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CONFIDENCE INTELLIGENCE HOLDINGS LIMITED 信 懇 智 能 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1967)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the "Board") of directors ("Directors") of Confidence Intelligence Holdings Limited (the "Company") announce the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2024 (the "Interim Period"), together with the comparative figures for the six months ended 30 June 2023. These results have been reviewed by the Company's audit committee (the "Audit Committee").

FINANCIAL HIGHLIGHTS		
	Unaudite	ed
	Six months ended 30 June	
	2024	2023
Continuing Operation		
Revenue (RMB'000)	154,984	136,903
Gross profit (RMB'000)	31,828	15,072
Gross profit margin (%)	20.5	11.0
Profit for the period attributable to equity holders		
of the Company (RMB'000)	8,955	620
Discontinued Operation		
Loss for the period from discontinued operation	_	(24,346)
Earnings(losses) per share attributable to equity		
holders of the Company		
From continuing and discontinued operation		
- Basic and diluted (RMB cent)	3.58	(5.60)
From continuing operation		
- Basic and diluted (RMB cent)	3.58	0.25

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

Unaudited Six months ended 30 June 2024 2023 Note RMB'000 RMB'000 (Restated) **Continuing Operation** 5 154,984 Revenue 136,903 8 Cost of sales (123,156)(121,831)**Gross profit** 31,828 15,072 Other income 6 3,450 5,716 7 Other losses, net (1,028)(546)Selling and distribution expenses 8 (1,585)(1,235)Administrative and other operating expenses 8 (17,713)(15,982)Finance costs 8 (536)(410)Profit before tax from 14,416 continuing operation 2,615 Income tax expenses 9 (1,442)(909)Profit for the period from continuing operation 12,974 1,706 **Discontinued Operation** Loss for the period from discontinued operation (24,346)Profit (Loss) for the period 12,974 (22,640)Profit (Loss) for the period attributable to: From continuing and discontinued operations - Owners of the Company 8,955 (14,002)- Non-controlling interests 4,019 (8,638)12,974 (22,640)

		om monum enac	a co gane
		2024	2023
	Note	RMB'000	RMB'000
			(Restated)
From continuing operation			
- Owners of the Company		8,955	620
 Non-controlling interests 		4,019	1,086
		12,974	1,706
		RMB cents	RMB cents
Earnings (losses) per share attributable to owners of the Company			
From continuing and discontinued operations – Basic and diluted	10	3.58	(5.60)
From continuing operation			
 Basic and diluted 	10	3.58	0.25

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Unaudited	
	Six months ended	d 30 June
	2024 RMB'000	2023 <i>RMB'000</i> (Restated)
Continuing and Discontinued Operation Profit (Loss) for the period	12,974	(22,640)
Other comprehensive income (loss): Items that will not be reclassified to profit or loss: Exchange differences on translation of the Company's		
financial statements to presentation currency Financial assets at fair value through other comprehensive income ("FVOCI")	1,492	1,564
- Changes in fair value taken to reserves	(674)	(698)
Item that may be reclassified subsequently to profit or loss: Exchange differences on translation of foreign		
operations	1,517	(2,144)
Total other comprehensive income (loss)		
for the period	2,335	(1,278)
Total comprehensive income (loss) for the period	15,309	(23,918)
Total comprehensive income (loss) for the period attributable to:		
 Owners of the Company 	11,290	(14,194)
 Non-controlling interests 	4,019	(9,724)
_	15,309	(23,918)

	Six months ended	d 30 June
	2024	2023
	RMB'000	RMB'000
	111/12 000	(Restated)
		(Restated)
Continuing Operation		
Profit for the period	12,974	1,706
Other comprehensive income (loss):		
Items that will not be reclassified to profit or loss:		
Exchange differences on translation of the Company's		
financial statements to presentation currency	1,492	1,564
Financial assets at FVOCI	1, 2	1,501
- Changes in fair value taken to reserves	(674)	(698)
- Changes in rail value taken to reserves	(0/4)	(070)
Item that may be reclassified subsequently to		
profit or loss:		
Exchange differences on translation of foreign		
operations	1,517	(2,144)
•		
Total other comprehensive income (loss)		
for the period	2,335	(1,278)
Total comprehensive income for the period	15,309	428
Total comprehensive income (loss) for the period		
Total comprehensive income (loss) for the period attributable to:		
- Owners of the Company	11,290	(658)
 Non-controlling interests 	4,019	1,086
	15,309	428
=		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	Note	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment	12	119,744	129,102
Intangible assets	13	752	951
Investment in an associate		_	_
Prepayments, deposits and other receivables	14	5,826	5,872
Deferred tax assets		3,810	2,923
Financial assets at FVOCI	-	9,951	8,658
	-	140,083	147,506
Current assets			
Inventories		20,525	17,987
Contract assets	15	69,017	44,763
Trade and bills receivables	15	66,404	48,020
Prepayments, deposits and other receivables	14	4,999	4,627
Financial asset at amortised cost		17,337	17,215
Cash and cash equivalents	-	53,451	60,696
	=	231,733	193,308
Current liabilities			
Trade payables	16	24,314	14,876
Contract liabilities	17	4,983	1,175
Other payables and accruals	17	26,342	21,662
Bank borrowings		3,500	3,750
Lease liabilities		9,296	6,122
Income tax payable		91	763
Deferred government grants	-	2,864	5,016
	-	71,390	53,364
Net current assets	-	160,343	139,944
Total assets less current liabilities	-	300,426	287,450

	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Non-current liabilities		
Lease liabilities	1,782	2,131
Deferred government grants	11,123	11,479
Deferred tax liabilities	1,117	345
	14,022	13,955
NET ASSETS	286,404	273,495
Capital and reserves		
Share capital	2,250	2,250
Share premium	98,676	98,676
Retained earnings	40,195	31,240
Other reserves	132,710	130,375
Equity attributable to owners of the Company	273,831	262,541
Non-controlling interests	12,573	10,954
TOTAL EQUITY	286,404	273,495

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Confidence Intelligence Holdings Limited (the "Company", together with its subsidiaries are collectively referred to as the "Group") was incorporated in the Cayman Islands as an exempted company with limited liability in the Cayman Islands on 7 December 2018. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 18 October 2019. The address of the Company's registered office is situated at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The Company's principal place of business is situated at Unit 702, 7th Floor, Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong and the Group's headquarter is situated at No. 7 Building, New Development Zone, Baishixia, Fuyong Street, Bao'an District, Shenzhen, the PRC.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of (i) electronic manufacturing service ("EMS") and (ii) financial-related application platform ("Financial Application Platform") and related maintenance services ("Platform Maintenance Services") (discontinued since 21 August 2023). The immediate and ultimate holding company of the Company is Skyflying Company Limited, which was incorporated in the British Virgin Islands. In the opinion of the directors of the Company, the ultimate controlling party of the Group is Mr. Li Hao.

