

Shen Wen (appointed on 22 March 2024)

Zhang Tao (appointed on 22 March 2024)

Ma Yaqing (resigned on 22 March 2024)

Li Xuemei (resigned on 22 March 2024)

## NOMINATION COMMITTEE

Shen Wen (*Chairlady of the Committee*)

(appointed on 22 March 2024)

Zhang Tao (appointed on 22 March 2024)

Chen Yung-cheng

Li Xuemei (resigned on 22 March 2024)

## SUPERVISORY COMMITTEE

Gong Ping (*Chairman of the Committee*)

Jia Yinghui

Lian Jing

## COMPANY SECRETARY

Chan Yin Wah

## AUTHORISED REPRESENTATIVES

Shen Wen (appointed on 22 March 2024)

Chan Yin Wah

Ma Yaqing (resigned on 22 March 2024)

## 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

40/F, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

## COMPANY WEBSITE

[www.ccidconsulting.com](http://www.ccidconsulting.com)

## STOCK CODE

02176

**AUDITOR**

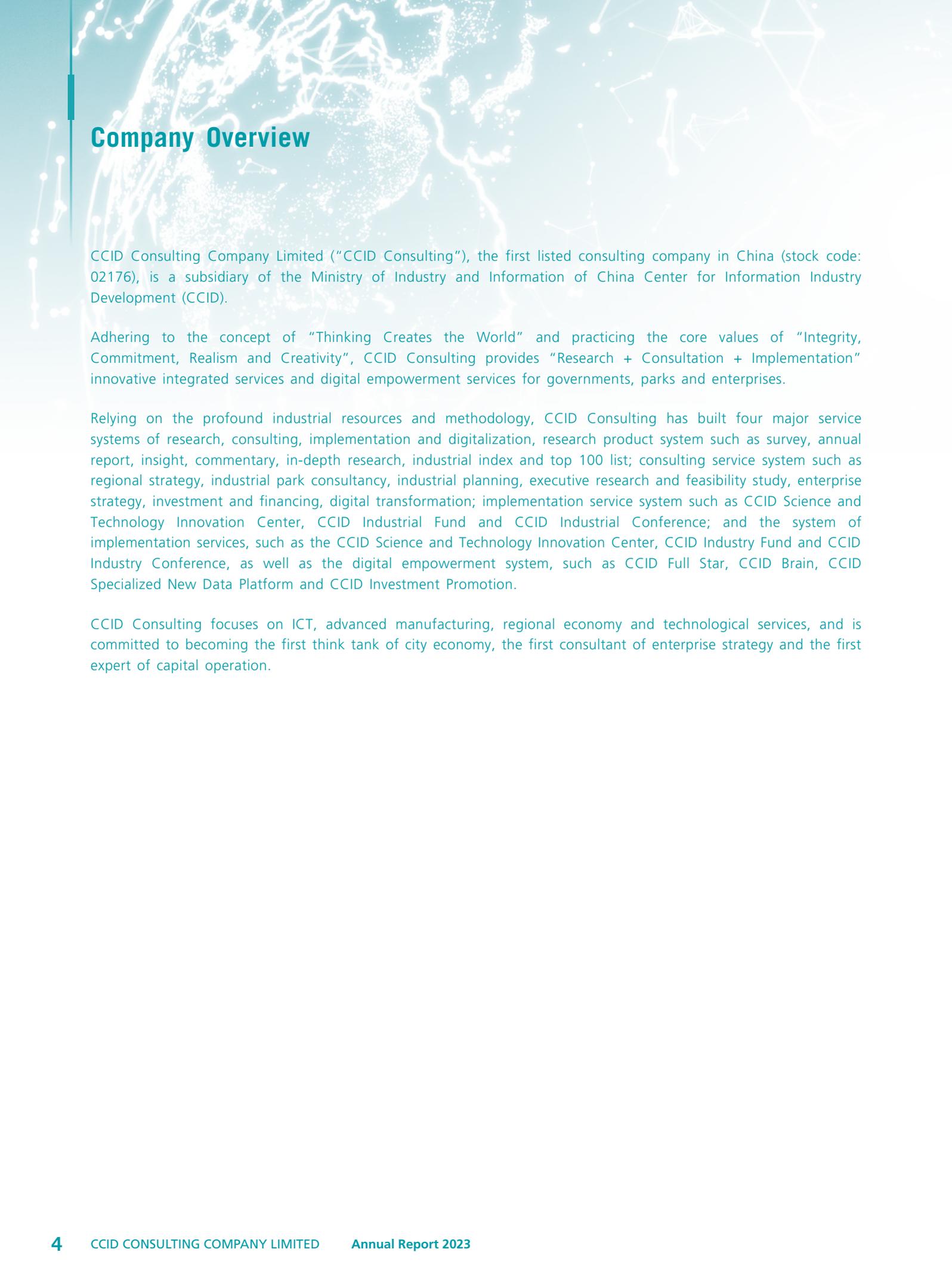
SHINEWING (HK) CPA Limited  
*Registered Public Interest Entity Auditor*

**HONG KONG H SHARE REGISTRAR AND  
TRANSFER OFFICE**

Tricor Tengis Limited  
17th Floor, 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 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, executive 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 and CCID Industrial Conference; and the system of implementation services, such as the CCID Science and Technology Innovation Center, CCID Industry Fund and CCID Industry Conference, as well as the digital empowerment system, such as CCID Full Star, CCID Brain, CCID Specialized New Data Platform and CCID Investment Promotion.

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 2023.

### FINANCIAL RESULTS

For the year ended 31 December 2023 (the "year" or the "period"), the Group recorded a turnover of approximately RMB278,325,000 and a gross profit of approximately RMB128,081,000. Profit and total comprehensive income for the year amounted to RMB63,744,000 and RMB63,713,000, respectively, and basic earnings per share amounted to approximately RMB9.01 cents.

### BUSINESS OUTLOOK

In 2024, the Group firmly implemented its Business 3.0 strategy to expand the regional economy by focusing on the urban economy and park economy, and to strengthen the technology services based on the CCID Industrial Brain and CCID Digital Technology.

#### Firmly implement the 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 research, annual report, insight, in-depth research, industry index, top 100 list, 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; promote the planning to the ground, accelerate the layout of science and technology innovation centers, and provide services of industrial operation and industry fund to activate the new kinetic energy for implementation, and further promote the digital empowerment.

#### Enlarge the regional economy

Carry out deep urban areas, science and technology cities, urban new zones, high-tech zones, economic development zones and other urban economies and park economies, accelerate the summarization of industrial development patterns and general laws of counties, districts and parks, form core methodologies, further enhance the influence of regional economic research, increase regional market development, and expand the regional economic business.

#### Strengthen science and technology services

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 Merchants Link, and accelerate the application of CCID Seeking Way Big Model. Designing a full-process product line around the full life cycle of digital transformation, building a science and technology service system, and promoting the transformation of consulting services into digital implementation services.



## Chairlady's Statement

### 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 2024

# Management Discussion and Analysis

## INDUSTRY OVERVIEW

In recent years, global economic growth has shown a slowing trend. The International Monetary Fund (IMF) disclosed in its World Economic Outlook report released in January 2024 that global economic growth is expected to be 3.1% in 2024 and 3.2% in 2025, a decrease from the previous period. The economic growth of major economies such as the United States, Europe and Japan are all facing different degrees of downward pressure.

The economic work in 2024 should adhere to the principle of seeking progress while maintaining stability, promoting stability through progress, and establishing before breaking. According to the 2024 Government Work Report, the expected target growth of Gross Domestic Product (GDP) in 2024 is around 5.0%. It is expected that the macroeconomic policies will continue to be positive and the economy is expected to achieve effective qualitative improvement and reasonable quantitative growth. We will vigorously promote the construction of a modernized industrial system, accelerate the development of new quality productivity, open up new tracks such as quantum technology and life sciences, and carry out the “Artificial Intelligence +” initiative.

The transformation of economic development from high-speed to high-quality has put forward higher requirements for the development of the consulting industry, and consulting companies need to continuously adjust and optimize their development strategies to provide customers with digital, intelligent, refined and comprehensive services.

**Digitalization:** With the comprehensive deepening of global digitization, the comprehensive popularization of digital technologies such as artificial intelligence, cloud computing, and big data, and especially the rapid development of disruptive technologies such as AIGC and GPT, enterprises have entered the key stage of digital transformation in a comprehensive manner, and the demand for the transformation itself has put forward a rigid demand for consulting services. Enterprises need professional consulting services to help them solve various problems encountered in the process of digital transformation, including technology selection, system integration, project management and so on. Digital transformation has also brought new opportunities and challenges for enterprises, and new opportunities and challenges have also given rise to new demand for consulting services. The digitalization process has injected new vitality into the consulting industry.

**Intelligence:** With the vigorous development of computing power and AI algorithms, the trend of big data-driven and artificial intelligence-driven industry development has become more and more obvious. The existence of a large amount of corporate data makes corporate decision-making and planning more and more difficult, requiring consulting firms to provide intelligent means of auxiliary analysis to help companies provide better and more efficient decision-making. At the same time, new intelligent technologies will also help consulting firms improve their own operational efficiency and reduce costs. Driven by digital technology, consulting firms can provide customers with more comprehensive, systematic, intelligent and real-time consulting services by integrating data resources and methodological modeling capabilities, and using digital products such as city brain, industry brain, enterprise control brain, and precise investment promotion big data platform as carriers, thus enhancing the added value of consulting business.

## Management Discussion and Analysis

**Refinement:** With the development of digitization and intelligence, the industry is divided into more and more fine and in-depth, enterprises in order to prejudge the segmentation of the field, looking for growth points in niche markets, the need for a large number of user data and a comprehensive user profile, which provides consulting services to provide a more diversified business and profitability model. However, this also poses a new challenge to consulting firms themselves, which need to continuously improve their service quality and technical level to cope with the competitive pressure from the same industry.

**Comprehensive:** The characteristics of data, intelligence and precision are widely integrated into the whole process of enterprise development from all angles of the industry, and the interaction between industries is becoming more and more obvious. Some customers are no longer satisfied with the results of simple planning research and consulting, but more hope to provide closed-loop research, planning, consulting, implementation of the whole process of services with the specialized capabilities of consulting organizations. To this end, the consulting industry data and algorithms can be productized and integrated, such as the creation of specific segments and industry-wide coverage of intelligent ports, in the form of products, all-round, multi-angle, full-process to assist enterprises in decision-making and development.

### BUSINESS REVIEW

Adhering to the concept of “Thinking Creates the World” and practicing the core values of “Integrity, Commitment, Practicality and Pioneering”, the Group provides government, parks and enterprises with “Research + Consulting + Implementation” innovative and comprehensive services and digital empowerment services. In 2023, the Group implemented its Business 3.0 strategy, restructured its IT product and digital service systems, and further enhanced its brand influence by upgrading its media matrix, strengthening its research brand and increasing the volume of its communications.

#### Implement the Business 3.0 strategy

##### *Establish solid research bases*

In 2023, the Group will establish a diversified product matrix focusing on ICT, advanced manufacturing, regional economy and science and technology services, and refine and deepen the research product system of frontline research, annual report, insight, in-depth research, industry index and top 100 list, and launch a new series of researches on new type of jobization, frontline research and blue whale clusters, and at the same time, in conjunction with the characteristics of the Guangdong region, launch a new series of researches on specialties such as Guangdong Investment Reference and Guangdong Development Experience.

### ***Expand the consulting base***

In 2023, the Group provided consulting services such as regional strategy, park consulting, industrial planning, feasibility study, corporate strategy, investment and financing, digital transformation, etc. to diversified client groups such as governments, parks, enterprises, and investment institutions. The Group has provided industrial research and consulting services for Neusoft Group, UFIDA, 360, Longchao Cloud, Shuguang Cloud, etc., digital transformation services for China Unicom, PCCW, and China Southern Power Grid, etc., industrial consulting services for Changping, Beijing, Shenzhen Futian, Yueqing, Zhejiang, Mianyang, Sichuan, and Yichun, Jiangxi, etc., and industrial index services for Wujiang, Jiangsu, Liangping, Chongqing, and Renqiu, Hebei, etc., assisting in establishing industrial ecosystems and creating city industrial business cards.

### ***Activate and implement new energy***

In 2023, the Group launched the business 3.0 strategy, facing the government and parks to build 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. In 2023, the Group has landed and constructed CCID Science and Innovation Center in Pinghu, Zhejiang, Yanjiao, Hebei, Xiaogan, Hubei and Taicang, Jiangsu.

