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**ZERO2IPO HOLDINGS INC.**

**清科創業控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1945)**

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

The board (the “**Board**”) of directors (the “**Directors**”) of Zero2IPO Holdings Inc. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce that the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2024 (the “**Reporting Period**”), together with the comparative figures for the six months ended June 30, 2023, which have been reviewed by the audit committee of the Company (the “**Audit Committee**”). The interim results for the six months ended June 30, 2024 have been reviewed by PricewaterhouseCoopers, the independent 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 Hong Kong Institute of Certified Public Accountants.

In this announcement, “we”, “us”, “our” and “Zero2IPO” refer to the Company and where the context otherwise requires, the Group.

**FINANCIAL HIGHLIGHTS**

	<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	<b>72,222</b>	85,778
Gross profit	<b>17,730</b>	17,228
Loss before income tax	<b>(9,586)</b>	(13,484)
Loss for the period	<b>(7,627)</b>	(9,790)

\* *For identification purposes only*

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended June 30, 2024

(Expressed in RMB)

		Unaudited Six months ended June 30, 2024	Unaudited 2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers	6	72,222	85,778
Cost of revenue	7	<u>(54,492)</u>	<u>(68,550)</u>
<b>Gross profit</b>		<b>17,730</b>	17,228
Selling and marketing expenses	7	(7,686)	(8,495)
General and administrative expenses	7	(25,878)	(21,995)
Research and development expenses	7	(7,070)	(8,167)
Net impairment losses on financial and contract assets		(2,957)	(4,956)
Other income		5,075	3,140
Other gains – net		<u>3,197</u>	<u>2,474</u>
<b>Operating loss</b>		<b>(17,589)</b>	(20,771)
Finance income		8,555	7,361
Finance costs		<u>(782)</u>	<u>(976)</u>
Finance income – net		7,773	6,385
Share of profit of associates accounted for using the equity method		<u>230</u>	<u>902</u>
<b>Loss before income tax</b>		<b>(9,586)</b>	(13,484)
Income tax credit	8	<u>1,959</u>	<u>3,694</u>
<b>Loss for the period</b>		<b><u>(7,627)</u></b>	<b><u>(9,790)</u></b>

		<b>Unaudited</b>	Unaudited
		<b>Six months ended June 30,</b>	<b>2023</b>
		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Other comprehensive income, net of tax</b>			
Items that will not be reclassified to profit or loss:			
Currency translation differences		<u>2,365</u>	<u>13,692</u>
<b>Total comprehensive (loss)/income for the period</b>		<u><b>(5,262)</b></u>	<u><b>3,902</b></u>
<b>Loss attributable to:</b>			
Owners of the Company		(7,397)	(9,456)
Non-controlling interests		<u>(230)</u>	<u>(334)</u>
		<u><b>(7,627)</b></u>	<u><b>(9,790)</b></u>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		(5,032)	4,236
Non-controlling interests		<u>(230)</u>	<u>(334)</u>
		<u><b>(5,262)</b></u>	<u><b>3,902</b></u>
<b>Losses per share for loss attributable to owners of the Company</b>			
Basic and diluted ( <i>RMB per share</i> )	9	<u><b>(0.02)</b></u>	<u><b>(0.03)</b></u>

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

as at June 30, 2024

(Expressed in RMB)

		Unaudited As at <b>June 30,</b> <b>2024</b> <i>RMB'000</i>	Audited As at December 31, 2023 <i>RMB'000</i>
	<i>Note</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		36,795	45,379
Intangible assets		3,116	2,998
Investments accounted for using the equity method		4,003	3,773
Deferred income tax assets		12,619	8,094
Financial assets measured at fair value through profit or loss		32,762	31,908
Other non-current assets		17,749	20,918
<b>Total non-current assets</b>		<u>107,044</u>	<u>113,070</u>
<b>Current assets</b>			
Other receivables		5,337	3,335
Accounts receivable	12	14,840	28,009
Contract assets		1,175	3,488
Prepayments and other current assets		11,605	10,227
Financial assets measured at fair value through profit or loss	11	206,449	163,043
Cash held on behalf of customers		6,346	5,123
Short-term bank deposits	11	260,258	309,470
Cash and cash equivalents		118,594	103,682
<b>Total current assets</b>		<u>624,604</u>	<u>626,377</u>
<b>Total assets</b>		<u><u>731,648</u></u>	<u><u>739,447</u></u>