2. BASIS OF PRESENTATION

The condensed consolidated financial information of the Group for the six months ended 30 June 2024 (the "Interim Financial Information") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of the Interim Financial Information in conformity with HKAS 34 requires the Group's management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The Interim Financial Information is unaudited but have been reviewed by the audit committee of the Company and the external auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

The Interim Financial Information includes an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since 31 December 2023, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") the collective term of which includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong. They shall be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2023 (the "2023 Annual Report").

The Interim Financial Information has been prepared on historical costs basis, except for financial assets at FVOCI which are measured at fair value. The Interim Financial Information is presented in Renminbi ("RMB") and all amounts have been rounded to the nearest thousands ("RMB'000"), unless otherwise indicated.

3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The accounting policies, methods of computation, significant judgements made by the Group's management in applying the Group's accounting policies and the key sources of estimation uncertainty applied in the preparation of the Interim Financial Information is consistent with those applied in preparing the 2023 Annual Report except for the adoption of the new/revised HKFRSs further described in the "Adoption of new/revised HKFRSs" section which are relevant to the Group and effective for the Group's financial period beginning on 1 January 2024.

Adoption of new/revised HKFRSs

In the current interim period, the Group has applied, for the first time, the following new or amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2024 for the preparation of the Interim Financial Information:

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current

Amendments to HKAS 1 Non-current Liabilities with Covenants

Amendments to HK Presentation of Financial Statements – Classification by the Borrower Interpretation 5 of a Term Loan that Contains a Repayment on Demand Clause

Amendments to HKAS 7 and Supplier Finance Arrangements

HKFRS 7

Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback

The adoption of the new/revised HKFRSs in the current period has no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Information.

Future changes in HKFRSs

At the date of authorisation of the Interim Financial Information, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current period, which the Group has not early adopted.

Amendments to HKAS 21 Lack of Exchangeability [1]

Amendments to HKFRS 9 and Amendments to the Classification and Measurement of Financial

HKFRS 7 Instruments [2]

HKFRS 18 Presentation and Disclosure in Financial Statements [3]
HKFRS 19 Subsidiaries without Public Accountability: Disclosures [3]

Amendments to HKFRS 10 and Sale or Contribution of Assets between an Investor and its Associate

HKAS 28 or Joint Venture [4]

- [1] Effective for annual periods beginning on or after 1 January 2025
- Effective for annual periods beginning on or after 1 January 2026
- [3] Effective for annual periods beginning on or after 1 January 2027
- The effective date to be determined

The Group will adopt the above new or amended standards and interpretation as and when they become effective. The Group is in the process of assessing the impact of adopting these new or amended standards and interpretation on its current or future reporting periods and on foreseeable future transactions.

4. SEGMENT INFORMATION

The executive directors of the Company who make strategic decisions have been identified as the Group's chief operating decision maker ("CODM") to evaluate the performance of operating segments and to allocate resources to those segments. During the six months ended 30 June 2023, the CODM identified the Group has two operating segments, which comprised (i) provision of EMS and (ii) provision of Financial Application Platform and Platform Maintenance Services. Upon the disposal of the Group's subsidiaries which carried out the Financial Application Platform and Platform Maintenance Services on 21 August 2023 as detailed in 2023 Annual Report (the "Disposal") (Note 12(ii)), the CODM determined that the Group only has one reportable operating segment which is the provision of EMS. As the provision of EMS is the only operating segment of the Group subsequent to the Disposal, no further analysis for segment information for the six months ended 30 June 2024 is presented. Accordingly, comparative information of the condensed consolidated profit or loss and the relevant Interim Financial Information has been restated to achieve a consistent presentation.

Segment results represent results before tax reported by each segment without allocation of certain other income and other gains, net, certain selling and distribution expenses, certain administrative and other operating expenses incurred by the corporate office, and finance costs which are considered as unallocable income and expenses. This is the measure reported to the CODM of the Company for the purposes of resource allocation and performance assessment.

All assets are allocated to reportable segments other than financial assets at FVOCI, certain prepayments, deposits and other receivables, financial asset at amortised cost, certain pledged bank deposits and certain cash and cash equivalents. All liabilities are allocated to reportable segments other than certain other payables and accruals.

In determining the Group's geographical segments, revenue is attributable to the segments based on the location of customers; assets and capital expenditure are attributable to the segments based on the locations of the assets. Based on risks and returns and the Group's internal financial reporting, the CODM considers that the details of the operating segments of the Group for the six months ended 30 June 2023 were set forth as below.

(A) By Business Segments

	Continuing Operation	Discontinued Operation	
	Provision of EMS RMB'000	Provision of Financial Application Platform and Platform Maintenance Services RMB'000 (Note i)	Consolidated RMB'000
Six months ended 30 June 2023 (Unaudited)			
Segment revenue	136,903	1,344	138,247
Segment results	5,136	(20,164)	(15,028)
Unallocated other income Unallocated other gains, net			7 701
Unallocated selling and distribution expenses			(275)
Unallocated administrative and other operating expenses		-	(2,954)
Loss before tax Income tax expenses			(17,549) (5,091)
Loss for the period			(22,640)

Note i: The difference between the loss for the six months ended 30 June 2023 of approximately RMB24,346,000 and segment results for the same period of approximately RMB20,164,000 (loss) arising from the discontinued operation represented income tax expenses for the period.

A major customer is a customer (including a group of entities under common control) with whom revenue from transactions amounted to 10% or more of the Group's total revenue.

Revenue from customers (including a group of entities under common control) contributed over 10% of the total revenue of the Group is as follows:

	Unaudited Six months ended 30 June		
	2024	2023	
	RMB'000	RMB'000	
Continuing Operation – Provision of EMS			
Customer A	61,767	24,340	
Customer B	28,855	23,117	
Customer C	N/A	22,357	
Customer D	N/A	20,192	
Customer E	N/A	16,751	
Customer F	N/A	15,102	

Revenue from Customer C, D, E and F individually were less than 10% of the total revenue during the respective reporting period.