### **Reconstruct the IT product system**

#### ***Reconstruct the IT research matrix***

In order to further strengthen the influence of the Group's authoritative research brand in the ICT field, with rich content, a unified image and a continuously strengthened brand, the Group restructured its IT research matrix in 2023. We have created 10 product series, namely "Counting IT", "IT Observation", "IT New", "IT Vision", "IT Depth", "IT Trend", "IT Cloud Map", "IT Annual Report", "IT Insight" and "IT Investment Reference", which have formed a full-cycle publication covering bi-weekly, monthly and yearly.

#### ***Reinvent IT influence***

In 2023, the Group comprehensively upgraded the IT market annual meeting, as the longest continual annual event in China's IT industry, the IT market annual meeting will be held in Beijing in April 2024 in the form of main forum + sub-forum + entrepreneurs' summit + innovation competition. The IT innovation competition has been initiated at the 11th China (Mianyang) Science and Technology City International Science and Technology Expo in November 2023, and the final will be held at the 2024 IT Market Annual Conference.

In 2023, the Group has participated in the "China Digital Economy Expo" (Shijiazhuang), "World Computing Congress" (Changsha) and "Global Digital Trade Expo" (Hangzhou), China (Mianyang) Science and Technology City International Science and Technology Expo and other major events co-organized by several provinces and ministries, including: China Digital City Competitiveness Study, China Advanced Computing Enterprise Competitiveness Study, China Top 100 Digital Trade Enterprises, and China City Science and Technology Innovation Competitiveness Study.

## Management Discussion and Analysis

### Reconstruct the digital service system

#### *Create a digital product system*

In 2023, the Group increased the research and development of digital products, continued to promote the iterative upgrading of standardized products to achieve new results, and formed a “3+4+N” digital product system, including CCID Mantianxing, which is centered on the data resources of research reports, Enterprise Star, which is centered on the data of enterprises in the channels, and three types of databases, including Matrix Core, which is centered on the four-fold basic data, such as enterprises, innovations, talents, and industrial labels. Three types of databases, such as Matrix Core with four basic data, support four functional platforms, such as Patrolling Sky, Seeking Way, Watching Yue, and Picking Star, and form N application products, such as CCID Mantianxing, CCID’s Industrial Big Data Platform, CCID Merchants Link, and CCID’s Seeking Way Big Model, etc.

#### *Upgrade digitalization services*

In 2023, Beijing CCID Industry and Information Technology Engineering Design Center Co., Ltd., a subsidiary of the Group, was renamed as Beijing CCID Digital Technology Co., Ltd. to provide digital services for the fields of digital government, digital infrastructure, smart cities, digital parks, digital scientific research and digital transformation of enterprises, etc., and to realize the full process of research and consulting based on the design of the system, the development of the system, the construction, the integration of platforms and the delivery of the whole process of the operation. Upgrading from “research and design” to “research and consulting — system design — construction implementation and operation” of the whole process of digital engineering and construction integrated services.

### Enhance brand influence

#### *Comprehensive upgrade of media matrix*

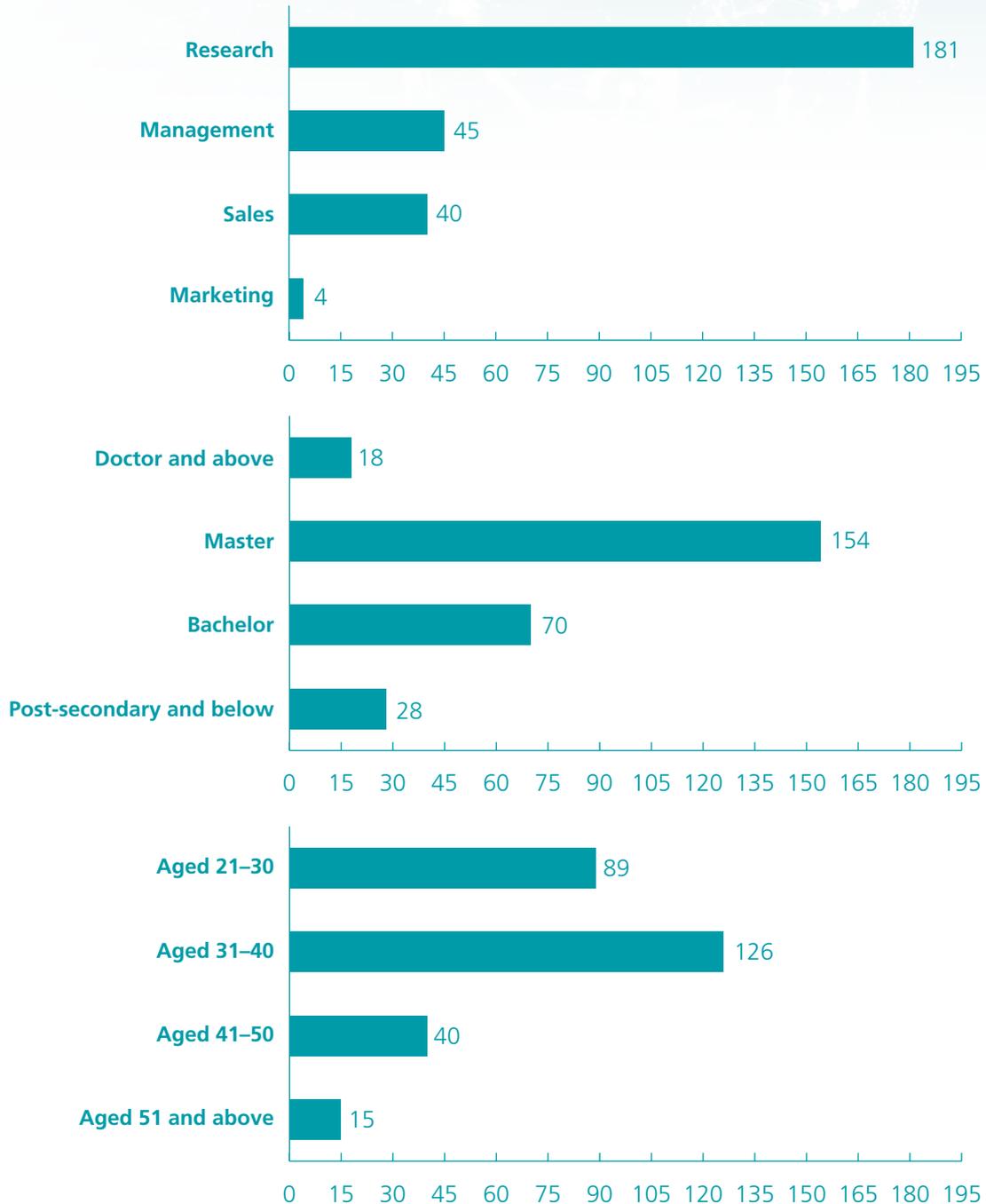
In 2023, the Group’s three official platforms, namely the official website of the Group in English and Chinese, CCID Mantianxing (PC, APP) and WeChat official Number, were fully upgraded and revamped; a multi-new media matrix was built, with multiple platforms such as microblogging, headlines, Sohu, Xueqiu, Netease and other platforms linking up to promote the Company’s brand influence to maximize its impact on the market; the Group has cooperated with more than 100 media outlets, covering the central-level media, financial media, industry media and general media, and further enhance the Company’s brand influence through online and offline multi-channel communication methods such as Company brand meetings, brand publicity materials and short video channels.

#### *Comprehensive enhancement of brand communication*

In 2023, the Group organized dozens of large-scale conferences, including the “2023 Nanjing World Semiconductor Conference”, “2023 Lithium Capital” industrial ecology and supply chain, China (Mianyang) Science and Technology City International Science and Technology Expo, 2023 Energy Transformation Equipment and Technology Expo, 2023 World Display Industry Conference New Display Innovation Achievement Exhibition, 2023 Beijing International Wind Power Conference and Exhibition (CWP), 2023 World VR Industry and Meta-Universe Expo, 2023 Energy Electronics Industry Development Conference and Guangdong New Energy Storage Industry Development Summit Forum, and other major conferences and activities.

## Employee and Remuneration Policy

As at 31 December 2023, the Group had a total of 270 (2022: 251) 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 2023, the Group recorded a turnover of approximately RMB278,325,000 (for the year ended 31 December 2022: approximately RMB203,836,000), representing an increase of approximately 37% 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, executive research and feasibility study, investment and financing, and digitalization transformation. The Group recorded revenue of approximately RMB162,343,000 for the year ended 31 December 2023 (approximately RMB141,552,000 for the year ended 31 December 2022) from the decision-making consulting services, accounting for approximately 58% of the Group's turnover and representing an increase of approximately 15% 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 2023, the Group had realized revenue of approximately RMB31,447,000 (approximately RMB10,259,000 for the year ended 31 December 2022), accounting for approximately 11% of the Group's turnover and representing an increase of approximately 207% as compared to the corresponding period of last year.

## Management Discussion and Analysis

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 2023, the Group had realized revenue in science and technology innovation platform services of approximately RMB84,535,000 (approximately RMB14,542,000 for the year ended 31 December 2022), accounting for approximately 31% of the Group's turnover.

In terms of information engineering supervision services, the Group mainly provides professional supervision services in respect of various projects ranging from software, network, communication to information security to the government and enterprises. For the year ended 31 December 2023, no turnover was generated from the information engineering supervision services (approximately RMB37,483,000 for the year ended 31 December 2022), which was mainly due to the disposal of the subsidiary, CCID Supervision by the Group in 2022.

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

	2023		2022	
	RMB'000	%	RMB'000	%
Decision-making consulting services	162,343	58%	141,552	70%
Data platform services	31,477	11%	10,259	5%
Science and technology innovation platform services	84,535	31%	14,542	7%
Information engineering supervision services	0	0%	37,483	18%
<b>Total</b>	<b>278,325</b>	<b>100%</b>	<b>203,836</b>	<b>100%</b>

## Management Discussion and Analysis

### Costs and expenses

For the year ended 31 December 2023, the Group's costs and expenses amounted to a total of approximately RMB198,855,000 (for the year ended 31 December 2022: RMB176,395,000), representing an increase of approximately 13% as compared to the corresponding period of last year mainly because in 2023, the Group's business was no longer affected by the pandemic, and travel costs increased significantly. 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 RMB6,081,000 for the year ended 31 December 2023.

### Profit and total comprehensive income for the year

For the year ended 31 December 2023, the Group reported profit and total comprehensive income for the year of approximately RMB63,744,000 and RMB63,713,000 (for the year ended 31 December 2022: approximately RMB24,616,000 and RMB24,499,000), respectively, representing an increase of approximately 159% and 160%, 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, resulting in a steady growth in decision-making consulting services, a rapid growth in data platform services, and a substantial growth in science and innovation platform services.