		<b>Unaudited</b>	Audited
		As at	As at
		<b>June 30,</b>	December 31,
		<b>2024</b>	2023
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income		9,900	10,063
Lease liabilities		10,370	25,510
Deferred income tax liabilities		15	52
		<u>20,285</u>	<u>35,625</u>
<b>Total non-current liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	13	5,411	4,488
Other payables		11,707	26,888
Income tax payable		5,165	5,911
Contract liabilities		92,997	72,273
Lease liabilities		24,547	18,620
Customer brokerage deposits		6,346	5,123
Other current liabilities		4,015	2,769
		<u>150,188</u>	<u>136,072</u>
<b>Total current liabilities</b>			
<b>Total liabilities</b>			
		<u><u>170,473</u></u>	<u><u>171,697</u></u>
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		200	200
Share premium		414,403	414,530
Other reserves		85,118	83,939
Retained earnings		62,045	69,442
		<u>561,766</u>	<u>568,111</u>
<b>Non-controlling interests</b>			
		<u>(591)</u>	<u>(361)</u>
<b>Total equity</b>			
		<u>561,175</u>	<u>567,750</u>
<b>Total equity and liabilities</b>			
		<u><u>731,648</u></u>	<u><u>739,447</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

*(Expressed in RMB unless otherwise indicated)*

## 1 GENERAL INFORMATION AND SIGNIFICANT EVENTS

### General information

Zero2IPO Holdings Inc. (the “**Company**”) was incorporated in the Cayman Islands on August 1, 2019, as an exempted company with limited liability under the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together referred as to the “**Group**”) are principally engaged in providing integrated equity investment service, namely data services, marketing services, investment banking services and training services in the People’s Republic of China (the “**PRC**”).

Mr. Ni Zhengdong (倪正東) is the controlling shareholder of the Group.

The Group’s interim condensed consolidated financial information for the six months ended June 30, 2024 (the “**Interim Financial Information**”) is presented in Renminbi (“**RMB**”), unless otherwise stated.

## 2 SIGNIFICANT EVENTS IN THE CURRENT REPORTING PERIOD

### (a) Investment in Beijing Zero2IPO Zhida Investment Management Center (Limited Partnership) (“Zhida Fund”)

On December 1, 2023, Beijing Zero2IPO Venture Information Consulting Co., Ltd. (“**Zero2IPO Ventures**”), a subsidiary of the Company, entered into a series of fund partnership interest transfer agreements (“**Zhida Agreements**”) with each of the transferors (including Fuzhou Development Zone Kehulian Information Technology Co., Ltd. (福州開發區科互聯信息科技有限公司), Ms. YANG Zhen, Ms. CHEN Hongying, Mr. YANG Qianchu and Mr. ZHANG Can, each being a Limited Partner in Zhida Fund), respectively, and acquired approximately 14.72% of the partnership interests in Zhida Fund with a total consideration of RMB28.3 million. The Zhida Agreements and the transactions contemplated thereunder were approved by the independent shareholders of the Company during Company’s extraordinary general meeting held on February 27, 2024. Zero2IPO Ventures has fully paid the consideration and completed the registration alterations of its equity interest in Zhida Fund on April 10, 2024.

The purpose of the investment in Zhida Fund is to look for capital appreciation, such investment is measured at fair value through profit or loss (“**FVPL**”) in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) 9 “Financial Instruments”.

**(b) Repurchase of ordinary shares**

During the first half of 2024, the Group repurchased a total of 1,434,000 ordinary shares at an aggregate consideration of approximately HKD1.4 million (equivalent to RMB1.3 million) on The Stock Exchange of Hong Kong Limited (“SEHK”). Together with the shares repurchased but not cancelled during 2023, in total 120,400 ordinary shares had been cancelled during the six months ended June 30, 2024.

From July 2, 2024 to July 12, 2024, the Company repurchased 376,000 ordinary shares from the market. The Company cancelled 1,053,200 shares, which were repurchased from January 2, 2024 to June 7, 2024.

The share repurchase and cancellation have been pre-approved by shareholders of the Company.

**3 BASIS OF PREPARATION**

The Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited Interim Financial Information does not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs issued by HKICPA, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended December 31, 2023.

**4 MATERIAL ACCOUNTING POLICIES**

The Group has applied the following amendments for the first time for their interim reporting period commencing January 1, 2024:

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

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Except as described above, the accounting policies applied in the preparation of the Interim Financial Information are consistent with those used in the preparation of the consolidated financial statements for the year ended December 31, 2023.

## 5 SEGMENT INFORMATION

The Group's business activities are mainly in data services, marketing services, investment banking services and training services and are regularly reviewed and evaluated by the chief operating decision maker ("CODM"). As a result of this evaluation, the Group is organised into four reportable segments according to the revenue streams of the Group, and the revenue streams of the Group are data services, marketing services, investment banking services and training services.