The five largest customers accounted for approximately 58.5% of the Group's total revenue for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately 77.2%).

-	Con	tinuing Operation	Discontinued Operation	l -	
	Provision of EMS RMB'000	Unallocated RMB'000	Total RMB'000	Provision of Financial Application Platform and Platform Maintenance Services RMB'000	Consolidated RMB'000
At 30 June 2023 (Unaudited)					
Segment assets	337,282	31,627	368,909	728	369,637
Segment liabilities	(78,375)	(2,790)	(81,165)	(9,719)	(90,884)
Six months ended 30 June 2023 (Unaudited)					
Other segment information:					
Amortisation	570	_	570	887	1,457
Depreciation	16,859	_	16,859	28	16,887
Loss on disposal of property,	,		,		,
plant and equipment, net	40	_	40	_	40
Exchange loss, net	1,204	3	1,207	_	1,207
Bank interest income	608	7	615	_	615
Finance costs	410	_	410	_	410
Provision for write-down of inventories, net	704	-	704	_	704
Impairment losses on an					
intangible asset	-	-	-	14,671	14,671
Additions to property, plant					
and equipment (including					
right-of-use assets)	7,394	-	7,394	9	7,403
Additions to intangible assets	127		127		127
-					

(B) By Geographic Information

(i) Revenue form external customers

The Group's operation is principally domiciled in the PRC. The Group's revenue by geographical location, which is determined by the location of customers, is as follows:

	Continuing Operation	Discontinued Operation	
		Provision of Financial Application Platform and Platform Maintenance	
	Provision of EMS RMB'000	Services RMB'000	Consolidated <i>RMB</i> '000
Six months ended 30 June 2024 (Unaudited)			
The PRC	154,875	_	154,875
The United States of America (the "USA")	109		109
	154,984		154,984
Six months ended 30 June 2023 (Unaudited)			
The PRC	136,807	1,344	138,151
USA	96		96
	136,903	1,344	138,247

(ii) Non-current assets by geographical location

At 30 June 2024 and 31 December 2023, majority of the Group's non-current assets were located in the PRC.

5. REVENUE

	Unaudited Six months ended 30 June		
	2024	2023	
	RMB'000	RMB'000	
Revenue from contracts with customers within HKFRS 15			
Continuing Operation			
Overtime			
Provision of EMS	154,984	136,903	
Discontinued Operation			
Overtime			
 Provision of Platform Maintenance Services 	_	133	
Point in time			
 Provision of Financial Application Platform 		1,211	
	154,984	138,247	

The amounts of revenue recognised for the six months ended 30 June 2024 that were included in the contract liabilities at the beginning of the reporting period was approximately RMB1,175,000 (unaudited) (six months ended 30 June 2023: RMB2,753,000 (unaudited)).

6. OTHER INCOME

Unaudited Six months ended 30 June

	Six months ended 30 June					
		2024			2023	
	Continuing	Discontinued		Continuing	Discontinued	
	Operation	Operation	Consolidated	Operation	Operation	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank Interest income	201	_	201	615	_	615
Government subsidies (Note)	3,108	_	3,108	5,056	-	5,056
Others	141		141	45	24	69
	3,450		3,450	5,716	24	5,740

Note: Government subsidies primarily represent subsidies from (i) relevant local government authorities granted to the Group for purchase of certain qualified property, plant and equipment for its operation and (ii) additional deduction on the input valued added taxes ("VAT") of 5% allowed by the relevant government authorities in the PRC to the entities which are recognised as High and New Technology Enterprise ("HNTE"). During the six months ended 30 June 2024, the assets related grants recognised to profit or loss were approximately RMB2,508,000 (unaudited) (six months ended 30 June 2023: RMB2,890,000 (unaudited)). There are no unfulfilled conditions or contingencies attached to the remaining government grants for the six months ended 30 June 2024 and 2023.

7. OTHER LOSSES, NET

		2024			2023	
	Continuing	Discontinued		Continuing	Discontinued	
	Operation	Operation	Consolidated	Operation	Operation	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income from unlisted						
corporate bonds	607	_	607	701	_	701
Interest income from unlisted						
corporate loan	226	_	226	_		
Loss on disposal of property, plant						
and equipment, net	(584)	_	(584)	(40)	-	(40)
Exchange losses, net	(1,275)	_	(1,275)	(1,207)	_	(1,207)
Other losses	(2)		(2)		(21)	(21)
	(1,028)		(1,028)	(546)	(21)	(567)

8. PROFIT (LOSS) BEFORE TAX

This is stated after charging:

			SIX IIIUIIIIIS EI	lucu 30 Julie		
		2024			2023	
	Continuing	Discontinued		Continuing	Discontinued	
	Operation	Operation	Consolidated	Operation	Operation	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	MinD 000	KinD 000	IIIID 000	TIME 000	Minb 000	TUND 000
Finance costs						
Interest on bank borrowings	84	_	84	163	_	163
Interest on lease liabilities	452	_	452	247	_	247
	536	_	536	410	_	410
						.10
Staff costs (including directors' emoluments)						
Salaries, discretionary bonus,						
allowances and other						
benefits in kind	30,046	_	30,046	39,325	3,149	42,474
Contributions to defined	ŕ		,			
contribution plans (Note i)	2,238	_	2,238	1,573	1,928	3,501
•						
	32,284	_	32,284	40,898	5,077	45,975
Manpower service expenses	02,201		02,201	10,070	3,077	10,773
(Note ii)	5,010	_	5,010	1,833	_	1,833
(1.000 10)						
	37,294		37,294	42,731	5,077	47,808
	31,494	_	31,494	42,731	3,077	47,000