### Liquidity and Financial Resources

As at 31 December 2023, cash and bank balances of the Group amounted to approximately RMB299,686,000 (as at 31 December 2022: cash and bank balances amounted to approximately RMB247,653,000). The amount of cash and bank balances increased by approximately 21% 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 2023 is summarised as follows:

	RMB'000	%
Total shareholders' equity attributable to equity holders of the Company	<b>159,337</b>	<b>86%</b>
Non-controlling interests	<b>26,559</b>	<b>14%</b>
Total	<b>185,896</b>	<b>100%</b>

### Operating Segment Information

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

### Capital Commitment and Contingent Liabilities

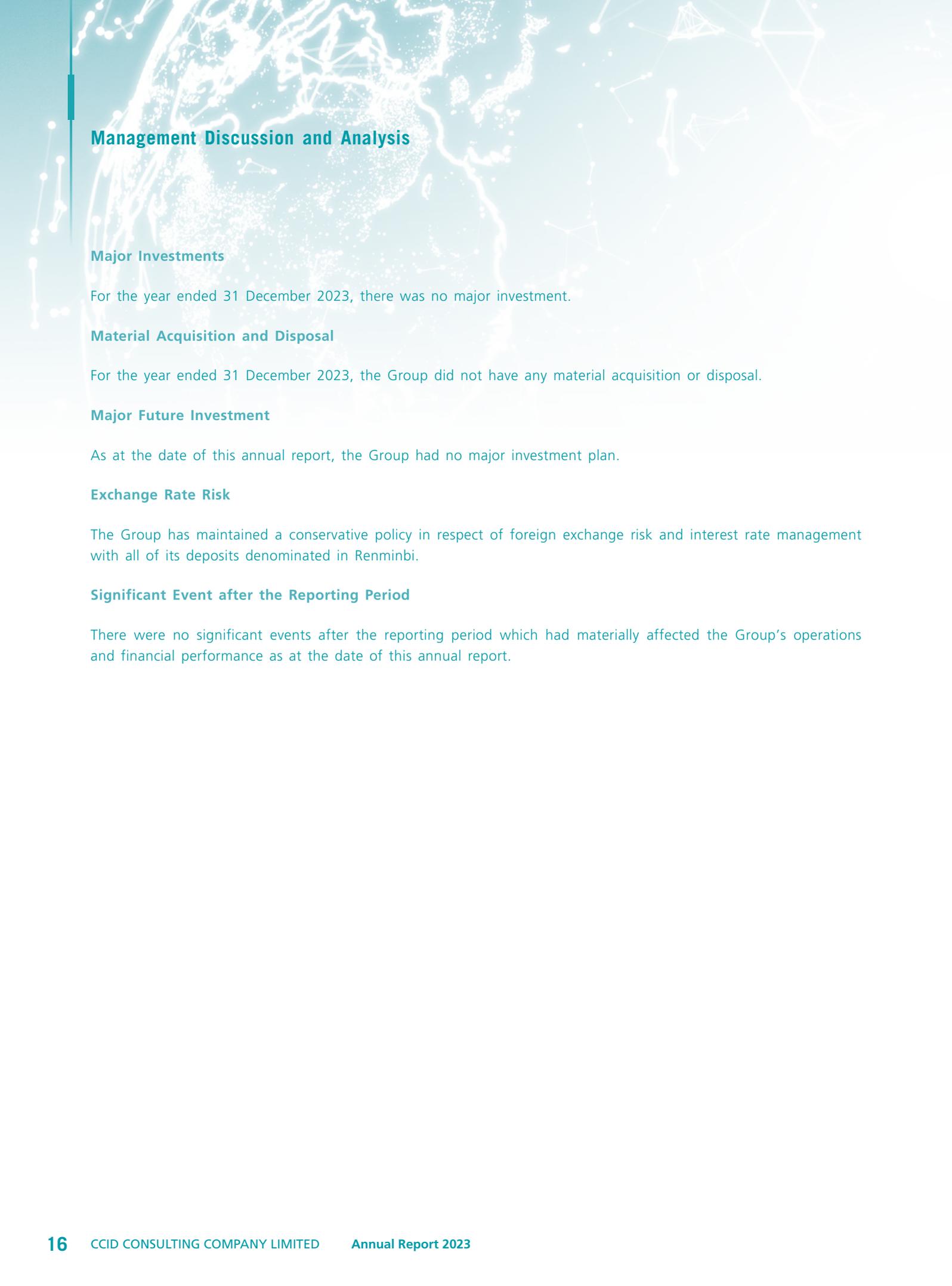
As at 31 December 2023, the Group had no capital commitment (as at 31 December 2022: nil). As at 31 December 2023, the Group had no contingent liabilities (as at 31 December 2022: nil).

### Pledge of Assets

As at 31 December 2023, no assets of the Group were pledged to secure its banking facilities (as at 31 December 2022: nil).

### Gearing Ratio

As at 31 December 2023, the Group's gearing ratio was approximately 183% (as at 31 December 2022: 109%). 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 2023, there was no major investment.

### **Material Acquisition and Disposal**

For the year ended 31 December 2023, 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 56, was appointed as an Executive Director of the Company with effect from 22 March 2024 and has 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) since February 2023. 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 43, 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 19 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.

## Directors, Supervisors and Senior Management

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Chen Yung-cheng (陳永正), aged 67, was appointed as an Independent Non-Executive Director with effect from 20 May 2019 and was re-elected on 24 November 2023. Mr. Chen has accumulated more than three decades of experience in telecommunications, media and technology (“TMT”) and corporate management in multinational corporations. Mr. Chen has been an independent non-executive director of Digital China Holdings Limited (the shares of which are listed on the Stock Exchange (stock code: 00861)) since July 2021. Previously, Mr. Chen held various senior positions in various corporations, including the president of Motorola Solutions (China) Co., Ltd.\* (摩托羅拉系統(中國)有限公司), the president of Alibaba Health Information Technology Limited (formerly known as CITIC 21CN Company Limited, the shares of which are listed on the Stock Exchange (stock code: 00241)), the president of the Greater China Region of Microsoft, the president of NBA China, a partner of GL Capital Group, the chairman of CSL Holding Limited and a non-executive director of Asia Pacific Telecom Co., Ltd. (the shares of which are listed on the Taiwan Stock Exchange (stock code: 3682)). In addition, Mr. Chen served as an independent director of Guiyang Longmaster Information & Technology Company Limited\* (貴陽朗瑪信息技術股份有限公司, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300288)) from October 2010 to October 2013, the president of Telstra International from November 2012 to December 2015, the chairman of Autohome, Inc. (NYSE: ATHM) from 2012 to May 2016, an independent director of Qingdao Haier Co., Ltd.\* (青島海爾股份有限公司, currently known as Haier Smart Home Co., Ltd.\* (海爾智家股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600690)) from September 2014 to 31 May 2016, the general manager of Asia Pacific Telecom Co., Ltd. from January 2016 to November 2017, the chairman of Foxconn Industrial Internet Co., Ltd. (富士康工業互聯網股份有限公司, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601138)) from January 2018 to October 2018, the vice president of Suirui Technology Limited\* (隨銳科技股份有限公司, a company listed on the National Equities Exchange and Quotations (stock code: 835990)) from February 2019 to July 2021 and an independent non-executive director of BeiGene, Ltd. (the shares of which are listed on the Stock Exchange (stock code: 06160)) from February 2016 to June 2022. Mr. Chen obtained an MBA degree from the University of Chicago in June 1991 and a bachelor’s degree from National Chiao Tung University in June 1978.

Hu Bin (胡斌), aged 42, 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 43, 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 associate professor and doctoral advisor since 2010. 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 scientific research for a long time, 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.

### SUPERVISORS

Gong Ping (龔平), aged 46, 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.

Jia Yinghui (賈映輝), aged 39, 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 the head of the party community department of Finance Centre of China Centre of Information Industry Development\* and a director of CCID Academy for Industry and Information Technology Limited\* 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 December 2018 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.

## Directors, Supervisors and Senior Management

Lian Jing (廉晶), aged 53, was elected as an employee representative supervisor at an employee representative meeting on 20 December 2019 and re-elected on 24 November 2023. Ms. Lian has more than 20 years of work experience. She is currently the director of the general office of the Company and has been a supervisor of CCID (Shanghai) Advanced Manufacturing Research Centre Co., Ltd.\* (賽迪(上海)先進製造業研究院有限公司), a subsidiary of the Company, since March 2018. Ms. Lian has been the director of the general office since she joined the Company on 12 June 2016. 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 45, 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 18 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 51, 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 47, 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 19 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.

Song Yu (宋宇), aged 51, 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 20 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.

## Directors, Supervisors and Senior Management

Lu Ping (呂萍), aged 45, has been a deputy general manager of the Company since 16 March 2016. Ms. Lu has over 18 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.

Ma Chengen (馬承恩), aged 38, has been the deputy general manager of the Company since 21 January 2022. Mr. Ma joined the Company in July 2017. He was the standing deputy director of the County Economy Research Center\* (縣域經濟研究中心) from December 2017 to July 2018. From August 2018 to January 2021, he served as the director of the County Economy Research Center. From January 2021 to January 2022, he was the assistant to president of the Company as well as the director of the County Economy Research Center. Mr. Ma graduated from the University of Chinese Academy of Sciences with a doctoral degree in ecology in June 2017.

Hu Yun (胡雲), aged 50, 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 49, 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”) on 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 (“Supervisor(s)”) of the Company 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 2023, 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.

For the year ended 31 December 2023 and as at the date of this annual report, the Board comprised:

### EXECUTIVE DIRECTORS

Shen Wen (*Chairlady*) (appointed on 22 March 2024)

Fu Changwen (*General Manager*)

Ma Yaqing (*Chairlady*) (resigned on 22 March 2024)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Chen Yung-Cheng

Hu Bin

Zhang Tao (appointed on 22 March 2024)

Li Xuemei (resigned on 22 March 2024)

Biographical details of all our Directors are set out on page 17 to page 21 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.

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.

## Corporate Governance Report

### 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.

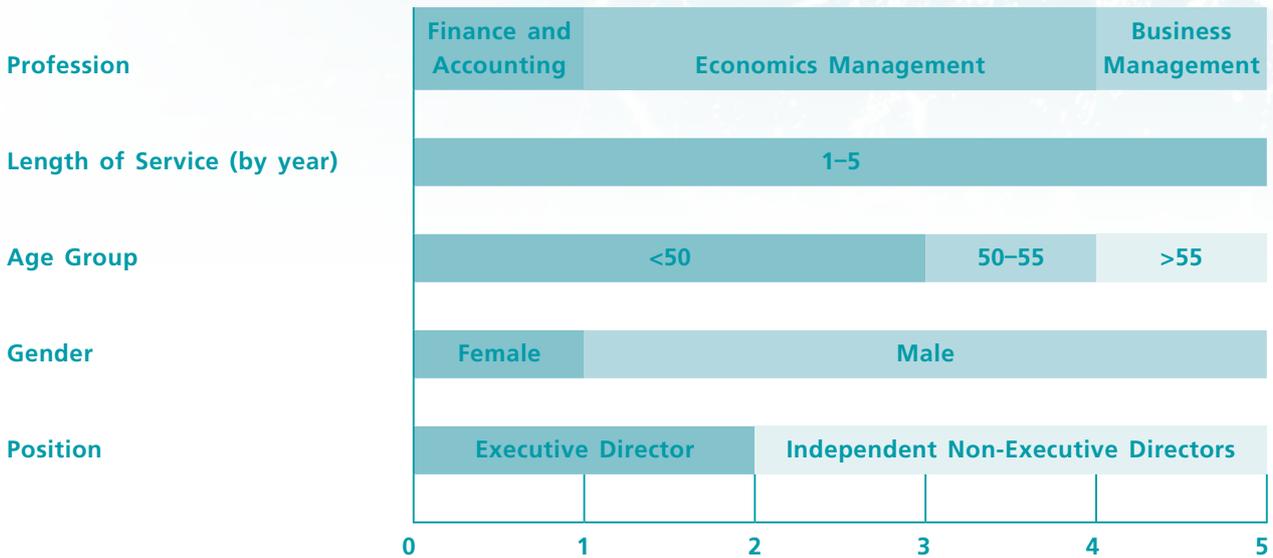
### Board Diversity Policy

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 2023, males accounted for 48.15% and females accounted for 51.85% 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.

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 2023, 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. Chen Yung-cheng and Mr. Hu Bin, independent non-executive Directors of the Company, were re-elected with effect from 24 November 2023, and have entered into service agreements 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.

### 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:

Director	Corporate Governance, Rules and Regulations	Financial Management and Other Affairs
Ms. Shen Wen (appointed on 22 March 2024)	√	√
Mr. Fu Changwen	√	√
Mr. Chen Yung-cheng	√	√
Mr. Hu Bin	√	√
Mr. Zhang Tao (appointed on 22 March 2024)	√	√
Ms. Ma Yaqing (resigned on 22 March 2024)	√	√
Ms. Li Xuemei (resigned on 22 March 2024)	√	√

**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 4 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 Member	Number of Meetings Attended/Held
Mr. Hu Bin	4/4
Ms. Shen Wen (appointed on 22 March 2024)	0/0
Mr. Zhang Tao (appointed on 22 March 2024)	0/0
Ms. Ma Yaqing (resigned on 22 March 2024)	4/4
Ms. Li Xuemei (resigned on 22 March 2024)	4/4

**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. Chen Yung-cheng and Mr. Zhang Tao, who are independent non-executive Directors.

## Corporate Governance Report

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 Mr. Fu Chang Wen as an executive Director of the Company at the meeting and made recommendations to the Board. The attendance of each member is set out below:

<b>Name of Member</b>	<b>Number of Meetings Attended/Held</b>
Ms. Shen Wen (appointed on 22 March 2024)	0/0
Mr. Chen Yung-cheng	3/3
Mr. Zhang Tao (appointed on 22 March 2024)	0/0
Ms. Ma Yaqing (resigned on 22 March 2024)	3/3
Ms. Li Xuemei (resigned on 22 March 2024)	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.

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.