The CODM assesses the performance of the operating segments based on the gross profit. The reconciliation of gross profit to profit before income tax is shown in the interim condensed consolidated statement of comprehensive income. There were no separate segment assets and segment liabilities information provide to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

The segment results for the six months ended June 30, 2024 and 2023 are as follows:

	Data services <i>RMB'000</i>	Marketing services <i>RMB'000</i>	Investment banking services <i>RMB'000</i>	Training services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>(Unaudited)</b>					
<b>Six months ended June 30, 2024</b>					
Revenue	28,285	24,146	8,302	11,489	72,222
Cost of revenue	<u>(13,947)</u>	<u>(14,755)</u>	<u>(14,727)</u>	<u>(11,063)</u>	<u>(54,492)</u>
<b>Gross profit/(loss)</b>	<b><u>14,338</u></b>	<b><u>9,391</u></b>	<b><u>(6,425)</u></b>	<b><u>426</u></b>	<b><u>17,730</u></b>
<b>(Unaudited)</b>					
<b>Six months ended June 30, 2023</b>					
Revenue	28,849	27,884	5,111	23,934	85,778
Cost of revenue	<u>(14,445)</u>	<u>(15,854)</u>	<u>(19,962)</u>	<u>(18,289)</u>	<u>(68,550)</u>
<b>Gross profit/(loss)</b>	<b><u>14,404</u></b>	<b><u>12,030</u></b>	<b><u>(14,851)</u></b>	<b><u>5,645</u></b>	<b><u>17,228</u></b>



## 6 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Unaudited Six months ended June 30, 2024 RMB'000	Unaudited 2023 RMB'000
<b>Revenue from contracts with customers</b>		
<i>Recognised over time</i>		
Data services	4,754	8,015
Marketing services	24,146	27,884
Investment banking services	92	488
Training services	6,953	19,567
<i>Recognised at a point in time</i>		
Data services	23,531	20,834
Investment banking services	8,210	4,623
Training services	4,536	4,367
<b>Total</b>	<b>72,222</b>	<b>85,778</b>

The Group generally enters into service contracts with customers for a contract term less than one year. Therefore, the Group has applied the practical expedient permitted under HKFRS 15 not to disclose the transaction price allocated to the unsatisfied performance obligations.

## 7 EXPENSES BY NATURE

	Unaudited Six months ended June 30, 2024 RMB'000	Unaudited 2023 RMB'000
Employee benefit expense	53,521	56,745
Depreciation and amortisation	10,760	10,531
Offline event costs	10,048	16,098
Professional service fee	8,918	10,933
Travel expenses	4,093	4,220
Office expenses	2,781	2,443
Advertisement expenses	1,898	2,534
Utilities and property management fee	1,389	1,521
Auditor's remuneration	600	726
Others	1,118	1,456
<b>Total</b>	<b>95,126</b>	<b>107,207</b>

## 8 INCOME TAX CREDIT

	<b>Unaudited</b> <b>Six months ended June 30,</b> <b>2024</b> <b>RMB'000</b>	<b>Unaudited</b> <b>2023</b> <b>RMB'000</b>
<b>Current income tax</b>		
Current tax on profits for the period	2,603	1,856
<b>Deferred income tax</b>		
Changes in deferred tax assets/liabilities	<u>(4,562)</u>	<u>(5,550)</u>
<b>Income tax credit</b>	<u><b>(1,959)</b></u>	<u><b>(3,694)</b></u>

## 9 LOSSES PER SHARE

### (a) Basic

The basic losses per share is calculated based on the loss attributable to equity holders of the Company for the six months ended June 30, 2024 and 2023 divided by the weighted average number of shares in issued during the period.

	<b>Unaudited</b> <b>Six months ended June 30,</b> <b>2024</b> <b>RMB'000</b>	<b>Unaudited</b> <b>2023</b> <b>RMB'000</b>
Loss attributable to owners of the Company ( <i>RMB'000</i> )	(7,397)	(9,456)
Weighted average number of ordinary shares in issue ( <i>thousand</i> ) <sup>(i)</sup>	<u>306,134</u>	<u>307,230</u>
Basic losses per share ( <i>RMB per share</i> )	<u><b>(0.02)</b></u>	<u><b>(0.03)</b></u>

(i) The repurchase of shares for the six months ended June 30, 2024 and 2023 were accounted at time portion basis.

### (b) Diluted

For the six months ended June 30, 2024, there were no dilutive potential ordinary shares of the Company outstanding. Therefore, there was no dilution impact on weighted average number of shares on the Company.

## 10 DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended June 30, 2024 (six months ended June 30, 2023: nil).

## 11 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	<i>Notes</i>	<b>Unaudited As at June 30, 2024 RMB'000</b>	Audited As at December 31, 2023 RMB'000
<b>Financial assets</b>			
Financial assets at amortised cost	(a)		
– Accounts receivable	12	<b>14,840</b>	28,009
– Other receivables		<b>12,764</b>	14,085
– Cash held on behalf of customers		<b>6,346</b>	5,123
– Short-term bank deposits		<b>260,258</b>	309,470
– Long-term bank deposits		<b>10,322</b>	10,168
– Cash and cash equivalents		<b>118,594</b>	103,682
Financial assets measured at FVPL			
– Investment in wealth management products (“WMPs”)	(b)	<b>178,153</b>	163,043
– Investment in TechStar Class B Share and Promoter Warrant ( <i>Note</i> )		<b>32,762</b>	31,908
– Investment in Zhida Fund		<b>28,296</b>	–
		<b>662,335</b>	665,488
<b>Financial liabilities</b>			
Financial liabilities at amortised cost	(a)		
– Accounts payable		<b>(5,411)</b>	(4,488)
– Other payables (excluding employee benefits payables, accrual expense and other tax payables)		<b>(3,645)</b>	(5,807)
– Lease liabilities		<b>(34,917)</b>	(44,130)
– Customer brokerage deposits		<b>(6,346)</b>	(5,123)
		<b>(50,319)</b>	(59,548)

*Note:* TechStar Acquisition Corporation (“**TechStar**”) is a special purpose acquisition company (“**SPAC**”) incorporated in the Cayman Islands with limited liability.