	Continuing Operation RMB'000	2024 Discontinued Operation RMB'000	Consolidated RMB'000	Continuing Operation RMB'000	2023 Discontinued Operation RMB'000	Consolidated RMB'000
Other expenses by nature						
Cost of raw materials and						
consumables used	56,007	_	56,007	46,073	_	46,073
Subcontracting charges	10,459	_	10,459	9,953	_	9,953
Expenses recognised under short- term leases						
- Machineries	4,943	_	4,943	10,111	_	10,111
- Offices, warehouses, production						
plant and staff quarters	1,033	_	1,033	1,910	28	1,938
Utilities	3,628	-	3,628	4,266	-	4,266
Depreciation (charged to "cost of sales" and "administrative and other operating expenses", as appropriate (<i>Note iii</i>)	20,871	_	20,871	16,859	28	16,887
Amortisation (charged to "cost of sales" and "administrative and other operating expenses", as appropriate) (<i>Note iv</i>)	246	_	246	792	665	1,457
Auditor's remuneration	409	_	409	400	-	400
Professional fees	3,315	_	3,315	2,586	254	2,840
Provision for write-down of	0,010		3,510	2,300	231	2,010
inventories, net	99	_	99	704	_	704
Impairment losses on an intangible asset	_		_	, , ,	14,671	14,671
Other tax and surcharges	1,108		1,108	1,005	14,071	1,005
Transportation	100	_	100	47	_	47
Travelling expenses	596	_	596	337	15	352
Others	2,346		2,346	1,274	773	2,047
	105,160		105,160	96,317	16,434	112,751
Total cost of sales, selling and distribution expenses, administrative and other operating expenses and impairment losses on financial assets and contract assets and impairment losses on an intangible asset (<i>Note v</i>)	142,454	_	142,454	139,048	21,511	160,559

Notes:

- (i) As stipulated under the relevant rules and regulations in the PRC, the subsidiary operating in the PRC contributes to state-sponsored retirement plans for its employees. For the six months ended 30 June 2024 and 2023, depending on the provinces of the employees' registered residences and their current region of work, the Group's subsidiaries contributed certain percentages of the basic salaries of its employees and had no further obligations for the actual payment of pensions or postretirement benefits beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.
- (ii) During the six months ended 30 June 2024 and 2023, the Group entered into certain manpower service arrangements with several external manpower service organisations in the PRC. Under these arrangements, certain of the Group's manpower requirements were fulfilled by these organisations at agreed service fees whereas the human resources provided were directly employed by the relevant service organisations. The individuals providing services to the Group did not have any employment relationship with the Group.
- (iii) During the six months ended 30 June 2024 and 2023, depreciation expenses have been charged in costs of sales and administrative and other operating expenses, as appropriate, as below:

			Unaud	lited		
			Six months en	ded 30 June		
		2024			2023	
	Continuing	Discontinued		Continuing	Discontinued	
	Operation <i>RMB'000</i>	Operation <i>RMB'000</i>	Consolidated RMB'000	Operation <i>RMB</i> '000	Operation <i>RMB'000</i>	Consolidated <i>RMB</i> '000
Costs of sales Administrative and other	19,799	-	19,799	15,275	-	15,275
operating expenses	1,072		1,072	1,584	28	1,612
	20,871		20,871	16,859	28	16,887

(iv) During the six months ended 30 June 2024 and 2023, amortisation expenses have been charged in costs of sales and administrative and other operating expenses, as appropriate, as below:

	Unaudited					
			Six months en	ded 30 June		
		2024			2023	
	Continuing	Discontinued		Continuing	Discontinued	
	Operation	Operation	Consolidated	Operation	Operation	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Costs of sales Administrative and other	163	-	163	-	665	665
operating expenses	83		83	792		792
	246		246	792	665	1,457

(v) Included in these expenses, there were staff costs, material costs and other miscellaneous expenses incurred for research and development purposes, which in aggregate, amounted to approximately RMB6,612,000 (unaudited) for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately RMB8,488,000 (unaudited)).

9. TAXATION

Unaudited Six months ended 30 June

			om monung en	ara co game		
		2024			2023	
	Continuing	Discontinued		Continuing	Discontinued	
	Operation	Operation	Consolidated	Operation	Operation	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current tax						
PRC enterprise income tax						
("PRC EIT")	1,557	-	1,557	594	-	594
Deferred taxation						
Changes in temporary						
differences	(115)		(115)	315	4,182	4,497
Total income tax expenses	1,442		1,442	909	4,182	5,091

The group entities established in the Cayman Islands and the BVI are exempted from corporate income tax during the six months ended 30 June 2024 and 2023.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong during the six months ended 30 June 2024 and 2023.

The Group's entities established in the PRC are subject to the PRC EIT at a statutory rate of 25% except for Shenzhen Confidence Intelligence Electronic Co. Limited* ("Shenzhen Confidence Intelligence") (深圳信懇智能電子有限公司) and Chongqing Xinken Technology Company Limited* ("Chongqing Xinken Technology") (重慶信懇科技有限公司) ("重慶信懇科技") which were recognised as HNTE and is entitled to a preferential tax rate of 15% during the six months ended 30 June 2024 (six months ended 30 June 2023: Shenzhen Confidence Intelligence and Shanghai Regan Financial Information Service Co., Ltd.* ("Regan Financial Information") (上海雷根金融信息服務有限公司) (disposed on 21 August 2023 (Note 12(ii)) were recognised as High and New Technology Enterprise). The entitlement of this tax benefit is subject to renewal by respective tax bureau in the PRC every three years.

10. EARNINGS (LOSSES) PER SHARE

The calculation of basic and diluted earnings (losses) per share attributable to owners of the Company is based on the following information:

	Unaudited Six months ended 30 June 2024 20 RMB'000 RMB'C		
For Continuing and Discontinued Operation	IIIID 000	11.12	
Profit (Loss):			
Profit (Loss) for the period attributable to owners of the Company, used in basic and diluted earnings (loss) per			
share calculation	8,955	(14,002)	
	'000	'000	
Number of shares: Weighted average number of ordinary shares for basic and			
diluted earnings (losses) per share calculation	250,000	250,000	
	RMB cents	RMB cents	
Earnings (Losses) per share			
Basic and diluted	3.58	(5.60)	
For Continuing Operation			
Profit:			
Profit for the period attributable to owners of the Company, used in basic and diluted earnings per share calculation	8,955	620	
-			
	'000	'000	
Number of shares:			
Weighted average number of ordinary shares for basic and	270.000	250.000	
diluted earnings per share calculation	250,000	250,000	
	RMB cents	RMB cents	
Earnings per share			
Basic and diluted	3.58	0.25	

The basic earnings (losses) per share are calculated by dividing the profit (loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2024 and 2023.