## Corporate Governance Report

### 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. Chen Yung-cheng and Mr. Hu Bin. 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 2 meetings, at which the financial statements and annual report for the year ended 31 December 2022, interim report for the period ended 30 June 2023, 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 financial statements and annual report for the year ended 31 December 2023, 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:

<b>Name of Member</b>	<b>Number of Meetings Attended/Held</b>
Mr. Zhang Tao (appointed on 22 March 2024)	0/0
Mr. Chen Yung-cheng	2/2
Mr. Hu Bin	2/2
Ms. Li Xuemei (resigned on 22 March 2024)	2/2

### Attendance of Directors at Board Meetings and General Meetings

During the period, 6 board meetings were held and attended by all Directors, and 1 annual general meeting and 3 extraordinary general meetings 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 (appointed on 22 March 2024)	0/0	N/A	0/0	N/A
Mr. Fu Changwen	6/6	100%	4/4	100%
Mr. Chen Yung-cheng	6/6	100%	4/4	100%
Mr. Hu Bin	6/6	100%	4/4	100%
Mr. Zhang Tao (appointed on 22 March 2024)	0/0	N/A	0/0	N/A
Ms. Ma Yaqing (resigned on 22 March 2024)	6/6	100%	3/4	75%
Ms. Li Xuemei (resigned on 22 March 2024)	6/6	100%	4/4	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.

## Corporate Governance Report

### 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 2023 are set out below:

Remuneration band	Number of individuals
RMB501,000 to RMB1,000,000	2
RMB1,001,000 to RMB1,500,000	3
RMB1,501,000 and above	1

Two Senior Management of the Company voluntarily waived their entitlement to receive remuneration for the year ended 31 December 2023.

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 RMB800,000 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 63 to 67.

### 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.

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 2023. 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.

## Corporate Governance Report

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](http://www.hkexnews.hk) and the website of the Company [www.ccidconsulting.com](http://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 2023, 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.

### (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: 40/F, 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

## Corporate Governance Report

### (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: 40/F, 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 2023.

# 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 2023:

Types of resources used	Unit	Amount used	Amount used per capita
Power consumption	kWh	76,647.58	283.88
Water consumption	ton	1,863.8	6.90
Paper consumption	ton	1.09	0.004

## Environmental, Social and Governance Report

In 2023, 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 2023:

<b>Types of emissions</b>	<b>Amount of emissions (ton)</b>	<b>Emission per capita (ton)</b>	<b>Density (ton/person)</b>
<b>Office waste</b>			
Including: Waste paper	1.91	N/A	0.004
Garbage	4.56	0.017	0.102
<b>Vehicle exhaust</b>			
Including: Carbon monoxide	0.0063	N/A	N/A

During the year, the Group's total greenhouse gas emissions amounted to 55.97 tons of CO<sub>2</sub> equivalent, and the per capita greenhouse gas emissions was 0.207 tons of CO<sub>2</sub> equivalent.

In 2023, 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 2023, in order to encourage employees' enthusiasm for work, enhance their sense of well-being, and cultivate a caring corporate culture, the Group organized the "Prevention before illness for a health life" lecture and free consultation of traditional Chinese medicine for all employees to take care of their health. The Group established a five-star party branch: with red heart, attention, love, unity and purity as the key words, a series of theme activities were held. In order to implement the "Health Promotion Project" and "CCID Red Consulting Heart" corporate culture in the Company, the union organized various hobby groups such as mountain climbing, frisbee, Ba Duan Jin, yoga, photography, badminton, tennis, etc., to enrich the spiritual and cultural life of our employees and cultivate their sentiment. At the same time, the union of the Group pays attention to the opinions and voices of our employees, solves their urgent problems, with the help of comprehensive survey, provides critical illness insurance for our employees, and implemented the trial measures of "commuting outside peak hours" to enhance the sense of well-being among employees at work. We also encourage everyone to take part in the "Dreams for the New Era and the Future" little red flowers donation activity organized by trade union of the Ministry of Industry and Information Technology and organize employees to donate materials to Hunyuan County, Shanxi to help the schools there to practice the social responsibilities and responsibilities of listed companies. We also organize employees to participate in the "Red Memory for a Wonderful Future" event and promote the patriotic feeling among the employees.

As at 31 December 2023, the Group had a total of 270 employees. Breakdowns of the Group's employee composition by employment type, gender, age group and geographical region are as follows.

	Year	
	2023	2022
Total workforce by gender		
Male	130	118
Female	140	133
	Year	
	2023	2022
Total workforce by employment type		
Full-time	270	251
Part-time	0	0

## Environmental, Social and Governance Report

Total workforce by age group	Year	
	2023	2022
21–30	89	88
31–40	126	107
41–50	40	39
51 and above	15	17

Total workforce by geographical region	Year	
	2023	2022
Mainland China	270	251

### Employee turnover

During the reporting period, 18 employees left the Group, representing an overall turnover rate of 6.67%. 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:

Employee turnover rate by gender	Year	
	2023	2022
Male	66.67%	60.71%
Female	33.33%	39.29%

Employee turnover rate by age group	Year	
	2023	2022
21–30	33.33%	42.86%
31–40	55.56%	46.43%
41–50	11.11%	10.71%
51 and above	0.00%	0.00%

## Environmental, Social and Governance Report

Employee turnover rate by geographical region	Year	
	2023	2022
Mainland China	6.67%	21.2%

### 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. Critical illness insurance is also in place to protect employees from worrying too much. 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 and 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 or any work-related fatalities of its employees, nor any work-related fatalities or lost days due to work injury in 2020, 2021, 2022 and 2023 during the reporting period.

### 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. During daily operation, more than 11 company trainings were held. In addition, elite courses and talents training were provided, the results of which will be collected to produce a textbook. By organizing "talent competition", outstanding individuals are identified. To strengthen professional training, the Company's internal management platform enables timely release of all training information related to its business operations, and employees are encouraged to actively participate in such training so as to improve their expertise and skills.

## Environmental, Social and Governance Report

As at 31 December 2023, the training rate of senior management and middle management of the Group was 100%.

Training and development data	Year	
	2023	2022
<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%

Training and development data	Year	
	2023	2022
<u>Average training hours completed per employee by gender</u>		
Male	80	77
Female	80	77
<u>Average training hours completed per employee by employee category</u>		
Senior management	60	55
Middle management	55	45
Frontline and other staff	60	56

### 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.

## Environmental, Social and Governance Report

### 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. It ensures 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.

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 2023, 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.

### 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. It attaches utmost importance to integrity and does not tolerate any impropriety. It 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.



## Environmental, Social and Governance Report

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 2023, 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 financial statements of the Group for the year ended 31 December 2023.

## 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 35 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 7 to 16 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 page 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 2023 and the financial position of the Company and Group as at that date are set out on pages 68 to 70 of this annual report. 2022 final dividend of RMB0.026 per share was distributed on 14 July 2023 and an interim dividend of RMB0.0373 per share was distributed on 24 October 2023.

The Board has proposed the payment of a final dividend of RMB0.0764 (tax inclusive) per share for the year ended 31 December 2023 to the shareholders whose names appear on the registers of members of the Company on Monday, 24 June 2024 (the "2023 Final Dividend"). Based on the number of issued shares as at the date of the annual report, the 2023 Final Dividend, if declared and paid, will amount to an aggregate amount of RMB53,480,000 (tax inclusive). For distribution of the 2023 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 "2023 AGM") to be held on Thursday, 13 June 2024). The proposed payment of the 2023 Final Dividend is subject to the approval by the shareholders at the 2023 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.

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 Thursday, 13 June 2024. 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 2023 AGM, the register of members will be closed from Friday, 7 June 2024 to Thursday, 13 June 2024, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the 2023 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 Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in case of the holders of H shares) not later than 4:30 p.m. on Thursday, 6 June 2024.

Shareholders whose names appear on the registers of members of the Company on 13 June 2024 will be entitled to attend and vote at the 2023 AGM.

## Report of the Directors

In order to determine which of the shareholders are entitled to receive the final dividend, the registers of members will be closed from Thursday, 20 June 2024 to Monday, 24 June 2024, both days inclusive, during which period no transfer of the shares will be effected. In order to qualify for the 2023 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 Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in case of the holders of H shares) not later than 4:30 p.m. on Wednesday, 19 June 2024 for registration.

Shareholders whose names appear on the register of members of the Company on Monday, 24 June 2024 are entitled to receive the 2023 Final Dividend. The proposed 2023 Final Dividend will be paid on or about Friday, 19 July 2024 following the approval by the shareholders at the 2023 AGM.

### FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years extracted from audited financial statements are set out on page 144. Such summary is not a part of the audited 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 2023, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company.

### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 36 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

### DISTRIBUTABLE RESERVES

For the year ended 31 December 2023, 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 RMB53,504,000 available for distribution.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's top five customers accounted for approximately 15% of the total sales of the Company for the year, of which sales to the top customer accounted for 5%.

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 32 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 2023 and as at the date of this annual report, the Board comprised:

#### Executive Directors

Shen Wen (*Chairman*) (appointed on 22 March 2024)

Fu Changwen (*General Manager*)

Ma Yaqing (*Chairlady*) (resigned on 22 March 2024)

#### Independent Non-Executive Directors

Chen Yung-cheng

Hu Bin

Zhang Tao (appointed on 22 March 2024)

Li Xuemei (resigned on 22 March 2024)

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.

## Report of the Directors

### 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 17 to 21 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 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. Chen Yung-cheng and Mr. Hu Bin, independent non-executive Directors of the Company, were re-elected with effect from 24 November 2023 and have entered into service agreements 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. 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 2024 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.

Ms. Ma Yaqing resigned as an executive Director with effect from 22 March 2024. She entered into a service contract with the Company for a term from 24 November 2023 to 22 March 2024.

Ms. Li Xuemei resigned as an executive Director with effect from 22 March 2024. She entered into a service contract with the Company for a term from 24 November 2023 to 22 March 2024.

Except for the above contracts, during the year ended 31 December 2023, the Directors and the Supervisors did not have any other service contract with the Company and its subsidiaries.

### **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 2023 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 2023 are set out in note 15 to the consolidated financial statements.

Mr. Fu Changwen, Mr. Qin Hailin, Mr. Gong Ping and Mr. Jia Yinghui voluntarily waived their remunerations for the year ended 31 December 2023.

### **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 32 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 2023. The Company considers each of the independent non-executive Directors to be independent.

## Report of the Directors

### CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2023, 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.

- (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.

Save as disclosed above, during the year ended 31 December 2023, the Group did not enter into any other connected transactions and continuing connected transactions.

### 2. Confirmation from Directors and Auditor

Further details of the above continuing connected transactions and connected transactions are set out in note 32 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 2023 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 32 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 2023.

## Report of the Directors

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

As at 31 December 2023, 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 2023.

### **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 2023, such condition has not been met and thus the Share Option Scheme is not yet effective and no option has been granted or agreed to be granted under the Share Option Scheme. Subject to the applicable rules and regulations, if the Share Option Scheme becomes effective, it will be implemented in compliance with the requirements of Chapter 17 of the Main Board Listing Rules.

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

As at 31 December 2023, 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 <sup>1</sup>	Approximate percentage in the same class of shares	Approximate percentage of the issued share capital
CCID <sup>2</sup>	Interest of controlled corporation	491,000,000 (L) domestic shares	100%	70.14%
CCID Group Co <sup>2</sup>	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") <sup>2</sup>	Beneficial owner	98,390,000 (L) domestic shares	20.04%	14.06%
Lenovo Manufacturing Limited <sup>3</sup>	Beneficial owner	20,000,000 (L) H shares	9.57%	2.89%
Legend Holdings (BVI) Limited <sup>3</sup>	Interest of controlled corporation	20,000,000 (L) H shares	9.57%	2.89%
Lenovo Group Limited <sup>3</sup>	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 Centre of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion)\* (中國軟件評測中心(工業和信息化部軟件與集成電路促進中心)) ("Research Centre") 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P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 2023, 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

## Report of the Directors

### 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

Providing educational assistance to Hunyuan County, Shanxi, the Group has donated approximately RMB50,000 in materials and RMB500,000 in scholarships.

### 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 37 to 46 of this annual report.

### 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.

### AUDITORS

The financial statements for the year ended 31 December 2023 have been audited by SHINEWING (HK) CPA Limited, who will retire and offer themselves for re-appointment at the 2023 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 22 to 36 of this annual report.

By Order of the Board

**Shen Wen**

*Chairlady*

Beijing, the People's Republic of China  
28 March 2024

## 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 2023 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 any 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 2023 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 2024

# 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 68 to 143, which comprise the consolidated statement of financial position as at 31 December 2023, 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 2023, 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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' 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

## Independent Auditor's Report

### 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 RMB278,325,000 mainly from provision of decision-making consulting services, data platform services, and science and technology innovation platform services for the year ended 31 December 2023. 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.