- (a) As at June 30, 2024 and December 31, 2023, the fair values of the financial assets and financial liabilities at amortised cost approximated their respective carrying amounts.
- (b) The WMPs were not principal guaranteed, and were therefore classified as financial assets as FVPL.

## 12 ACCOUNTS RECEIVABLE

	<b>Unaudited</b> As at <b>June 30,</b> <b>2024</b> <i>RMB'000</i>	Audited As at December 31, 2023 <i>RMB'000</i>
From third parties	28,845	41,280
From related parties	—	—
	<u>28,845</u>	<u>41,280</u>
Less: allowance for impairment	<u>(14,005)</u>	<u>(13,271)</u>
Total accounts receivable	<u><u>14,840</u></u>	<u><u>28,009</u></u>

An aging analysis of the gross accounts receivable as at June 30, 2024 and December 31, 2023, based on date of recognition, is as follows:

	<b>Unaudited</b> As at <b>June 30,</b> <b>2024</b> <i>RMB'000</i>	Audited As at December 31, 2023 <i>RMB'000</i>
Less than 3 months	8,020	22,869
3 months to 12 months	8,843	5,285
12 months to 18 months	320	2,346
18 months to 24 months	882	200
Over 24 months	<u>10,780</u>	<u>10,580</u>
	<u><u>28,845</u></u>	<u><u>41,280</u></u>

Based on the contract terms, the credit period granted by the Group is normally not exceeding one year.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics. The expected credit losses also incorporate forward looking information.

### 13 ACCOUNTS PAYABLE

Aging analysis of the accounts payable as at June 30, 2024 and December 31, 2023 based on the date of recognition are as follows:

	<b>Unaudited</b> <b>As at</b> <b>June 30,</b> <b>2024</b> <i>RMB'000</i>	Audited As at December 31, 2023 <i>RMB'000</i>
Up to 6 months	3,822	2,779
6 months to 1 year	380	285
1 to 2 years	1,180	924
2 to 3 years	29	500
	<u>5,411</u>	<u>4,488</u>

## BUSINESS OVERVIEW AND OUTLOOK

### Overview

We are an integrated service platform in the equity investment industry, which provides data, marketing, investment banking and training services to participants in the equity investment industry. We offer a broad range of services through both online and offline channels for all participants in the equity investment industry, including investors, entrepreneurs, growth enterprises and government agencies.

- **Data Services.** We enable convenient and easy-to-navigate access to industry data and to facilitate informed decision-making through our PEdata Database and research report services, leveraging our extensive data resources as well as our robust data collection, analytics and research capabilities. Our PEDATA MAX, an upgraded SaaS-based version of our PEdata Database, integrates multi-dimensional data of China's equity investment industry and provides timely, accurate and comprehensive professional data services for investors, entrepreneurs, growth enterprises and government agencies. As of June 30, 2024, our proprietary PEdata Database and PEDATA MAX had approximately 360,000 registered users in aggregate. We also compile customized reports to address our customers' specific information needs and support their strategic decision-making process, as well as provide periodic standardized research reports enabling industry participants to track, understand and analyze China's equity investment industry. We compiled customized reports for hundreds of customers for the six months ended June 30, 2024.
- **Marketing Services.** We offer omni-channel marketing services through our online information platforms such as PEdaily and offline industry events, which also track industry trends and facilitate intra- and inter-industry networking. Our online information platforms offer high-quality content focused on China's equity investment industry. As of June 30, 2024, our online information platforms had accumulated over 3.5 million subscribers across our mobile applications, websites and major third-party platforms including WeChat, Weibo, Toutiao, NetEase, Sohu, Baidu, Snowball and Tencent. Our PEdaily has served a diversified customer base with its online advertising services, including an increasing number of renowned enterprises, which contributed to our business growth. The total number of views through PEdaily platform and third-party platforms experienced an increase of approximately 22% for the six months ended June 30, 2024, as compared to the corresponding period last year. We organize offline industry events, including Zero2IPO brand events and customized events, offering industry participants the opportunities to interact and socialize face-to-face.