Diluted earnings (losses) per share are the same as the basic earnings (losses) per share as there are no potential dilutive ordinary shares in existence for the six months ended 30 June 2024 and 2023.

11. DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended 30 June 2024 and 2023.

12. PROPERTY, PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS)

	Total RMB'000
Reconciliation of carrying amount – year ended 31 December 2023 (Audited)	
At the beginning of the reporting period	145,741
Additions	21,138
Disposals	(550)
Depreciation	(34,566)
Written off	(2,578)
Disposal of subsidiaries (Note ii)	(83)
At the end of the reporting period	129,102
Reconciliation of carrying amount – six months ended 30 June 2024 (Unaudited)	
At the beginning of the reporting period	129,102
Additions (Note iii)	12,867
Disposals	(1,354)
Depreciation	(20,871)
At the end of the reporting period	119,744
At 31 December 2023 (Audited)	
Cost	294,965
Accumulated depreciation	(165,863)
Net carrying amount	129,102
At 30 June 2024 (Unaudited)	
Cost	305,661
Accumulated depreciation	(185,917)
Net carrying amount	119,744

Notes:

- (i) At 30 June 2024, the carrying amount of the Group's property, plant and equipment of approximately RMB8,572,000 (31 December 2023: RMB10,129,000) was pledged to secure banking facilities.
- (ii) On 21 August 2023, the Company had disposed it indirectly held subsidiaries, namely, Shanghai Wanhai Jinyuan Business Management Company Limited* (上海萬海金源企業管理有限公司) and Regan Financial Information, through its wholly owned subsidiary, namely Wanhai Big Data Technology (Shanghai) Limited* (萬海大數據科技(上海)有限公司). The details had been set out in 2023 Annual Report.
- (iii) The addition for the period primarily represented the Group's changed certain lease contracts from short-term lease to long-term lease during the six month ended 30 June 2024.

13. INTANGIBLE ASSETS

	Total RMB'000
Reconciliation of carrying amount – year ended 31 December 2023 (Audited)	
At the beginning of the reporting period	17,097
Additions	272
Impairment loss (Note i)	(14,671)
Amortisation	(1,747)
At the end of the reporting period	951
Reconciliation of carrying amount – six months ended 30 June 2024 (Unaudited)	
At the beginning of the reporting period	951
Additions	47
Amortisation	(246)
At the end of the reporting period	752
At 31 December 2023 (Audited)	
Cost	3,669
Accumulated amortisation	(2,718)
Net carrying amount	951
At 30 June 2024 (Unaudited)	
Cost	3,716
Accumulated amortisation	(2,964)
Net carrying amount	752

Note:

(i) It represented an impairment loss arising from a financial application platform held by a former subsidiary (Note 12(ii)) for which the principal activities were provision of Financial Application Platform and Platform Maintenance Services.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Unaudited	Audited
		30 June	31 December
		2024	2023
		RMB'000	RMB'000
Current portion			
Prepayments to suppliers		867	806
Prepayment for consultancy services fee		913	1,994
Rental and other deposits	(i)	1,536	910
Interest receivables from unlisted corporate bonds		1,075	462
Interest receivables from amount due from an			
independent third party		306	80
Other receivables	(i)	302	375
Amount due from Wanhai Jinyuan	(iii)	7,032	7,032
		12,031	11,659
Less: Loss allowance		(7,032)	(7,032)
Less. Loss anowance		(7,032)	(7,032)
	=	4,999	4,627
Non-current portion			
Prepayments of acquisition of property,		104	104
plant and equipment		194	194
Prepayment for consultancy services fee	···	548	- 4.551
Amount due from an independent third party	(ii)	4,582	4,551
Rental deposits	(i)	696	1,321
		6,020	6,066
Less: Loss allowance		(194)	(194)
		5,826	5,872
	_	10,825	10,499

Notes:

(ii) Amount due from an independent third party

	Unaudited	Audited
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Amount due from an independent third party	4,582	4,551
Less: Loss allowance	(194)	(194)
	4,388	4,357

⁽i) As at 30 June 2024 and 31 December 2023, the carrying amounts of deposits and other receivables approximated their fair values. These balances were unsecured and interest free.

At 30 June 2024 and 31 December 2023, the principal amount of the amount due from an independent third party was HK\$5,000,000 (equivalent to approximately RMB4,582,000 (31 December 2023: approximately RMB4,551,000). The amount due was unsecured, bearing interest of 10% per annum, and repayable in October 2025.

(iii) Amount due from Wanhai Jinyuan

	Unaudited	Audited
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Amount due from Wanhai Jinyuan	7,032	7,032
Less: Loss allowance	(7,032)	(7,032)

The amount due was unsecured, interest free and repayable on demand.

15. CONTRACT ASSETS, TRADE AND BILLS RECEIVABLES

	Unaudited	Audited
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Contract assets, net	69,017	44,763
Trade receivables, from third parties	47,535	35,419
Less: Loss allowance for trade receivables	(131)	(131)
Trade receivables, net	47,404	35,288
Bills receivables	19,000	12,732
Contract assets, trade and bills receivables, net	135,421	92,783

Contract assets represent the Group's rights to consideration for work completed but unbilled for its services provided for EMS segment. The contract assets are transferred to trade receivables when the rights become unconditional which generally takes one to four months.

At 30 June 2024 and 31 December 2023, the contract assets are expected to be recovered within 12 months.

The Group's business with its trade debtors is mainly on credit basis and the credit period is ranging from 30 to 120 days (31 December 2023: 30 to 120 days).

At 30 June 2024 and 31 December 2023, the aging analysis of trade receivables, net of loss allowance, based on invoice date, was as follows:

	Unaudited	Audited
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Less than 1 month	22,765	10,616
1 to 2 months	17,598	12,083
2 to 3 months	6,629	9,328
Over 3 months	412	3,261
	47,404	35,288

16. TRADE PAYABLES

The trade payables are unsecured, interest-free and with normal credit terms ranging from 30–90 days. At 30 June 2024 and 31 December 2023, the aging analysis of trade payables based on invoice date is as follows:

	Unaudited	Audited
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Within 1 month	17,209	8,886
1 to 2 months	6,963	4,676
2 to 3 months	83	1,166
Over 3 months	59	148
	24,314	14,876

17. CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

	Unaudited 30 June 2024 <i>RMB'000</i>	Audited 31 December 2023 RMB'000
Contract liabilities	4,983	1,175
Other payables and accruals Payables for operating expenses Payable for staff salaries and manpower service expenses VAT and other tax payables Other payables Accruals	2,379 10,234 9,155 1,367 3,207	2,649 9,729 5,666 584 3,034
_	26,342	21,662
	31,325	22,837

BUSINESS REVIEW AND PROSPECTS

The board of directors (the "Board") of Confidence Intelligence Holdings Limited (the "Company") announce the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2024 (the "Interim Period") to the shareholders of the Company.