### EXPECTED CREDIT LOSSES FOR ACCOUNTS RECEIVABLES

Refer to Note 23 to the consolidated financial statements and the accounting policies on pages 83 to 86.

#### The key audit matter

#### How the matter was addressed in our audit

As at 31 December 2023, the Group's accounts receivables amounted to approximately RMB37,871,000, net of allowance for impairment of accounts receivables of approximately RMB2,420,000.

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 control 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

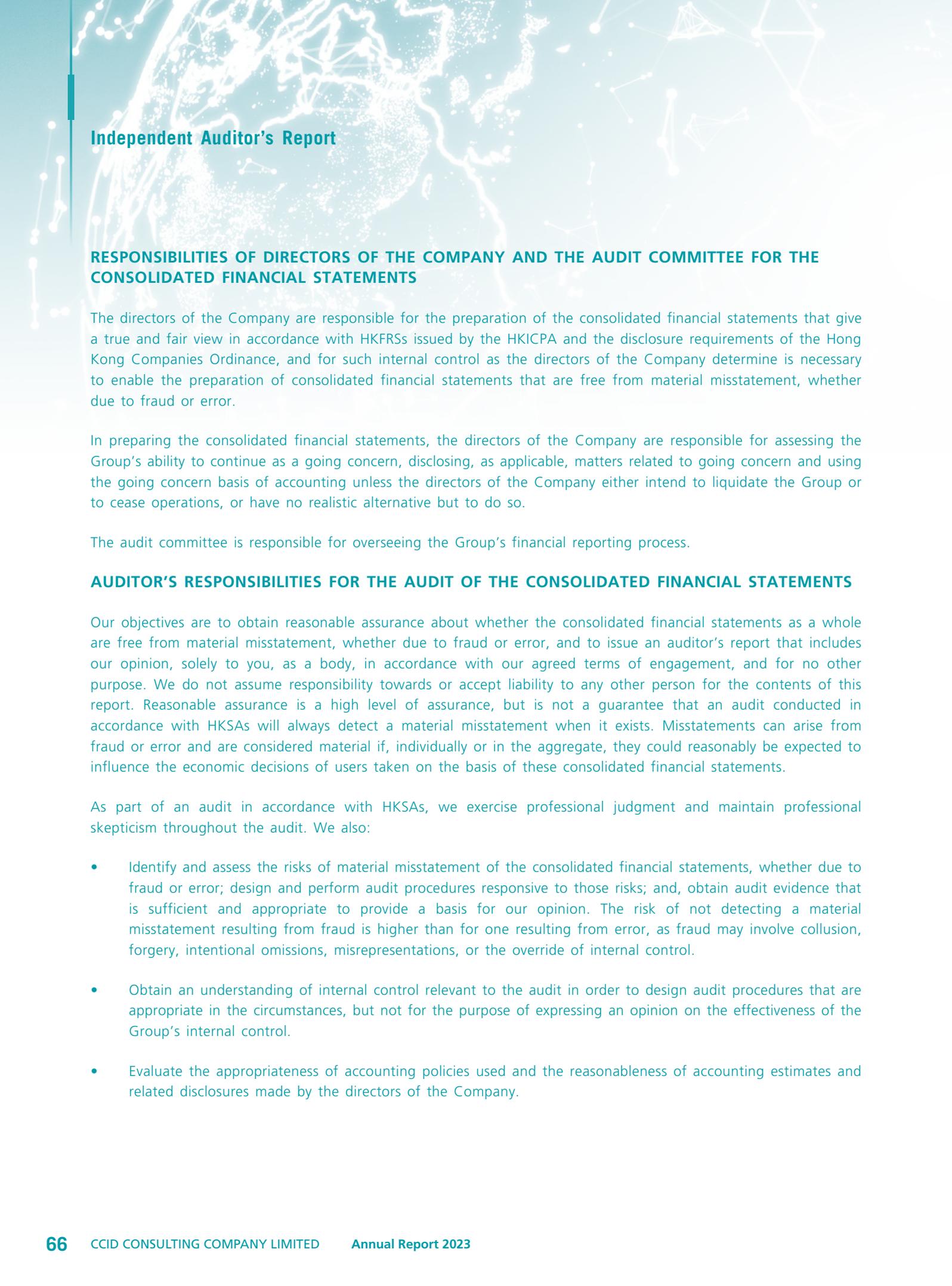
We have also inspected cash received from debtors after year end relating to accounts receivables balance as at 31 December 2023 on a sample basis.

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chan Wing Kit.

### **SHINEWING (HK) CPA Limited**

*Certified Public Accountants*

#### **Chan Wing Kit**

Practising Certificate Number: P03224

Hong Kong

28 March 2024

# Consolidated Statement of Profit or loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
Revenue	7	278,325	203,836
Cost of sales		(150,244)	(108,982)
Gross profit		128,081	94,854
Other income and gains	9	1,967	3,906
Selling and distribution expenses		(15,013)	(18,416)
Administrative and other operating expenses		(33,598)	(48,997)
Impairment loss recognised on accounts and other receivables, net	11	(2,767)	(1,501)
Finance cost	10	(81)	—
Profit before taxation		78,589	29,846
Income tax expense	12	(14,845)	(5,230)
Profit for the year	13	63,744	24,616
<b>Other comprehensive (expense) income for the year</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Changes in fair value of financial assets at fair value through other comprehensive income		(41)	(156)
Income tax relating to items that will not be reclassified subsequently to profit or loss		10	39
		(31)	(117)
<b>Total comprehensive income for the year</b>		<b>63,713</b>	<b>24,499</b>
<b>Profit (loss) for the year attributable to:</b>			
Owners of the Company		63,073	30,098
Non-controlling interests		671	(5,482)
		63,744	24,616
<b>Total comprehensive income (expense) for the year attributable to:</b>			
Owners of the Company		63,042	29,981
Non-controlling interests		671	(5,482)
		63,713	24,499
Earnings per share:	16		
Basic and diluted (RMB cents)		9.01	4.30

# Consolidated Statement of Financial Position

At 31 December 2023

	Notes	31 December 2023 RMB'000	31 December 2022 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	18	11,463	12,872
Right-of-use assets	19	5,659	—
Intangible asset	20	14,681	14,681
Financial assets at fair value through other comprehensive income	21	1,483	1,524
Deferred tax assets	22	492	1,640
		<b>33,778</b>	30,717
<b>Current assets</b>			
Accounts receivables	23	37,871	27,391
Prepayments, deposits and other receivables	24	1,867	3,040
Financial assets at fair value through profit or loss	21	148	104
Tax recoverable		636	181
Amounts due from related parties	29	5	505
Restricted bank deposits	25	451	—
Cash and bank balances	25	299,686	247,653
		<b>340,664</b>	278,874
<b>Current liabilities</b>			
Accounts payables	26	21,974	1,245
Accruals and other payables	27	37,739	27,485
Contract liabilities	28	109,160	113,460
Amounts due to related parties	29	150	157
Income tax payable		13,835	751
Lease liabilities	19	1,367	—
		<b>184,225</b>	143,098
<b>Net current assets</b>		<b>156,439</b>	135,776
<b>Total assets less current liabilities</b>		<b>190,217</b>	166,493

## Consolidated Statement of Financial Position

At 31 December 2023

	Notes	31 December 2023 RMB'000	31 December 2022 RMB'000
<b>Non-current liability</b>			
Lease liabilities	19	4,321	—
<b>Net assets</b>		<b>185,896</b>	166,493
<b>Equity</b>			
Share capital	30	70,000	70,000
Reserves		89,337	70,605
Total equity attributable to owners of the Company		159,337	140,605
Non-controlling interests		26,559	25,888
<b>Total equity</b>		<b>185,896</b>	166,493

The consolidated financial statements on pages 68 to 143 were approved and authorised for issue by the board of directors of the Company on 28 March 2024 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 2023

	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

	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 2022	70,000	18,167	31,206	—	109,432	228,805	65,309	294,114
Profit (loss) for the year	—	—	—	—	30,098	30,098	(5,482)	24,616
Other comprehensive expense for the year	—	—	—	(117)	—	(117)	—	(117)
Total comprehensive (expense) income for the year	—	—	—	(117)	30,098	29,981	(5,482)	24,499
Appropriation of statutory reserve	—	—	2,564	—	(2,564)	—	—	—
Effect of adopting merger accounting for common control combination	—	(38,171)	—	—	—	(38,171)	(33,939)	(72,110)
Dividends recognised as distribution (Note 17)	—	—	—	—	(80,010)	(80,010)	—	(80,010)
At 31 December 2022	70,000	(20,004)	33,770	(117)	56,956	140,605	25,888	166,493

## Notes:

- 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.
- 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.
- As at 31 December 2023 and 2022, 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 2023

	2023 RMB'000	2022 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	78,589	29,846
Adjustments for:		
Depreciation of property, plant and equipment	1,658	1,930
Loss on written off of property, plant and equipment	—	43
Depreciation of right-of-use assets	933	—
Interest expenses on lease liabilities	81	—
Other receivables written off	—	1,391
Impairment loss recognised on accounts and other receivables, net	2,767	1,501
Interest income from bank deposits	(1,845)	(2,916)
Government grant	(5)	(111)
Investment income arising from financial assets at fair value through profit or loss	(9)	(173)
Fair value (gain) loss arising from financial assets at fair value through profit or loss	(44)	45
Operating cash flows before movements in working capital	82,125	31,556
Increase in accounts receivables	(15,348)	(4,721)
Increase in restricted bank deposits	(451)	—
Decrease/(increase) in prepayments, deposits and other receivables	1,164	(4,795)
Increase/(decrease) in accounts payables	21,809	(611)
Increase/(decrease) in accruals and other payables	10,254	(11,308)
(Decrease)/increase in contract liabilities	(4,300)	50,255
Decrease/(increase) in amounts due from fellow subsidiaries	1,276	(745)
Decrease/(increase) in amount due from ultimate holding company	834	(834)
Decrease in amount due to immediate holding company	—	(1,006)
(Decrease)/increase in amount due to an intermediate holding company	(1,080)	1,080
(Decrease)/increase in amounts due to fellow subsidiaries	(7)	7
Cash generated from operations	96,276	58,878
Income taxes paid	(1,058)	(2,016)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>95,218</b>	<b>56,862</b>

## Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 RMB'000	2022 RMB'000
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(255)	(102)
Proceeds from disposal of property, plant and equipment		6	—
Withdrawal of pledged bank deposits		—	3,163
Interest received from bank deposits		1,845	2,916
Acquisition of combined entities under common control	31	—	(109,313)
Investment income from financial assets at fair value through profit or loss		9	173
Repayment from a fellow subsidiary		—	12
Repayment from ultimate holding company		500	9,500
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>2,105</b>	<b>(93,651)</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of lease liabilities (capital element)		(904)	—
Repayment of lease liabilities (interest element)		(81)	—
Repayment to fellow subsidiaries		—	(25,632)
Government grant received		5	111
Dividends paid		(44,310)	(80,010)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(45,290)</b>	<b>(105,531)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>52,033</b>	<b>(142,320)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>247,653</b>	<b>389,973</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>299,686</b>	<b>247,653</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 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”), an institution and the ultimate controlling party of which is the Ministry of Industry and Information Technology.

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 2023

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new and 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 2023.

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

The application of the new and 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.

#### Amendments to HKFRSs issued but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
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 <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the 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 2023

### 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 2023

### 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, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets and liabilities of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, 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 2023

### 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 allocate 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 2023

### 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 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.

#### 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Financial instruments (Continued)

##### *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.

##### *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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Financial instruments (Continued)

##### *Financial assets* (Continued)

##### *Amortised cost and effective interest method* (Continued)

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).

##### *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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Financial instruments (Continued)

#### *Financial assets* (Continued)

#### *Equity instruments designated as at FVTOCI* (Continued)

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.

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).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Financial instruments (Continued)

#### *Financial assets* (Continued)

#### *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.

#### 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Financial instruments (Continued)

#### *Financial assets* (Continued)

#### *Impairment of financial assets* (Continued)

#### Significant increase in credit risk (Continued)

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.

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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Financial instruments (Continued)

#### *Financial assets* (Continued)

#### *Impairment of financial assets* (Continued)

#### Significant increase in credit risk (Continued)

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.

#### *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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Financial instruments (Continued)

##### *Financial assets* (Continued)

##### *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.

##### *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 2023

### 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 2023

### 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 2023

### 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 2023

### 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 2023

### 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.

##### **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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Fair value measurement (Continued)

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 minimizing 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.