- **Investment Banking Services.** Through our dedicated offline investment banking services, we enable early-stage entrepreneurs and growth enterprises to capture business and financing opportunities, investors to identify appropriate investment targets, and government agencies to formulate targeted local economic development strategies. Moreover, we provide entrepreneurs and growth enterprises with advisory services in private placements and mergers and acquisitions, and securities sponsorship and underwriting services for them to access public equity markets. We also offer trading, investment consulting and asset management services to investors. To that end, we have assembled a boutique investment banking team well-versed in the industry, committed to bridging together Chinese enterprises with overseas capital markets. Our Zero2IPO Securities mobile application, a secondary market trading platform focusing on Hong Kong stock market, provides investors with a full range of trading services, including real-time quotes, online trading, IPO subscription, equity capital market information and financial information.
- **Training Services.** We offer a variety of equity investment-related online and offline training courses primarily through online Sandhill College, Zero2IPO SandHill College and Zero2IPO Investment Research Institute, targeting a wide variety of audience including investment professionals, entrepreneurs, government officials, and college students seeking a career in the equity investment industry. We also provide customized training services targeting institutional customers, especially government agencies and large enterprises. Specifically, we provide a series of industry specific courses, including primarily master courses with prominent industry investors as mentors and equity investment strategy courses, in addition to our regular course offerings at Zero2IPO SandHill College. Our online and offline training services have provided new entrants and experienced professionals with foundational knowledge of and perceptive insights into China's equity investment industry.

## Outlook

As the Company has taken a series of effective cost control measures and market strategy adjustments over the past year, we have seen positive signs of a reduction in losses compared to the same period last year. The financial report shows that by optimizing the management structure and improving decision-making efficiency, our operating costs have been significantly reduced. At the same time, our Zero2IPO SandHill College overseas study group (清科沙丘投研院遊學團) also set foot in the Middle East for the first time in the first half of 2024, which not only precisely connected with high-quality government and corporate resources, but also deeply experienced the Middle Eastern culture, explored growth certainty, and enhanced our understanding of the Middle East market.

Looking ahead, we will continue to pursue excellence and achieve long-term sustainable development of the Company through innovation-driven initiatives and strategic execution. We believe that through the joint efforts of all employees, with the collective support of prudent operations, diversified ecosystem deployment, and innovation investment, we will demonstrate stronger resilience and competitiveness in the complex and ever-changing market environment. We expect to continue to maintain our benchmark position in the industry and make greater contributions to the development of China's equity investment industry.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

Our revenue decreased by 15.9% from RMB85.8 million for the six months ended June 30, 2023 to RMB72.2 million for the corresponding period in 2024, primarily due to (1) a decrease in revenue generated from our training services as a result of a decrease in the number of training courses we offered through Zero2IPO SandHill College and (2) a decrease in revenue generated from our marketing services as a result of a decrease in the number of offline events we organized.

### Cost of revenue

Our cost of revenue decreased by 20.6% from RMB68.6 million for the six months ended June 30, 2023 to RMB54.5 million for the corresponding period in 2024, primarily due to a decrease in venue rental costs and event set-up costs as a result of a decrease in the number of training courses of Zero2IPO SandHill College we offered and offline events of marketing service we organized.

### Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 2.9% from RMB17.2 million for the six months ended June 30, 2023 to RMB17.7 million for the corresponding period in 2024. Our gross profit margin increased from 20.0% for the six months ended June 30, 2023 to 24.5% for the corresponding period in 2024, primarily due to an increase in revenue generated from our investment banking services along with the personnel optimization.

### *Data services*

Our gross profit for data services remained relatively stable at RMB14.4 million and RMB14.3 million for the six months ended June 30, 2023 and 2024, respectively. Our gross profit margin for data services remained relatively stable at 50.0% and 50.5% in 2023 and 2024, respectively.

### *Marketing services*

Our gross profit for marketing services decreased by 21.7% from RMB12.0 million for the six months ended June 30, 2023 to RMB9.4 million for the corresponding period in 2024. Our gross profit margin for marketing services decreased from 43.0% for the six months ended June 30, 2023 to 39.0% for the corresponding period in 2024, primarily due to a decrease in revenue generated from offline events as a result of a decrease in the number of offline events we organized, while the employee benefit expenses remained relatively stable.

### ***Investment banking services***

Our gross loss for investment banking services decreased by 57.0% from RMB14.9 million for the six months ended June 30, 2023 to RMB6.4 million for the corresponding period in 2024. Our gross loss margin for investment banking services decreased from 292.2% for the six months ended June 30, 2023 to 77.1% for the corresponding period in 2024, primarily due to (1) an increase in revenue generated from advisory services and (2) a decrease in cost of revenue as a result of personnel optimization.

### ***Training services***

Our gross profit for training services decreased by 92.9% from RMB5.6 million for the six months ended June 30, 2023 to RMB0.4 million for the corresponding period in 2024. Our gross profit margin for training services decreased from 23.4% for the six months ended June 30, 2023 to 3.5% for the corresponding period in 2024, primarily due to a decrease in revenue generated from our training services as a result of the decrease in the number of training courses we offered through Zero2IPO SandHill College, while the employee benefit expenses remained relatively stable.