Business Review

The Group is an electronic manufacturing services (the "EMS") provider offering comprehensive assembling and production services of printed circuit board assembly (the "PCBAs") in the PRC that integrate research and design, selection and procurement of raw materials, assembling of PCBAs, quality control, testing, logistics and after sales services.

The Group tapped into the financial technology business with the cooperation of a third-party business partner (the "Regan Group") since the second half year of 2022 by acquisition of the 60% registered capital of Shanghai Regan Financial Information Service Co., Ltd.* (the "Regan Financial Information") (the "Acquisition"), which is principally engaged in provision of the financial-related application platform (the "Financial Application Platform") and related maintenance services (the "Platform Maintenance Services"). However, being a new entrant to the fintech and insurance related market, the Group is facing keen competition from large insurance groups with their own online platforms in the PRC and find it difficult to expand the customer scale, and the development of the financial technology business was slower than expected.

In the second half year of 2023, taking into account the performance of the Financial Application Platform and Platform Maintenance Services business since its commencement of operations and the recent negative news targeting Regan Group, the Board has made a reassessment of the development potential of Regan Financial Information and decided that the Group should cut its losses by disposing of the business of Financial Application Platform and Platform Maintenance Services at a consideration of RMB1.0 (the "Disposal"). After the Disposal, the Group no longer engaged in financial technology business. The financial technology business recorded a loss of RMB24.3 million for the six months ended 30 June 2023, which was the main reason for the loss of the Group for the same period.

During the Interim Period, the economy in China is facing significant challenges, such as the decline in property investments and weak consumption growth. The insufficient domestic demand has led to increasingly fierce competition among enterprise. The Group concentrated its resources into the EMS business during the Interim Period, and which contributed the Group's overall sale increased by 12.1% from RMB138.2 million for the six months ended 30 June 2023 to RMB155.0 million for the Interim Period. Along with the increase in revenue, gross profit margin also had a significant improvement from 9.4% for the six months ended 30 June 2023 to 20.5% for the Interim Period, resulting in a turnaround from net loss to net profit for the Interim Period. During the Interim Period, the Group recorded a net profit of approximately RMB13.0 million as opposed to a net loss of approximately RMB22.6 million for the corresponding period in 2023.

Prospects

Under current complex international environment and the challenging economy in China, the Group will keep more cautious on its spending and expansion to reduce finance risk. The Group is taking proactive measures and making active responses in an effort to sustain the business and actively diversify or expand our customer base and product base to broaden the sources of revenue and diversify business risk. The Group will continue to invest in our development of in-house capabilities and keep ourselves abreast of the development of latest technology advancement in our industries to secure more business opportunities, and also explore other business segments or new opportunities to earn better returns for the Company and the Shareholders. We will continue to strive a balance among the interests of shareholders, employees and customers, and pursue long-term and sustainable development for the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue by customers' geographical location

The Group is domiciled in PRC. The Group's revenue by geographical location, which is determined by the location of customers, is as follows:

		Unaudited six months ended 30 June		
	2024	2023		
	RMB'000	RMB'000		
The PRC	154,875	138,151		
The USA		96		
	154,984	138,247		

Revenue by Product Type

The Group derives its revenue from manufacturing and sales of PCBAs during the Interim Period. Based on the usage of the electronic products which incorporated with our PCBAs, our PCBAs can be primarily and broadly applied to electronic end products for three product categories, namely, telecommunication devices, IoT products and automotive related devices. The table below summarises the amounts of revenue generated and as a percentage of total revenue from each product category for the Interim Period and the corresponding period in 2023:

	Revenue for the six months ended 30 June			% of total revenue for		
				the six months ended 30 June		
	2024	2024 2023	Change	2024	2023	Change
	RMB'000	RMB'000	%			
PCBAs for						
Telecommunication devices	86,305	76,136	13.4	55.7	55.1	0.6
IoT products	32,723	34,258	(4.5)	21.1	24.8	(3.7)
Automotive related devices	33,512	23,848	40.5	21.6	17.2	4.4
Others	2,444	2,661	(8.2)	1.6	1.9	(0.3)
	154,984	136,903	13.1	100.0	99.0	1.0
Financial Application Platform and Platform						
Maintenance Services		1,344	(100.0)		1.0	(1.0)
Total	154,984	138,247	12.1	100.0	100.0	_

Our revenue generated from sales of PCBAs of telecommunication devices increased by approximately 13.4% from approximately RMB76.1 million for the six months ended 30 June 2023 to approximately RMB86.3 million for the Interim Period, primarily due to the increased orders as from the Group's major customer.

Our Group recorded a decrease in revenue derived from sales of PCBAs of IoT products by approximately 4.5% from approximately RMB34.3 million for the six months ended 30 June 2023 to approximately RMB32.7 million for the Interim Period, which was mainly attributable to the decline orders received from the IoT products customers.

Our revenue generated from sales of PCBAs of automotive related devices increased by approximately 40.5% from approximately RMB23.8 million for the six months ended 30 June 2023 to approximately RMB33.5 million for the Interim Period, primarily because we achieve more orders from the customers with our satisfying technology and quality.

Other revenue mainly include (i) PCBAs for industrial-use devices; and (ii) the revenue generated from the sale of auxiliary and other materials. Other revenue keep stable at approximately RMB2.6 million and RMB2.4 million, respectively, for the six months ended 30 June 2023 and the Interim Period.

No revenue derived from Financial Application Platform and Platform Maintenance Services was recorded during the Interim Period after the Disposal (six months ended 30 June 2023: RMB1.3 million).

Gross Profit and Gross Profit Margin

Gross profit of the Group for the Interim Period was approximately RMB31.8 million, representing an increase of approximately RMB18.8 million or 144.7% as compared with approximately RMB13.0 million for the corresponding period in 2023. Overall gross profit margin increased from 9.4% for the corresponding period in 2023 to 20.5% for the Interim Period.

	G	ross profit for		Gross p	orofit margin fo	or	
	the six months ended 30 June			the six months ended 30 June			
	2024	2023	Change	2024	2023	Change	
	RMB'000	RMB'000	(%)	%	%	(%)	
PCBAs for							
Telecommunication devices	19,692	9,431	108.8	22.8	12.4	10.4	
IoT products	5,264	1,019	416.6	16.1	3.0	13.1	
Automotive related devices	6,590	4,472	47.4	19.7	18.8	0.9	
Others	282	150	88.0	11.5	5.6	5.9	
	31,828	15,072	111.2	20.5	11.0	9.5	
Financial Application Platform and Platform Maintenance Services		(2,065)	(100.0)		(153.6)	N/A	
Total	31,828	13,007	144.7	20.5	9.4	11.1	

PCBAs

The gross profit for PCBAs for telecommunication devices increased by approximately 108.8% to approximately RMB19.7 million for the Interim Period (six months ended 30 June 2023: approximately RMB9.4 million). The gross profit margin increased to approximately 22.8% for the Interim Period (six months ended 30 June 2023: approximately 12.4%), which primarily due to the improvement of resources utilisation generally and more fixed costs were absorbed with the increased of sales orders.

The gross profit for PCBAs for IoT products increased by approximately 416.6% to approximately RMB5.3 million for the Interim Period (six months ended 30 June 2023: approximately RMB1.0 million). The gross profit margin increased to approximately 16.1% for the Interim Period (six months ended 30 June 2023: approximately 3.0%), which mainly due to the reason mentioned above.

The gross profit for PCBAs for automotive related devices increased by approximately 47.4% to approximately RMB6.6 million for the Interim Period (six months ended 30 June 2023: approximately RMB4.5 million). The gross profit margin increased to approximately 19.7% for the Interim Period (six months ended 30 June 2023: approximately 18.8%).

Other Income

Other income of the Group for the Interim Period of approximately RMB3.5 million (six months ended 30 June 2023: approximately RMB5.7 million) mainly represented government grants recognised by the Group and bank interest income.

Other Losses, Net

Net other losses of approximately RMB1.0 million for the Interim Period (six months ended 30 June 2023: other gains of approximately RMB0.6 million) mainly comprised interest income from unlisted corporated bonds and loan, exchange differences and loss on disposal of property, plant and equipment.

Selling and Distribution Expenses

Selling and distribution expenses mainly comprised (i) relevant employee benefit expenses; (ii) travelling and transportation costs; (iii) entertainment expenses and other expenses. For the Interim Period, selling and distribution expenses amounted to approximately RMB1.5 million (six months ended 30 June 2023: approximately RMB1.3 million). Selling and distribution expense ratio remained low at below 1.0% against revenue for both the Interim Period and the six months ended 30 June 2023.

Administrative Expenses

Administrative expenses mainly represented (i) employment benefit expenses, (ii) depreciation, (iii) professional fee, (iv) expenses recognised under short-term leases, (v) travelling expenses, (vi) utilities, (vii) telecommunication and office expenses and other expenses. For the Interim Period, administrative expenses amounted to approximately RMB17.7 million (six months ended 30 June 2023: approximately RMB19.3 million). The decreased in administrative expense was mainly due to the disposal of financial technology business in the second half year of 2023.

Impairment losses on Intangible Assets

An impairment loss of approximately RMB14.7 million was provided for the intangible assets for Financial Application Platform and Platform Maintenance Services segment during the six months ended 30 June 2023. No such expense incurred in the Interim Period.

Finance Costs

Finance costs mainly comprised interest expenses on bank and other borrowings and leases. For the Interim Period, the finance costs of the Group were approximately RMB0.5 million (six months ended 30 June 2023: approximately RMB0.4 million) which in line with the same period of last year.

Income Tax Expense

Income tax expense decreased by approximately RMB3.7 million from approximately RMB5.1 million for the six months ended 30 June 2023 to approximately RMB1.4 million for the Interim Period, which was mainly due to the Disposal in the second half year of 2023 and partially offset by the increased income tax expense for the Interim Period as a result of the increased profit.

Profit/(loss) for the Period

As a result of the facts discussed above, net profit for the period was approximately RMB13.0 million for the Interim Period (six months ended 2023: a net loss of approximately RMB22.6 million).

Profit/(loss) for the Period Attributable to Non-controlling Interest

Profit for the Period attributable to non-controlling interest was approximately RMB4.0 million for the Interim Period (for the six months ended 30 June 2023: approximately loss of RMB8.6 million). The profit for the Interim period was mainly arising from Chongqing factory. The change was mainly due to the Disposal in the second half year of 2023 and the increased sales orders in Chongqin factory.

Liquidity and Capital Resources

Net Current Assets

The Group had net current assets of approximately RMB160.3 million as at 30 June 2024 (31 December 2023: approximately RMB139.9 million). The current ratio of the Group kept stable at approximately 3.6 as at 31 December 2023 and 3.3 as at 30 June 2024.

Borrowing and the Pledge of Assets

The bank borrowings of the Group amounted to approximately RMB3.5 million as at 30 June 2024 (31 December 2023: approximately RMB3.8 million). As at 30 June 2024, the borrowings were secured by property, plant and equipment with carrying amounts approximately RMB8.6 million (31 December 2023: approximately RMB10.1 million).

Gearing Ratio

Our gearing ratio, which is calculated by total borrowings and lease liabilities divided by total equity, was approximately 5.1% and 4.4% as at 30 June 2024 and 31 December 2023, respectively. The gearing ratio remained low due to our low level of bank and other borrowings and lease liabilities.

Capital Structure

The Shares were listed on the Stock Exchange on 18 October 2019 (the "**Listing Date**"). There has been no change in the capital structure of the Company since then. As at 30 June 2024, the number of issued shares of the Company was 250,000,000 ordinary shares of HK\$0.01 each.

Foreign Exchange Exposure and Exchange Rate Risk

The Group's assets, liabilities and transactions are mainly denominated in Renminbi ("RMB") and Hong Kong dollar ("HK\$"), and there are no significant assets and liabilities denominated in other currencies. Management considers that the Group is not exposed to any significant foreign exchange risk as at 30 June 2024 as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the respective functional currencies of the Group's entities.

Capital Expenditure

For the Interim Period, the Group had capital expenditure of approximately RMB12.9 million (six months ended 30 June 2023: approximately RMB7.5 million). The capital expenditure was mainly related to the additions of plant and equipment for our factories in Chongqing and Shenzhen.

Interim Dividend

The Board does not recommend payment of interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

Employees and Emoluments Policy and Training

The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, bonuses and the Group's contribution to mandatory provident funds or state-managed retirement benefits scheme. Other benefits include share options to be granted under the Share Option Schemes. The Group provides comprehensive training and development opportunities to its employees on a regular basis. The trainings are arranged according to needs to employees, which are identified annually by individual departments.

As at 30 June 2024, the Group had 665 employees with a total remuneration of approximately RMB32.3 million during the Interim Period (six months ended 30 June 2023: approximately RMB46.0 million). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices.

Pension Scheme

Pursuant to the relevant labor laws and regulations of the PRC, the employees of the Group's subsidiaries established in the PRC are required to participate in a state-managed retirement benefit scheme (the "**Defined Contribution Scheme**") operated by the PRC government. The Group is required to contribute a certain percentage of basic payroll costs to the Defined Contribution Scheme.

The Group's contributions to the Defined Contribution Scheme vest fully and immediately with the employees. Accordingly, (i) during the Interim Period, there was no forfeiture of contributions under the Defined Contribution Scheme; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Scheme as at 30 June 2024. The contributions are charged to profit or loss as they become payable in accordance with the rules of the Defined Contribution Scheme.

Capital Commitment

As at 30 June 2024, the Group's capital commitment amounted to approximately RMB0.6 million (31 December 2023: approximately RMB1.3 million). The capital commitment was mainly related to the acquisition of machinery and equipment to enhance our production efficiency.

Material Acquisitions, Disposals of Subsidiaries, Associates and Joint Ventures and Significant Investment

During the Interim Period, saved as disclosed in this announcement, there were no material acquisition, disposal of subsidiaries, associates and joint ventures or significant investment by the Group.

Contingent Liabilities

The Group did not have any contingent liabilities as of 30 June 2024 (31 December 2023: nil).

Event After Reporting Period

The Group does not have any important events after the Interim Period and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the trust of shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance codes to meet the legal and commercial standards by focusing on areas such as internal control, adequate disclosure and accountability to all shareholders.

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules during the Interim Period except the following deviation:

CG Code provision C.2.1 stipulates that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. Mr. Li Hao is the chairman of the Board and the chief executive officer of our Group, which was deviated from the CG Code. However, having considered the nature and extent of our Group's operations, Mr. Li Hao's extensive experience in the industry, familiarity with the operations of our Group since its business operation, that all major decisions are made in consultation with members of our Board and relevant Board committees, and that there are three independent non- executive Directors on our Board offering independent perspectives, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between our Board and the management of our Company and that it is in the best interest of our Group to have Mr. Li Hao taking up both roles. As such, the roles of the chairman and chief executive officer of our Group are not being separated pursuant to the requirement under code provision C.2.1 of the CG Code. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

SHARE OPTION SCHEME

A share option scheme was conditionally adopted on 20 September 2019 (the "Share Option Scheme"), which became effective on the Listing Date. The Share Option Scheme is a share incentive scheme and is established to recognise and motivate the contributions that the eligible participants had or may have made to the Group.

The Board may, at its absolute discretion, grant options to any employee (full-time or part-time), consultant or adviser of our Group, Directors, shareholder of our Group, or any supplier, customer, business partner or service provider of our Group (together, the "Eligible Participants" or each "Eligible Participant").

Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (i.e. 25,000,000 shares) unless approved by the shareholders of the Company. The 10% limited may be renewed by the shareholders of the Company in general meeting from time to time provided always that the 10% limited so renewed must not exceed 10% of the shares in issue at the date of approval of such renewal by the shareholders of the Company.

No option shall be granted to any Eligible Participants which, if exercised in full would result in the total number of the shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Participant under the Share Option Scheme (including exercised, cancelled, and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 10% in aggregate of the shares in issue as at the date of such grant.

Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption and the remaining life of the Share Option Scheme is approximately 6 years.

No share option has been granted under the Share Option Scheme up to the date of this announcement.

CONNECTED TRANSACTIONS

During the six months ended 30 June 2024, there were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Rules Governing the Listing of securities on the Stock Exchange (the "Listing Rules") which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares, if any) during the Interim Period.

At as 30 June 2024, the Company did not held any treasury shares.

AUDITOR

Forvis Mazars CPA Limited (formerly known as Mazars CPA Limited), Certified Public Accountants, the auditor of the Company, has reviewed the unaudited condensed consolidated interim financial information of the Group for the Interim Period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

AUDIT COMMITTEE

The Company established the Audit Committee on 20 September 2019 with terms of reference in compliance with the CG Code as set out in Appendix C1 to the Listing Rules for the purpose of to making recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and related materials and provide advice in respect of the financial reporting process, and to oversee the internal control procedures of our Group. The Audit Committee now comprises three members, all being independent non-executive Directors, namely, Mr. Wong Chun Sek Edmund (Chairman), Mr. Huang Jianfei and Ms. Mu Lingxia.

The Audit Committee had reviewed the interim results of the Group for the six months ended 30 June 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. All Directors of the Company have confirmed that, following specific enquiry by the Company, they have compiled with the required standard set out in the Model Code during the Interim Period and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, the Company had maintained sufficient public float of not less than 25% of its total issued shares as required under the Listing Rules during the Interim Period and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement will be published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (http://www.szxinken.com). The interim report of the Company for the six months ended 30 June 2024 will be dispatched (if requested by shareholder(s)) to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board

Confidence Intelligence Holdings Limited

Li Hao

Chairman & Executive Director

Hong Kong, 28 August 2024

As at the date of this announcement, the executive Directors are Mr. Li Hao, Mr. Zhang Bizhong, Mr. Xu Shizhen, Ms. Li Biqiong and Mr. Hao Xiangjun, and the independent non-executive Directors are Mr. Huang Jianfei, Mr. Wong Chun Sek Edmund and Ms. Mu Lingxia.

* For identification purpose only