#### 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Leasing (Continued)

##### *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.

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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Leasing (Continued)

##### *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.

##### **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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 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.

#### 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 2023, the carrying amount of digital management platform with indefinite useful life is approximately RMB14,681,000 (2022: 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 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 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.

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 2023, no deferred tax asset has been recognised on the tax losses of approximately RMB19,248,000 (2022: RMB14,517,000) 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

#### 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 2023, impairment loss recognised on accounts receivables is approximately RMB2,918,000 (2022: RMB1,925,000) and impairment loss reversed on accounts receivables is approximately RMB160,000 (2022: RMB586,000).

At 31 December 2023, the carrying amount of accounts receivables is approximately RMB37,871,000 (2022: RMB27,391,000), net of accumulated allowance for impairment of accounts receivables approximately RMB2,420,000 (2022: RMB9,469,000).

#### 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 2023, the carrying amounts of property, plant and equipment and right-of-use assets were approximately RMB11,463,000 (2022: RMB12,872,000) and RMB5,659,000 (2022: nil), net of accumulated impairment losses amounted to nil (2022: nil). No impairment loss was recognised during the years ended 31 December 2023 and 2022.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

#### 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 changes in the future period.

As at 31 December 2023, the carrying amount of property, plant and equipment is approximately RMB11,463,000 (2022: RMB12,872,000). 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.

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 2023, the carrying amount of an intangible asset is approximately RMB14,681,000 (2022: RMB14,681,000), net of accumulated impairment losses amounted to nil (2022: nil). No impairment loss was recognised during the years ended 31 December 2023 and 2022. 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 net asset value ("NAV") of the investment determined based on the fair value of the underlying investment portfolio and equity interest held by the Group. The estimation of fair value of unlisted equity investment include some assumptions not supported by observable market prices or rates.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

#### Fair value measurement of financial assets (continued)

The carrying amount of the unlisted equity investments as at 31 December 2023 is approximately RMB1,483,000 (2022: RMB1,524,000). 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 Group's audit committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 70% determined as the proportion of net debt to equity.

The gearing ratio at the end of the reporting period was as follows:

	2023 RMB'000	2022 RMB'000
Total liabilities	188,546	143,098
Add: Proposed final dividends	53,480	18,200
Less: Amounts due to related parties	(150)	(157)
Net debt	241,876	161,141
Total equity	185,896	166,493
Less: Proposed final dividends	(53,480)	(18,200)
Equity	132,416	148,293
Net debt to equity ratio	183%	109%

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 6. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

	2023 RMB'000	2022 RMB'000
<b>Financial assets</b>		
Financial assets at amortised cost (including cash and cash equivalents)	339,810	278,414
Financial assets at FVTOCI		
— Equity instruments designated at FVTOCI	1,483	1,524
Financial assets at FVTPL		
— Financial assets mandatorily measured at FVTPL	148	104
	<b>341,441</b>	<b>280,042</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	56,137	28,067

#### (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, cash and cash equivalents, accounts payables, accruals and other payables and amounts due from/to related parties. 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 6. FINANCIAL INSTRUMENTS (Continued)

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

##### *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.

##### *(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 exhibition industry sector. The management manages this exposure by maintaining a portfolio of investments with different risks. 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% (2022: 1%) higher/lower, investment valuation reserve would increase/decrease by RMB15,000 (2022: increase/decrease by RMB15,000) 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 2023

### 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 2023, 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 cash and cash equivalents, accounts receivables, deposits and other receivables and amounts due from related parties. 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 (2022: 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 2023 and 2022.

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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 6. FINANCIAL INSTRUMENTS (Continued)

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

##### *Credit risk* (Continued)

As at 31 December 2023 and 2022, 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 25% (2022: 20%) and 11% (2022: 7%) 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.

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 amounts due from related parties 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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 6. FINANCIAL INSTRUMENTS (Continued)

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

##### *Credit risk* (Continued)

- 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

##### *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:

<b>Internal credit rating</b>	<b>Description</b>	<b>Basis for recognising ECL</b>
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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 6. FINANCIAL INSTRUMENTS (Continued)

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

##### 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.

#### (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
		2023 RMB'000	2022 RMB'000			
Financial assets at FVTOCI						
— unlisted equity investment	Level 3	1,483	1,524	Based on net asset value ("NAV") of the investment determined with reference to the fair value of the underlying investment portfolio, which is comprised of discount cash flows and equity interest held by the Group	NAV of the investment: RMB24,911,000 (2022: RMB27,500,000)	The higher NAV of the investment, the higher fair value (Note (a))
Financial assets at FVTPL						
— equity securities listed in the PRC	Level 1	148	104	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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 6. FINANCIAL INSTRUMENTS (Continued)

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

Note:

- (a) A 5% increase in NAV, 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 RMB70,000 (2022: RMB76,000) and vice versa.

Reconciliation of Level 3 fair value measurements of financial asset:

	2023 RMB'000	2022 RMB'000
<b>Unlisted equity instruments at FVTOCI</b>		
At the beginning of the year	1,524	1,680
Change in fair value recognised in OCI	(41)	(156)
At the end of the year	1,483	1,524

The above total change in fair value for the year ended 31 December 2023 of RMB41,000 (2022: RMB156,000) 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 2023

### 7. REVENUE

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

	2023 RMB'000	2022 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major services lines		
— Decision-making consulting services	162,343	141,552
— Data platform services	31,447	10,259
— Science and technology innovation platform services	84,535	14,542
— Information engineering supervision services	—	37,483
	<b>278,325</b>	203,836
	2023 RMB'000	2022 RMB'000
Disaggregation of revenue from contracts with customers by:		
Timing of revenue recognition		
At a point in time	278,325	166,353
Overtime	—	37,483
	<b>278,325</b>	203,836

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

As at 31 December 2023, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately RMB321,540,000 (2022: RMB132,870,000). 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 (2022: next 12 months).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 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:

	2023 RMB'000	2022 RMB'000
Within one year	162,629	132,870
More than one year	158,911	—
	<b>321,540</b>	132,870

### 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"), which is 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 2023

### 8. SEGMENT INFORMATION (Continued)

#### Descriptive information about the Group's reportable segments (Continued)

During the year ended 31 December 2022, the Group completed the disposal of entire equity interest in Beijing CCID Industry and Information Engineering Supervision Center Co., Ltd.\* (“CCID Supervision”) (“北京賽迪科技工程有限公司”, formerly known as “北京賽迪工業和信息化工程監理中心有限公司”) on 9 August 2022 as set out in Note 31. CCID Supervision was principally engaged in provision of information engineering supervision services to undertaken projects. Accordingly, the operating figures of CCID Supervision were included in the comparative figures of the reportable segments for the purpose of presenting segment information.

\* The English translation is for identification only

#### 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 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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 8. SEGMENT INFORMATION (Continued)

#### Segment revenue and result (Continued)

#### For the year ended 31 December 2022

	Decision- making consulting services RMB'000	Data platform services RMB'000	Science and technology innovation platform services RMB'000	Information engineering supervision services RMB'000	Total RMB'000
External sales	141,552	10,259	14,542	37,483	203,836
Inter-segment sales	—	3,538	—	—	3,538
<b>Segment revenue</b>	<b>141,552</b>	<b>13,797</b>	<b>14,542</b>	<b>37,483</b>	<b>207,374</b>
Eliminations					(3,538)
<b>Group revenue</b>					<b>203,836</b>
<b>Segment profit</b>	<b>73,215</b>	<b>5,250</b>	<b>3,167</b>	<b>11,883</b>	<b>93,515</b>
Impairment loss recognised on other receivables, net					(162)
Unallocated income					3,906
Unallocated expenses					(67,413)
<b>Profit before taxation</b>					<b>29,846</b>

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 2023

### 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

	2023 RMB'000	2022 RMB'000
Decision-making consulting services	23,775	24,158
Data platform services	8,155	1,700
Science and technology innovation platform services	5,941	1,533
Total segment assets	37,871	27,391
Unallocated assets	336,571	282,200
Consolidated assets	374,442	309,591

#### Segment liabilities

	2023 RMB'000	2022 RMB'000
Decision-making consulting services	89,368	61,031
Data platform services	15,790	4,247
Science and technology innovation platform services	25,976	49,427
Total segment liabilities	131,134	114,705
Unallocated liabilities	57,412	28,393
Consolidated liabilities	188,546	143,098

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, amounts due from related parties and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than accruals and other payables, amounts due to related parties, lease liabilities, and income tax payable.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 8. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

*Other segment information*

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
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#### 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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 8. SEGMENT INFORMATION (Continued)

#### Segment assets and liabilities (Continued)

#### Other segment information (Continued)

#### For the year ended 31 December 2022

	Decision- making consulting services RMB'000	Data platform services RMB'000	Science and technology innovation platform services RMB'000	Information engineering supervision 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	1,310	24	5	—	1,339
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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)	64	4	21	13	102
Depreciation of property, plant and equipment	1,578	139	121	92	1,930
Other receivables written off	1,252	89	50	—	1,391
Impairment loss recognised on other receivables, net	146	10	6	—	162
Income tax expense	4,864	232	134	—	5,230

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 2023 and 2022, 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 2023

### 9. OTHER INCOME AND GAINS

	2023 RMB'000	2022 RMB'000
Interest income from bank deposits	1,845	2,916
Investment income arising from financial assets at FVTPL	9	173
Fair value gain (loss) arising from financial assets at FVTPL	44	(45)
Government grant (Note (a))	5	111
Sundry income	64	751
	<b>1,967</b>	<b>3,906</b>

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

	2023 RMB'000	2022 RMB'000
Interest expense on lease liabilities	81	—

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

	2023 RMB'000	2022 RMB'000
Accounts receivables	2,758	1,339
Other receivables	9	162
	<b>2,767</b>	<b>1,501</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 12. INCOME TAX EXPENSE

(a) Income tax expense (credit):

	2023 RMB'000	2022 RMB'000
Current tax:		
— PRC Enterprise Income Tax (the "EIT")	13,687	5,538
Deferred tax (Note 22)		
— Current year	1,158	(308)
	<b>14,845</b>	5,230

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%. During the years ended 31 December 2023 and 2022, 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 English translation is for identification only

(b) 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:

	2023 RMB'000	2022 RMB'000
Profit before taxation	78,589	29,846
Tax at domestic income tax rate of 25%	19,647	7,462
Preferential tax rate granted to HNTE	(7,141)	(3,655)
Tax effect of super deduction of research and development expenses	(1,121)	(803)
Tax effect of expenses not deductible for tax purpose	2,037	1,109
Tax effect of tax losses not recognised	2,612	1,117
Utilisation of tax losses previously not recognised	(1,189)	—
Income tax expense	<b>14,845</b>	5,230

Details of deferred taxation are set out in Note 22.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 13. PROFIT FOR THE YEAR

	2023 RMB'000	2022 RMB'000
Profit for the year has been arrived at after charging (crediting):		
Directors', supervisors' and general manager's emoluments (Note 14)	791	630
Staff costs (excluding directors', supervisors' and general manager's emoluments)		
— Salaries, wages, allowances and other benefits	96,134	100,653
— Contributions to retirement benefits scheme	21,484	25,994
<b>Total staff costs</b>	<b>117,618</b>	126,647
Auditor's remuneration	800	800
Depreciation of property, plant and equipment	1,658	1,930
Depreciation of right-of-use assets	933	—
Loss on written off of property, plant and equipment	—	43
Fair value (gain) loss arising from financial assets at FVTPL	(44)	45
Other receivables written off	—	1,391
Research and development expenses (Note (a))	8,905	18,766

Note:

- (a) The research and development expenses disclosed here included salaries and wages, allowances and other benefits of approximately RMB6,624,000 (2022: RMB12,737,000), and contributions to retirement benefits scheme of approximately RMB1,811,000 (2022: RMB4,782,000) for the year ended 31 December 2023 which had been included in total staff costs disclosed above.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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

The emoluments paid or payable to each of the nine (2022: ten) directors, supervisors and general manager were as follows:

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
<b>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</b>					
<b>Executive directors</b>					
Ma Yaqing <sup>1</sup>	—	—	—	—	—
Fu Changwen <sup>2</sup>	—	—	—	—	—
Qin Hailin <sup>4</sup>	—	—	—	—	—
<b>Emoluments paid or receivable in respect of a person's services as a director/supervisor of the Company and its subsidiary undertaking</b>					
<b>Independent non-executive directors</b>					
Li Xuemei <sup>6</sup>	95	—	—	—	95
Chen Yung-cheng	95	—	—	—	95
Hu Bin	95	—	—	—	95
<b>Supervisors</b>					
Lian Jing	—	232	175	99	506
Gong Ping	—	—	—	—	—
Jia Yinghui	—	—	—	—	—
	<b>285</b>	<b>232</b>	<b>175</b>	<b>99</b>	<b>791</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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

For the year ended 31 December 2022

	Fees RMB'000	Salaries and allowances RMB'000	Discretionary bonuses (Note) RMB'000	Contributions to retirement benefits scheme RMB'000	Total RMB'000
<b>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</b>					
<b>Executive directors</b>					
Xia Lin <sup>3</sup>	—	—	—	—	—
Qin Hailin <sup>4</sup>	—	—	—	—	—
Ma Yaqing <sup>1</sup>	—	—	—	—	—
<b>Emoluments paid or receivable in respect of a person's services as a director/supervisor of the Company and its subsidiary undertaking</b>					
<b>Independent non-executive directors</b>					
Guo Xinping <sup>5</sup>	5	—	—	—	5
Li Xuemei <sup>6</sup>	60	—	—	—	60
Chen Yung-cheng	60	—	—	—	60
Hu Bin	60	—	—	—	60
<b>Supervisors</b>					
Lian Jing	—	225	130	90	445
Gong Ping	—	—	—	—	—
Jia Yinghui	—	—	—	—	—
	185	225	130	90	630

<sup>1</sup> Ms. Ma Yaqing was appointed as executive director on 21 January 2022 and resigned on 22 March 2024.