### **Selling and marketing expenses**

Our selling and marketing expenses decreased by 9.4% from RMB8.5 million for the six months ended June 30, 2023 to RMB7.7 million for the corresponding period in 2024, primarily due to a decrease in marketing expenses as the number of training courses of Zero2IPO SandHill College we offered and offline events of marketing service we organized decreased.

### **General and administrative expenses**

Our general and administrative expenses increased by 17.7% from RMB22.0 million for the six months ended June 30, 2023 to RMB25.9 million for the corresponding period in 2024, primarily due to an increase in lease expenses as a result of our newly-leased properties.

### **Research and development expenses**

Our research and development expenses decreased by 13.4% from RMB8.2 million for the six months ended June 30, 2023 to RMB7.1 million for the corresponding period in 2024, primarily due to a decrease in employee benefit expenses as a result of a decreased headcount of research and development personnel.

### **Finance income, net**

Our net finance income increased by 21.9% from RMB6.4 million for the six months ended June 30, 2023 to RMB7.8 million for the corresponding period in 2024, primarily due to an increase in interest income earned on our bank deposits.

### **Income tax credit**

Our income tax credit decreased by 45.9% from RMB3.7 million for the six months ended June 30, 2023 to RMB2.0 million for the corresponding period in 2024, primarily due to a decrease in loss before income tax.

### **Loss for the period**

As a result of the foregoing, our net loss decreased by 22.4% from RMB9.8 million for the six months ended June 30, 2023 to RMB7.6 million for the corresponding period in 2024. Our net margin was 11.4% and 10.5% for the six months ended June 30, 2023 and 2024, respectively.

### **Total assets**

Our total assets remained relatively stable at RMB739.4 million and RMB731.6 million as of December 31, 2023 and June 30, 2024, respectively.

### **Total liabilities**

Our total liabilities remained relatively stable at RMB171.7 million and RMB170.5 million as of December 31, 2023 and June 30, 2024, respectively.

### **Liquidity and capital resources**

We financed our capital expenditures and working capital requirements principally with cash generated from our operations. Our liquidity and capital resources remained solid as of June 30, 2024, with cash and cash equivalents and short-term bank deposits of approximately RMB378.9 million in multiple currencies. Our working capital, calculated by current assets less current liabilities decreased from RMB490.3 million as of December 31, 2023 to RMB474.4 million as of June 30, 2024.

We actively and regularly review and manage our capital structure to maintain a balance between shareholder return and solid capital position. Our management will continue to make adjustments, when necessary, to maintain a stable capital structure and to reduce the cost of capital and manage liquidity risk.

## **Exposure to exchange rate fluctuation**

Our operations are mainly carried out in mainland China and Hong Kong, with most transactions settled in Renminbi and Hong Kong dollars. Our cash and cash equivalents and short-term bank deposits were denominated in Renminbi, Hong Kong dollars and U.S. dollars. Our reporting currency is Renminbi. Any significant exchange rate fluctuations of foreign currencies against Renminbi may have an impact on our financial position and performance.

We did not enter into any hedging transaction or forward contract arrangement to hedge our foreign exchange exposure in the first half of 2024. We manage our foreign exchange risk by closely monitoring the movement of the foreign currency rates. Our management will continue to closely monitor our capital and operational needs and manage foreign exchange risks accordingly.

## **Capital commitments**

As of June 30, 2024, we had a capital investment commitment to an investee amounting to RMB1.8 million.

## **Contingent liabilities**

As of June 30, 2024, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

## **Future plans for material investments and capital assets**

Save as disclosed in the prospectus of the Company dated December 16, 2020 and this announcement, as of the date of this announcement, we did not have other substantial future plans for material investments and capital assets.

## Significant investments, material acquisitions and disposals

On December 1, 2023, Zero2IPO Ventures, a consolidated affiliated entity of the Company, entered into partnership interest transfer agreements with each of Fuzhou Development Zone Kehulian Information Technology Co., Ltd. (福州開發區科互聯信息科技有限公司), Ms. YANG Zhen, Ms. CHEN Hongying, Mr. YANG Qianchu, and Mr. ZHANG Can (collectively, the “**Transferors**”), respectively, pursuant to which Zero2IPO Ventures conditionally agreed to purchase, and the Transferors conditionally agreed to sell, approximately 14.72% of the partnership interests in Zhida Fund in aggregate at a total consideration of RMB28.3 million (the “**Partnership Interest Transfer**”). The Partnership Interest Transfer was approved at the extraordinary general meeting of the Company on February 27, 2024. For further details, please refer to the announcement of the Company dated December 1, 2023 and the circular of the Company dated January 26, 2024. Taking into account the investment management capabilities and experience of the Group and the Company’s business and strategies, participation in investment in the Fund would help broaden and diversify the Group’s customer base, and seek potential business opportunities from the investment portfolio of the Fund in line with the Group’s strategies. In addition, the investment in the Fund would also provide the Group with possible strong financial returns.

During the Reporting Period, we invested in WMPs to preserve the time value of our cash reserves. Each of the WMPs is characterized by its nature of satisfactory liquidity, and the subscriptions of WMPs were used by the Company for treasury management purpose in order to maximize its return on the surplus cash received from its business operations. The Group expects that the WMPs will earn a better yield than the prevailing fixed-term deposit interest rates generally offered by commercial banks in the PRC and in Hong Kong while at the same time offer flexibility to the Group in terms of treasury management. As such, the Board is of the view that the subscriptions of the WMPs are in the interests of the Company and the shareholders of the Company as a whole. The Group implemented adequate and appropriate internal control procedures to ensure the subscriptions would not affect the working capital or the operations of the Group, and that such investments would be conducted on the principle of protecting the interests of the Group and the shareholders of the Company as a whole.

The following table sets forth a breakdown of the major WMPs held by the Group as of June 30, 2024.

Name of the issuer of the WMPs	Subscription Date	Name of Product	Principal amount of subscription	Term of product	Expected annual return rate	Realized/ Fair value as of June 30, 2024	Percentage of the total assets of the Group as of June 30, 2024
GF Global Capital Limited	January 18, 2024	STO principal-guaranteed fixed-interest notes	US\$1,556,324	Fixed term of 6 months	6.50%	US\$1.6 million	1.56%
GF Global Capital Limited	April 30, 2024	Principal-guaranteed fixed-interest notes	US\$6,000,000	Fixed term of 1 year	6.03%	US\$6.1 million	5.90%

As of June 30, 2024, the total outstanding principal amount of the WMPs offered by GF Global Capital Limited (廣發全球資本有限公司) was approximately US\$7.6 million, representing 7.5% of the Group's total assets. Please refer to announcement of the Company dated April 30, 2024 for further details of the subscriptions of WMPs by the Company from GF Global Capital Limited.

Save as disclosed above, there was no other significant investments held by the Group as of June 30, 2024.

During the Reporting Period, we did not make any material acquisitions or disposals of subsidiaries or affiliated companies.

### **Charge on Group's assets**

As of June 30, 2024, we had no charges on our assets.

### **Borrowings**

As of June 30, 2024, we did not have any outstanding bank loans or other borrowings.

### **Gearing ratio**

Our gearing ratio, calculated as total liabilities divided by total assets, remained relatively stable at 23.2% as of December 31, 2023 and 23.3% as of June 30, 2024.

## OTHER INFORMATION

### Employees

The Group had 280 employees as of June 30, 2024, as compared to 333 employees as of June 30, 2023. For the six months ended June 30, 2024, the Group incurred a total staff costs (including Directors' emoluments) of RMB53.5 million. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group's employees includes salaries, performance-based cash bonuses and other incentives. As required under applicable laws and regulations, the Group makes contributions to social insurance fund, including pension, medical, unemployment, maternity and work-related injury, and to housing provident fund for the Group's employees. The Group has adopted a training protocol, pursuant to which the Group provides pre-employment and regular continuing management and technical training to the Group's employees.

We recognize the importance of keeping the Directors updated with the latest information of duties and obligations of a director of a company whose shares are listed on the Stock Exchange and the general regulatory and environmental requirements for such listed company. To meet this goal, we are committed to our employees' continuing education and development.

### Use of Proceeds

The ordinary shares of the Company (the "**Shares**") were listed on the Stock Exchange on December 30, 2020. The net proceeds (after deduction of underwriting fees and commissions and related costs and expenses) received by the Company from the global offering of the Company amounted to approximately HK\$386.9 million, and an additional net proceeds of approximately HK\$66.0 million were received by the Company from the allotment and issue of Shares as a result of the full exercise of the over-allotment option (collectively, the "**Net Proceeds**").

The Company published an announcement on June 6, 2022 (the “**Change in Use of Proceeds Announcement**”) relating to the change in use of the unutilized Net Proceeds by (a) reallocating approximately HK\$50.0 million which was originally allocated for expanding geographical coverage in China and selectively pursuing investment and acquisition opportunities to development of investment banking services; and (b) extending the expected timeline of the use of the unutilized Net Proceeds from December 2022 or December 2023 (as the case may be) to December 2024. Such changes were made primarily due to (i) the Group’s plan to expand geographical coverage in China had been delayed because of the impact of the continuous outbreak of the COVID-19 pandemic, (ii) only a small portion of the Net Proceeds which were originally planned by the Group to pursue investment and acquisition opportunities has been utilized, and (iii) the Group’s intention to facilitate the expansion of the investment banking services and improve the efficiency of capital use. For further details, please refer to the Change in Use of Proceeds Announcement. The Group has applied and intends to apply the remaining Net Proceeds according to the revised plans disclosed in the Change in Use of Proceeds Announcement.

The following table sets forth the details as of the dates indicated:

	Originally raised Net Proceeds <i>Amount</i> <i>HK\$ in million</i>	Unutilized Net Proceeds prior to re-allocation as of April 30, 2022 as disclosed in the Change in Use of Proceeds Announcement <i>Amount</i> <i>HK\$ in million</i>	Balance of the unutilized Net Proceeds after re-allocation as of April 30, 2022 as disclosed in the Change in Use of Proceeds Announcement <i>Amount</i> <i>HK\$ in million</i>	Unutilized Net Proceeds as of January 1, 2024 <i>Amount</i> <i>HK\$ in million</i>	Utilized Net Proceeds during the six months ended June 30, 2024 <i>Amount</i> <i>HK\$ in million</i>	Unutilized Net Proceeds as of June 30, 2024 <i>Amount</i> <i>HK\$ in million</i>
To expand geographical coverage in China	178.4	121.8	91.8	25.0	14.4	10.6
To improve offline service offerings and capture the industry trend toward online-offline integration	44.4	34.6	34.6	28.2	1.3	26.9
To upgrade online platforms and enrich online service offerings	26.3	8.7	8.7	-	-	-
To enhance sales and marketing efforts	44.8	34.5	34.5	23.7	1.5	22.2
To scale services into overseas emerging markets, such as Southeast Asia and India, in order to capture significant growth opportunities	25.4	25.4	25.4	25.4	-	25.4
To selectively pursue investment and acquisition opportunities	90.6	78.5	58.5	58.5	31.0	27.5
To develop investment banking services	-	-	50.0	0.3	0.3	-
To be used for additional working capital and other general corporate purposes	43.0	33.8	33.8	23.8	5.0	18.8
<b>Total</b>	<b>452.9</b>	<b>337.3</b>	<b>337.3</b>	<b>184.9</b>	<b>53.5</b>	<b>131.4</b>

*Note:* The inconsistency between the sum of the numbers in the above table is due to rounding.



The Company currently expects to fully utilize the Net Proceeds by December 2024. The expected timeline is based on the estimation of future market conditions made by the Group. It may be subject to changes based on the current and future development of market conditions.

### **Compliance with Corporate Governance Code**

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders of the Company as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has complied with the code provisions contained in the CG Code during the Reporting Period, save for deviation from code provision C.2.1 of the CG Code.

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are held by Mr. NI Zhengdong. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. NI Zhengdong has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. In light of the above, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in the circumstances of the Company.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

### **Compliance with the Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

The Group’s employees, who are likely to be in possession of inside information of the Group, are also subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the employees was noted by the Company during the Reporting Period.

## Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended June 30, 2024, the Company repurchased a total of 1,434,000 Shares at an aggregate consideration of approximately HK\$1.4 million on the Stock Exchange in order to reflect the Company's confidence in its long-term business prospects and to enhance the value of the Shares thereby improving the return to shareholders of the Company. The details of the repurchase of such Shares are set out as follows:

Month of repurchase	Number of Shares repurchased	Number of Shares repurchased and held as treasury Shares	Maximum price paid per Share (HK\$)	Minimum price paid per Share (HK\$)	Total consideration (HK\$'000)
January 2024	41,600	–	1.10	0.92	41.79
February 2024	48,800	–	1.05	0.92	48.91
March 2024	116,800	–	0.96	0.88	108.32
April 2024	483,200	–	1.05	0.94	483.36
May 2024	294,400	–	1.06	0.98	301.73
June 2024	449,200	380,800	1.06	0.98	461.69
<b>Total</b>	<b><u>1,434,000</u></b>	<b><u>380,800</u></b>			<b><u>1,445.80</u></b>

All the 1,053,200 Shares repurchased (excluding treasury Shares) during the six months ended June 30, 2024 were cancelled as at the date of this announcement and the issued share capital of the Company was reduced by the nominal value thereof. The Company held 380,800 treasury Shares as of June 30, 2024. During the Reporting Period, no treasury Shares were sold or transferred.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2024.

## **Audit Committee and Review of Financial Statements**

The Audit Committee comprising three independent non-executive Directors, namely Ms. YU Bin (being the chairwoman of the Audit Committee), Mr. YE Daqing and Mr. ZHANG Min, has reviewed with the management of the Company the interim results of the Company for the six months ended June 30, 2024. The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group with the management and the auditor of the Company. The Audit Committee was satisfied that the Group's interim financial results for the six months ended June 30, 2024 were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the six months ended June 30, 2024.

In addition, the Company's external auditor, PricewaterhouseCoopers, has performed an independent review of the Group's interim condensed consolidated financial information for the six months ended June 30, 2024 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.

## **Interim Dividend**

The Board has resolved not to recommend payment of any interim dividend during the Reporting Period.

## **Subsequent Event**

Save for (1) the repurchase of 376,000 Shares by the Company on the Stock Exchange during the period from July 2, 2024 to July 12, 2024 and the cancellation of 1,053,200 Shares on August 6, 2024, which were repurchased from January 2, 2024 to June 7, 2024, and (2) the subscriptions of wealth managements products with an aggregated principal amount of RMB50.0 million by Zero2IPO Ventures from Galaxy Jinhui Securities Asset Management Co., