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CCIDConsulting

賽迪顧問股份有限公司

CCID CONSULTING COMPANY LIMITED*

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

(Stock code: 02176)

www.ccidconsulting.com

**DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT**

The Board of CCID Consulting Company Limited* (the “**Company**”) is pleased to announce that on 18 August 2021, the Company subscribed for the Wealth Management Product from China Minsheng Banking in an amount of RMB20,000,000.

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

Date of subscription:	18 August 2021
Parties:	The Company and China Minsheng Banking
Name of Wealth Management Product:	Gui Zhu Fixed Income Profit Growth 3-Month (Held-to-maturity and Auto-renewal) No. 2 Wealth Management Product To Corporate Investors (貴竹固收增利3個月持有期自動續期2號(對公)理財產品) of China Minsheng Banking
Type of Wealth Management Product:	Fixed income
Currency of principal and income:	RMB
Subscription amount:	RMB20,000,000

Term of product: 3 months

China Minsheng Banking (the “Manager”) is entitled to prematurely terminate the product. Upon early termination of the product by the Manager, a disclosure shall be made at least one working day prior to the date of such termination.

Scope of investment:

1. fixed-income assets: bank deposits, large denomination certificates of deposit, money market instruments, sovereign bonds, local government bonds, central bank bills, institutional government bonds, financial bonds, inter-bank certificates of deposits, corporate credit bonds, secondary bonds, tier-2 capital bonds, convertible bonds, exchangeable bonds, asset-backed securities issued on interbank markets and stock exchanges, perpetual bonds that should be included in credit assets; fixed-income public funds, asset management plans and trust plans;
2. equity-linked assets: domestic stocks issued in accordance with laws (including stocks listed on the main board, SME board, ChiNext and STAR market and those approved or registered for listing), eligible securities for Southbound Trading; perpetual bonds that should be included in equity-linked assets; equity-linked public funds, asset management plans and trust plans; hybrid public fund, asset management plans and trust plans;
3. commodity and financial derivative-linked assets: commodities and financial futures, options, swap and forward contracts, commodity and financial derivative-linked public funds, asset management plans and trust plans.

Benchmark for performance comparison: 3.75%

Based on the model backtesting established by ChinaBond — High Credit-rating New Wealth (Total Value) Index (CBA04701.CS) and CSI 300 (00300.SH), the probability of investments with a three-month rolling period to achieve the benchmark for performance comparison was no less than 70% for the last 3 years. Such probability is subject to change in the event of any change of investment period, benchmark for performance comparison or other factors. The model is not representative of actual investment condition.

Subscription for the product:

During the term of this product, investors may subscribe for the unit(s) of this product during the business hours on each open day of the product. The business hours for processing subscriptions for this product are 9:00 to 15:00 (Beijing time) on each open day. The Manager will accept valid subscriptions submitted before (and excluding) 15:00 on an open day and on any day before that open day. Any subscription submitted at and after 15:00 on any open day will be processed on the next open day. Subscriptions submitted by the investors on any day other than an open day will be processed on the next open day. Subscriptions submitted by the investors may be withdrawn before (and excluding), but not after, 15:00 on the open day for the Manager to process them. Subscription monies will be retained from the day on which the investors submitted their subscriptions to the open day on which the Manager process them. During the retention period, interest on the subscription monies in the trading account will be calculated based on RMB savings deposit rates. Such interest will not be invested in the Wealth Management Product.

Redemption of product:

During the term of this product, investors may submit applications for redemption before 15:00 on the maturity date of the holding period of the unit(s) held by them while applications submitted after 15:00 on the maturity date of a holding period will be processed on the maturity date of the next holding period. Units of the Wealth Management Product, for which no application for redemption has been submitted, will enter into the next fixed holding period starting from the day following the maturity date of the current holding period.

Applications for redemption submitted by the investors on any day other than the open day will be processed on the next open day pursuant to the rules of holding period. Applications for redemption submitted by the investors in advanced may be withdrawn before (and excluding), but not after, 15:00 on the open day for the Manager to process them.

All applications for redemption of the units of this product and their acceptance shall also be subject to the rules of holding period.

Rules of holding period:

Valid subscriptions from investors on the open day for the Manager to process valid subscriptions for the units of this product will be subject to holding periods of 91 natural days each starting from the next natural day following that open day. Units subscribed for during the offering period will be subject to holding periods of 91 natural days each starting from the date of the establishment of this product.

The start date of the holding period shall be the date of the establishment of this product or the next natural day following the open day for the Manager to process subscriptions for the units of this product. The maturity date of the holding period shall be the end date of one or more holding period(s) after the start date of the holding period. The actual number of days for the investors to hold the units may vary due to holidays.

For each unit of the Wealth Management Product, the setting of fixed holding period(s) means that the investors cannot redeem such unit of the Wealth Management Product during the holding period of that unit. However, the investors can submit their applications for redemption in advance so that such unit of the Wealth Management Product will be processed on the maturity date of the holding period. If the maturity date of such holding period falls on a holiday, it will be postponed automatically to the next open day.

That means the redeemable date of the unit(s) of the Wealth Management Product held by an investor is subject to: 1) the maturity date of the holding period; and 2) the open day of the product.

The maturity date of the next period for the investors to hold the unredeemed units will not be postponed.

BASIS OF DETERMINATION OF THE CONSIDERATION

The Directors confirmed that the consideration of the subscription of the Wealth Management Product was determined on the basis of fair commercial terms.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF THE WEALTH MANAGEMENT PRODUCT

The Wealth Management Product has higher stability, greater product liquidity and lower risks (R2 product risk rating) as compared to other non-bank wealth management products, and offers better return to the Group for part of its idle cash.

The Directors considered that the subscription of the Wealth Management Product is on normal commercial terms, is fair and reasonable, and is in the interests of the Company and the Shareholders as a whole.

INVESTMENT RISK DISCLOSURE OF THE PRODUCT

The Wealth Management Product is subject to, including but not limited to, the following risks:

- (I) Policy risk: The Wealth Management Product is designed in accordance with the relevant prevailing laws, regulations, regulatory requirements and policies. Any change in the national macro-economic policy and market-related laws, regulations and regulatory requirements may affect the normal procedures, such as issuance, investment, conversion and repayment, and the operation and return on the Wealth Management Product.

- (II) Market risk: The prices of the invested assets within the scope set out in the contract of the Wealth Management Product may fluctuate due to changes in national policies, economic cycles and other factors such as interest and exchange rates. The price of the investment portfolio and, in turn, the return on the Wealth Management Product may then be affected.
- (III) Credit risk: Standardized or non-standardized credit assets invested by the Wealth Management Product and, in turn, the price of the investment portfolio of the Wealth Management Product itself may be affected by credit default events resulting from the poor operating performance, deteriorating financial position and other unforeseeable factors of the debtor(s).
- (IV) Liquidity risk: Unless otherwise stipulated by the contract of the Wealth Management Product, subscriptions and redemptions submitted by the investors will be processed during the trading hours on the open days only. Investors with liquidity needs may be subject to liquidity risks, including that the Wealth Management Product cannot be liquidated in a timely manner and that the maturity date does not match the day on which such fund is required. Any delay in liquidating the invested assets of the Wealth Management Product and the impact of the liquidation may affect the value of the investment portfolio of the Wealth Management Product at the time of redemption by the investors. In face of large redemption(s), the Manager may decide whether to make payment for the redemption(s) in full, delay the payment for the redemption(s) in full or delay processing applications for redemption according to the positions of the portfolio of the Wealth Management Product at the time-being, thereby affecting the liquidity arrangements of, and causing liquidity risk to, the investors.
- (V) Management risk: During the operation of the Wealth Management Product, the knowledge, experience, judgment, decision, skills and other qualities of the Manager (including but not limited to the Manager, any trustees/managers of any trusts/wealth management plans invested by the Wealth Management Product (if any) and any investment advisers) may affect his/their collection of information and judgments on the trends of economic conditions and securities prices and, in turn, the return on the Wealth Management Product. Changes in other factors such as the management methods and skills of the Manager may also affect the return on the Wealth Management Product.
- (VI) Risk of failure to establish the Wealth Management Product: Investors may be subject to reinvestment risk when the establishment of the Wealth Management Product fails because the offer failed, the level of acceptance was less than the minimum level (if any) required by the prospectus of the Wealth Management Product or any other factors arose from external force majeure.

- (VII) Risk of delay: Investors may be subject to, among other risks, risks of delay or adjustment of the Wealth Management Product when the Manager fails to liquidate the Wealth Management Product in a timely manner due to its failure to dispose of any assets, when the maturity date can not match the day on which such fund is required or when the Manager cannot settle any distribution payments on time due to inadequate market turnover, limitations on the redemption of products, suspension in trading, lack of willing counterparty and so on.
- (VIII) Risks in communication: The Manager shall disseminate information in relation to the Wealth Management Product in accordance with the requirements of the information disclosure provisions. The investors shall obtain the relevant information in an active and timely manner in accordance with the requirements of the information disclosure provisions. Execution of the contract of the Wealth Management Product constitutes an acknowledgement from the signatory investor that he/she is aware of the information disclosure channels of China Minsheng Banking. The investor shall bear all liabilities and risks resulting from the impact on its investment decisions of its failure to obtain information about the Wealth Management Product in a timely manner on its own part or due to any force majeure or unforeseeable events. The investor shall notify the Manager of any changes in the contact information given to the Manager. The failure of the Manager to contact any investor in a timely manner when necessary due to the failure of the investor to notify the Manager of any change in its contact information in a timely manner or any other reasons may affect the investment decision made by the investor. Any resultant liabilities and risks shall be borne by the investor. However, the aforementioned provision does not release the Manager from any liability that shall be borne by him due to his fault according to the law.
- (IX) Risk of force majeure and other unforeseeable events: Natural disasters, wars, major policy changes, failure of any information system, failure of any communication system, failure of any electricity system, financial crisis, suspension of trading in the investment market and any other factors beyond the control of the Manager may affect the establishment, operation, distribution of funds, disclosure of information and making of announcements of the Wealth Management Product, which may in turn result in a drop in returns from, or loss of principal invested in, the Wealth Management Product. Losses resulting from force majeure and unforeseeable events shall be borne by the investors. The Manager shall not be liable to such losses.
- (X) Risk of early termination: The actual term of the Wealth Management Product may be shorter than the expected term if the Manager terminates the Wealth Management Product in advance under specific conditions stipulated by the contract of the Wealth Management Product. The investors may not be able to realise all their expected gains when the Wealth Management Product is terminated in advance.

(XI) Valuation risk: The Wealth Management Product shall be valued in accordance with the valuation method stipulated in the prospectus of the Wealth Management Product. However, such valuations of the Wealth Management Product are only for reference and may differ from the actual realisable value, for which all risks shall be borne by the investors.

INFORMATION ON THE GROUP

The Group is principally engaged in various services of management and strategy consultancy, market consultancy, information engineering supervision, statistical data design, training programs and purchase of information systems.

INFORMATION ON CHINA MINSHENG BANKING

China Minsheng Banking is a national joint-stock commercial bank incorporated in the PRC, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1988). China Minsheng Banking and its subsidiaries are principally engaged in the provision of corporate and personal banking services, treasury business, leasing business, fund and asset management business, investment banking business and other related financial services in the PRC.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, China Minsheng Banking and its ultimate substantial beneficial owners as publicly disclosed by China Minsheng Banking are third parties independent from the Company and its connected persons.

IMPLICATION UNDER THE LISTING RULES

As two of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules with respect to the subscription of the Wealth Management Product exceed 5% but are less than 25%, the subscription of the Wealth Management Product constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules, but is exempted from the shareholder approval requirement.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Board”	the board of directors of the Company
“China Minsheng Banking”	China Minsheng Banking Corp., Ltd., a bank incorporated in the PRC
“Company”	CCID Consulting Company Limited* (賽迪顧問股份有限公司), a joint stock limited liability company incorporated in the PRC whose H shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Shares”	share(s) of the Company of nominal value of RMB0.1 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Wealth Management Product” Gui Zhu Fixed Income Profit Growth 3-Month (Held-to-maturity and Auto-renewal) No. 2 Wealth Management Product To Corporate Investors (貴竹固收增利3個月持有期自動續期2號(對公)理財產品) issued or to be issued by China Minsheng Banking, the major terms of which are summarized in this announcement

“%” per cent

By Order of the Board
CCID Consulting Company Limited*
Ms. Xia Lin
Chairman

Beijing, the PRC, 18 August 2021

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

* *For identification purpose only*