<sup>2</sup> Mr. Fu Changwen was appointed as an executive director on 31 March 2023, and as general manager on 6 March 2023.

<sup>3</sup> Ms. Xia Lin resigned as executive director on 21 January 2022.

<sup>4</sup> Mr. Qin Hailin resigned as executive director and general manager on 31 March 2023 and 6 March 2023, respectively.

<sup>5</sup> Mr. Guo Xinping resigned as independent non-executive director on 21 January 2022.

<sup>6</sup> Ms. Li Xuemei resigned as independent non-executive director on 22 March 2024.

Note: Discretionary bonuses are determined by the Remuneration Committee 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 2023

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

Ms. Ma Yaqing was appointed as chairlady of the board of directors of the Company upon Ms. Xia Lin's retirement on 21 January 2022.

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.

Mr. Zhang Tao was appointed as an independent non-executive director 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 2023 and 2022.

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.

### 15. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, none (2022: none) was a director and the emoluments of all five (2022: five) individuals were as follows:

	2023 RMB'000	2022 RMB'000
Salaries and allowances	5,188	4,807
Contributions to retirement benefits scheme	316	297
Discretionary bonuses (Note)	2,809	2,284
	<b>8,313</b>	7,388

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 15. INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

Their emoluments were within the following bands:

	2023 No. of employees	2022 No. of employees
HK\$1,000,001 to HK\$1,500,000 (equivalent to RMB915,417 to RMB1,373,123) (2022: RMB858,796 to RMB1,288,193)	—	2
HK\$1,500,001 to HK\$2,000,000 (equivalent to RMB1,373,124 to RMB1,830,831) (2022: RMB1,288,194 to RMB1,717,591)	5	3

No emoluments were paid by the Group to these five (2022: 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 2023 and 2022.

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.

### 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:

	2023	2022
Profit for the year attributable to owners of the Company (RMB'000)	63,073	30,098
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)	9.01	4.30

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 2023 and 2022.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 17. DIVIDENDS

	2023 RMB'000	2022 RMB'000
2023 interim dividend (Note (a))	26,110	—
2022 final dividend (Note (b))	18,200	—
2022 interim dividend (Note (c))	—	45,010
2022 special dividend (Note (d))	—	35,000

Notes:

- (a) 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.
- (b) 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.
- (c) Pursuant to the resolution of the shareholders meeting on 10 October 2022, the Company distributed interim cash dividends of RMB6.43 cents per share (tax included) based on 700,000,000 shares held amounting to approximately RMB45,010,000 during the year ended 31 December 2022. The dividends on domestic shares were paid in RMB and dividends on H shares were paid in Hong Kong dollars.
- (d) Pursuant to the resolution of the shareholders meeting on 14 July 2022, the Company distributed cash dividends of RMB5 cents per share (tax included) based on 700,000,000 shares held amounting to approximately RMB35,000,000 during the year ended 31 December 2022. 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 RMB7.64 cents (2022: RMB2.6 cents) per share in respect of the year ended 31 December 2023, in aggregate amount of approximately RMB53,480,000 (2022: RMB18,200,000) 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 2023

### 18. PROPERTY, PLANT AND EQUIPMENT

	Ownership interests in leasehold land and buildings RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
<b>Cost</b>				
At 1 January 2022	32,819	7,957	1,966	42,742
Additions	—	102	—	102
Disposals	—	(659)	(225)	(884)
Disposal of a subsidiary (Note 31)	—	(2,524)	(649)	(3,173)
At 31 December 2022	32,819	4,876	1,092	38,787
Additions	—	255	—	255
Disposals	—	(13)	—	(13)
At 31 December 2023	<b>32,819</b>	<b>5,118</b>	<b>1,092</b>	<b>39,029</b>
<b>Accumulated depreciation</b>				
At 1 January 2022	20,470	5,613	1,666	27,749
Provided for the year	1,039	846	45	1,930
Eliminated on disposals	—	(627)	(214)	(841)
Disposals of a subsidiary (Note 31)	—	(2,307)	(616)	(2,923)
At 31 December 2022	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	<b>22,548</b>	<b>4,093</b>	<b>925</b>	<b>27,566</b>
<b>Carrying amounts</b>				
At 31 December 2023	<b>10,271</b>	<b>1,025</b>	<b>167</b>	<b>11,463</b>
At 31 December 2022	11,310	1,351	211	12,872

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
Furniture, fixtures and equipment	5%	5 years
Motor vehicles	5%	5 years

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 19. LEASES

#### (a) Right-of-use assets

	2023 RMB'000	2022 RMB'000
Office premises	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 RMB6,592,000 due to new leases of office premises.

#### (b) Leases liabilities

	2023 RMB'000	2022 RMB'000
Non-current	4,321	—
Current	1,367	—
	5,688	—

Amounts payable under lease liabilities	2023 RMB'000	2022 RMB'000
Within one year	1,367	—
After one year but within two years	1,215	—
After two years but within five years	3,106	—
	5,688	—
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,367)	—
Amount due for settlement after 12 months	4,321	—

Additions to the lease liabilities for the year ended 31 December 2023 amounted to RMB6,592,000 due to new leases of office premises.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 19. LEASES (Continued)

#### (c) Amounts recognised in profit or loss

	2023 RMB'000	2022 RMB'000
Depreciation expense of right-of-use assets		
— Office premises	933	—
Interest expense on lease liabilities (Note 10)	81	—
Expense relating to short-term leases	982	2,681

#### (d) Others

During the year ended 31 December 2023, the total cash outflow for leases amounted to RMB1,967,000 (2022: RMB2,681,000).

### 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.

At 31 December 2023, 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 2023 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 15% (2022: 12.25%). The cash flow beyond the fifth year is extrapolated using a steady 3% (2022: 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 2023 and 2022 as the recoverable amount of the intangible asset was greater than the carrying amount.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 21. FINANCIAL ASSETS AT FVTOCI/FVTPL

	2023 RMB'000	2022 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)”)	1,483	1,524
Financial assets held for trading measured at FVTPL:		
— Equity securities listed in the PRC	148	104
Analysed for reporting purposes as:		
Non-current assets at FVTOCI	1,483	1,524
Current assets at FVTPL	148	104
	<b>1,631</b>	<b>1,628</b>

Note:

- (i) The unlisted equity investments represent investment in 5.6% (2022: 5.6%) unlisted equity interests in Wuhan Jiangxia CCID Strategic Emerging Industry Equity Investment Partnership (Limited Partnership) held by the Company of RMB1,483,000 (2022: RMB1,524,000).

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 2023

### 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:

	2023 RMB'000	2022 RMB'000
Deferred tax assets	492	1,640

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	Accruals and other temporary differences RMB'000	Changes in fair value of financial assets at FVTOCI RMB'000	Fair value loss (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 2022	1,277	496	—	(4)	—	—	1,769
Credit (charge) to profit or loss (Note 12)	321	(20)	—	7	—	—	308
Credit to other comprehensive income	—	—	39	—	—	—	39
Disposal of a subsidiary (Note 31)	—	(476)	—	—	—	—	(476)
At 31 December 2022 and 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	405	—	49	30	(1,414)	1,422	492

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 22. DEFERRED TAXATION (Continued)

At the end of reporting period, the Group has unused tax losses of approximately RMB19,012,000 (2022: RMB14,517,000) available for offset against future profits. No deferred tax asset has been recognised in respect of approximately RMB19,248,000 (2022: RMB14,517,000) due to the unpredictability of future profit streams.

Included in unrecognised tax losses are losses of the Group of approximately 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 (2022: RMB10,000, RMB662,000, RMB1,859,000, RMB2,814,000 and RMB9,172,000 that will expire in 2023, 2024, 2025, 2026 and 2027 respectively).

### 23. ACCOUNTS RECEIVABLES

	2023 RMB'000	2022 RMB'000
Receivables at amortised cost comprise:		
Accounts receivables	40,291	36,860
Less: allowance for impairment of accounts receivables	(2,420)	(9,469)
Net accounts receivables	<b>37,871</b>	27,391

As at 31 December 2023, the gross amount of accounts receivable arising from contracts with customers amounted to approximately RMB40,291,000 (2022: RMB36,860,000).

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 receivable, presented based on the invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period:

	Related parties RMB'000	Third parties RMB'000	Total RMB'000
<b>2023</b>			
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
	<b>2</b>	<b>37,869</b>	<b>37,871</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 23. ACCOUNTS RECEIVABLES (Continued)

	Related parties RMB'000	Third parties RMB'000	Total RMB'000
<b>2022</b>			
0 to 60 days	1,636	16,173	17,809
61 to 180 days	—	624	624
181 to 365 days	—	164	164
More than 365 days	476	8,318	8,794
	2,112	25,279	27,391

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 (2022: 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.

As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

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

As at 31 December 2023, the directors of the Company considered the ECL rate is 1.25% (2022: 3.6%) for accounts receivables from low risk customers past due within 365 days with gross carrying amount of approximately RMB35,085,000 (2022: RMB26,346,000) and ECL allowance amounted to RMB438,000 (2022: RMB949,000).

As at 31 December 2023, the directors of the Company considered the ECL rate is 38% (2022: 81%) for accounts receivables from high risk customers past due for more than 365 days with gross carrying amount of approximately RMB5,206,000 (2022: RMB10,514,000) and ECL allowance amount of RMB1,982,000 (2022: RMB8,520,000).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 23. ACCOUNTS RECEIVABLES (Continued)

Amounts due from related parties are analysed as follows:

	2023 RMB'000	2022 RMB'000
Name of ultimate holding company		
CCID	—	834
Name of fellow subsidiaries		
CCID Network Information Technology Co., Ltd.* (“CCID NIT”) (“北京賽迪網信息技術有限公司”)	2	8
CCID Supervision	—	470
CCID Industrial and Information Technology Research Institute Group (Suzhou) Co. Ltd.* (“CCID Suzhou”) (“賽迪工業和信息化研究院集團(蘇州)有限公司”)	—	800
<b>Total</b>	<b>2</b>	<b>2,112</b>

\* The English translation is for identification only

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 2023 and 2022.

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

	2023 RMB'000	2022 RMB'000
At the beginning of the year	9,469	8,324
Impairment losses recognised	2,918	1,925
Amounts reversed	(160)	(586)
Amount written off as uncollectible	(9,807)	(194)
<b>At the end of the year</b>	<b>2,420</b>	<b>9,469</b>

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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023 RMB'000	2022 RMB'000
Prepayments	70	380
Rental and other deposits	143	141
Other receivables	1,816	2,724
	<b>2,029</b>	3,245
Less: Allowance for impairment of other receivables	<b>(162)</b>	(205)
Prepayment, deposit and other receivables, net	<b>1,867</b>	3,040

As at 31 December 2023, the Group classifies rental and other deposits and other receivables with gross carrying amount of approximately RMB1,867,000 (2022: RMB3,040,000) under low risk category, and measures the loss allowance equal to 12-month ECL amounted to nil (2022: nil).

As at 31 December 2023, the Group classifies other receivables with gross carrying amount of approximately RMB162,000 (2022: RMB205,000) under high risk category since there are significant increase in credit risk, and measures the loss allowance from 12-month ECL equal to lifetime ECL (credit-impaired) amounting to approximately RMB162,000 (2022: RMB205,000).

The Group had written off other receivables of nil during the year ended 31 December 2023 (2022: RMB1,391,000) as the recoverability from counterparties was remote.

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 2022	207
— Impairment losses recognised	162
— Disposal of a subsidiary	(164)
As at 31 December 2022	205
— Impairment losses recognised	9
— Amount written off as uncollectible	(52)
As at 31 December 2023	<b>162</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 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 0.2% to 2.1% (2022: 0.25% to 2.1%) per annum.

#### Restricted bank deposits

Restricted bank deposits include demand deposits of RMB451,000 (2022: nil) 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 project. The contractual restriction on the use of demand deposits ends on 30 November 2024. The restricted bank deposits carry fixed interest rate of 0.2% (2022: nil) per annum.

### 26. ACCOUNTS PAYABLES

Accounts payables represented payables to suppliers. The credit terms granted by suppliers 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:

	2023 RMB'000	2022 RMB'000
Within 30 days	21,974	1,080
Over 365 days	—	165
<b>Total</b>	<b>21,974</b>	<b>1,245</b>

Amount due to a related party included in accounts payables are analysed as follows:

	2023 RMB'000	2022 RMB'000
Name of a related party		
— Research Centre	—	1,080

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 27. ACCRUALS AND OTHER PAYABLES

	2023 RMB'000	2022 RMB'000
Accrued salaries, wages, allowances and other benefits	28,626	18,535
Accrued social insurance fees and the public housing funds	4,237	4,076
Other tax payables	3,726	820
Other payables	1,150	4,054
	<b>37,739</b>	27,485

### 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 2023 that was included in the contract liabilities at the beginning of the year is approximately RMB92,721,000 (2022: RMB63,132,000). 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 2023

### 29. AMOUNTS DUE FROM/TO RELATED PARTIES

- (i) As at 31 December 2023, the amount due from ultimate holding company, CCID, of approximately RMB5,000 (2022: RMB505,000) is 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 amounts due to related parties as at the end of the reporting period are as follows:

	2023 RMB'000	2022 RMB'000
Fellow subsidiaries:		
— Beijing CCID Industry and Information Technology Training Center Co., Ltd.* (“CCID Training”) (“北京賽迪工業和信息化技術培訓中心有限公司”) (Note (a))	150	150
— CCID Supervision (Note (b))	—	7
	<b>150</b>	<b>157</b>

\* The English translation is for identification only

Notes:

- (a) The amount is non-trade nature, unsecured, interest-free and repayable on demand.
- (b) The amount was trade in nature, unsecured, interest-free and repayable on demand, which was settled during the year ended 31 December 2023.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 30. SHARE CAPITAL

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

	2023 RMB'000	2022 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:

	2023 '000	2022 '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

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### 31. DISPOSAL OF A SUBSIDIARY

#### Disposal of CCID Supervision

On 31 May 2022, the Group entered into a sale and purchase agreement with connected parties in respect of (i) Beijing CCID Data Co., Ltd.\* (“CCID Data”) (“北京賽迪數科技術有限公司”, formerly known as Beijing CCID Industry and Information Engineering Design Center Co., Ltd.\* (“北京賽迪工業和信息化工程設計中心有限公司”)) acquire 19.9% equity interest in Beijing CCID Exhibition Co., Ltd.\* (“CCID Exhibition”) (“北京賽迪會展有限公司”) from CCID Supervision at a cash consideration of approximately RMB14,684,000; (ii) CCID Data entered into an agreement with CCID Group Co to acquire 53.5% equity interests in CCID Exhibition with a consideration of 44.797% equity interests in CCID Supervision to CCID Group Co together with a cash consideration of approximately RMB4,590,000; and (iii) CCID Data entered into an agreement with Beijing CCID Venture Investment Company Limited\* (“CCID Venture Investment”) (“北京賽迪創業投資有限公司”) to acquire 26.6% equity interests in CCID Exhibition at a consideration of 25.203% equity interests in CCID Supervision. Before the transactions, the Company held 59.625% equity interests in CCID Data and CCID Data held 70% equity interests in the CCID Supervision. The entire effective interests of 41.6% in CCID Supervision was disposed of upon the completion of the transactions. The disposal of CCID Supervision and acquisition of CCID Exhibition were completed on 9 August 2022.

	9 August 2022 RMB'000
Analysis of assets and liabilities of CCID Supervision over which control was lost:	
Property, plant and equipment	250
Deferred tax asset	476
Accounts receivables	4,006
Prepayments, deposits and other receivables	12,555
Cash and bank balances	90,039
Accounts payables	(599)
Contract liabilities	(43,561)
Accruals and other payables	(10,330)
<b>Net assets disposed of</b>	<b>52,836</b>
Loss on disposal of a subsidiary:	
Non-controlling interest	33,939
Net assets disposed of	(52,836)
<b>Effects to merger reserve</b>	<b>(18,897)</b>
Net cash outflow arising on disposal:	
Cash consideration	19,274
Bank balances and cash disposed of	90,039
	<b>109,313</b>

\* The English translation is for identification only

## Notes to the Consolidated Financial Statements

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### 32. 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	2023 RMB'000	2022 RMB'000
(i) Gross revenue earned before sales surtaxes		
Provision for decision-making consulting services:		
Ultimate holding company — CCID	925	656
Intermediate holding company — Research Centre	151	—
Fellow subsidiaries:		
— Beijing CCID Publishing & Media Co. Ltd.* (“CCID Publishing”) (“北京賽迪出版傳媒有限公司”)	613	1,528
— CCID NIT	—	103
	<b>1,689</b>	<b>2,287</b>
Provision for data platform services:		
Fellow subsidiary — CCID NIT	64	—
	<b>64</b>	<b>—</b>
Provision for science and technology innovation platform services:		
Fellow subsidiary — CCID Publishing	1,745	—
	<b>1,745</b>	<b>—</b>
Provision for information planning and information engineering supervision services:		
Ultimate holding company — CCID	—	1,771
	<b>—</b>	<b>1,771</b>

## Notes to the Consolidated Financial Statements

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### 32. RELATED PARTIES RELATIONSHIPS AND TRANSACTIONS (Continued)

#### (a) Related parties of the Group (Continued)

Transactions with the CCID Group	2023 RMB'000	2022 RMB'000
(ii) Administrative and promotion services		
Rental, building management fee, internet fee and utilities fare charged by intermediate holding company		
— Research Centre	682	427
Rental, building management fee charged by a fellow subsidiary		
— Beijing CCID Property Management Co., Ltd.* ("CCID Property") ("北京賽迪物業管理有限公司")	1,359	1,642
Technical service fee charged by:		
Immediate holding company — CCID Group Co	991	—
Fellow subsidiary — Beijing CCID Infotech, Inc.* ("北京賽迪時代信息產業股份有限公司")	368	—
Translation expense charged by a fellow subsidiary		
— CCID Translation Technology Co., Ltd.* ("北京賽迪翻譯技術有限公司")	—	2
	<b>3,400</b>	2,071
(iii) Service fee paid for consulting services by:		
Ultimate holding company — CCID	94	1,231
Immediate holding company — CCID Group Co	1,708	—
Fellow subsidiaries:		
— CCID Suzhou	—	23
— CCID NIT	—	61
	<b>1,802</b>	1,315
(iv) Service 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")	86	—
	<b>86</b>	—

\* The English translation is for identification only

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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 32. 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:

	2023 RMB'000	2022 RMB'000
Salaries, wages, allowances and other benefits	20,822	26,289
Contributions to retirement benefits scheme	2,058	2,567
	<b>22,880</b>	28,856

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.

### 33. 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 2023 and 2022, no options were granted to the Group's employees.

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### 34. 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.

	<b>Amounts due to fellow subsidiaries (Note 29(ii)) RMB'000</b>	<b>Lease liabilities RMB'000</b>	<b>Total RMB'000</b>
At 1 January 2022	25,782	—	25,782
Financing cash flows			
— Repayment	(25,632)	—	(25,632)
At 31 December 2022 and 1 January 2023	<b>150</b>	<b>—</b>	<b>150</b>
Financing cash flows			
— Repayment	—	<b>(985)</b>	<b>(985)</b>
Non-cash changes			
— Increase in lease liabilities	—	<b>6,592</b>	<b>6,592</b>
— Interest expenses	—	<b>81</b>	<b>81</b>
At 31 December 2023	<b>150</b>	<b>5,688</b>	<b>5,838</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the subsidiaries as at 31 December 2023 and 2022 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
			2023	2022	Directly		Indirectly		
					2023	2022	2023	2022	
CCID Data	Beijing, PRC	Company with limited liability	80,000	80,000	59.4%	59.4%	—	—	Provision of decision-making consulting 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
CCID Exhibition	Beijing, PRC	Company with limited liability	10,000	10,000	—	—	59.4%	59.4%	Provision of conference consultation and exhibition 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

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### 36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2023 RMB'000	2022 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		11,212	12,545
Interests in subsidiaries		33,168	33,168
Intangible asset		14,681	14,681
Financial assets at fair value through other comprehensive income		1,483	1,524
Deferred tax assets		421	1,010
		<b>60,965</b>	62,928
<b>Current assets</b>			
Accounts receivables		32,835	26,288
Prepayment, deposits and other receivables		565	2,670
Amount due from ultimate holding company	(i)	5	5
Amounts due from subsidiaries	(i)	118	3,773
Financial assets at fair value through profit or loss		148	104
Restricted bank deposits		451	—
Cash and bank balances		221,459	162,109
		<b>255,581</b>	194,949
<b>Current liabilities</b>			
Accruals and other payables		25,857	25,538
Contract liabilities		102,736	65,609
Amounts due to related parties	(i)	—	42
Amounts due to subsidiaries	(i)	2,272	—
Income tax payable		9,225	320
		<b>140,090</b>	91,509
<b>Net current assets</b>		<b>115,491</b>	103,440
<b>Net assets</b>		<b>176,456</b>	166,368
<b>Equity</b>			
Share capital	30	70,000	70,000
Reserves	(ii)	106,456	96,368
<b>Total equity</b>		<b>176,456</b>	166,368

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

- (i) The amounts due from/to related parties/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 2022	18,100	31,206	—	118,151	167,457
Profit for the year	—	—	—	9,038	9,038
Other comprehensive expense for the year	—	—	(117)	—	(117)
Total comprehensive (expense) income for the year	—	—	(117)	9,038	8,921
Appropriation of statutory reserve	—	2,564	—	(2,564)	—
Dividends recognised as distribution (Note 17)	—	—	—	(80,010)	(80,010)
At 31 December 2022 and 1 January 2023	<b>18,100</b>	<b>33,770</b>	<b>(117)</b>	<b>44,615</b>	<b>96,368</b>
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	<b>18,100</b>	<b>35,000</b>	<b>(148)</b>	<b>53,504</b>	<b>106,456</b>

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 Hong Kong Financial Reporting Standards.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 37. 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:

	2023 RMB'000	2022 RMB'000
Employers' contributions charged to the consolidated statement of profit or loss and other comprehensive income	21,583	26,084

### 38. 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 RMB6,592,000 (2022: nil) were recognised at the commencement of the leases (Note 19).

On 9 August 2022, transactions in respect of the disposal of CCID Supervision and acquisition of CCID Exhibition were completed between the Group and connected parties, which were considered as business combination involving entities under common control. Further details are set out in Note 31.

## 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				
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000
Turnover	261,529	211,954	281,800	203,836	<b>278,325</b>
Cost of sales	(119,614)	(111,271)	(134,174)	(108,982)	<b>(150,244)</b>
Gross profits	141,915	100,683	147,626	94,854	<b>128,081</b>
Profit before taxation	78,476	33,506	55,994	29,846	<b>78,589</b>
Taxation	(10,290)	(6,909)	(10,026)	(5,230)	<b>(14,845)</b>
Profit for the year	68,186	26,597	45,968	24,616	<b>63,744</b>
Attributable to:					
Equity holders of the Company	62,799	21,224	42,921	30,098	<b>63,073</b>
Non-controlling interests	5,387	5,373	3,047	(5,482)	<b>671</b>
	68,186	26,597	45,968	24,616	<b>63,744</b>

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				
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000
Total assets	357,901	398,290	481,519	309,591	<b>374,442</b>
Total liabilities	(120,535)	(142,613)	(187,405)	(143,098)	<b>(188,546)</b>
	237,366	255,677	294,114	166,493	<b>185,896</b>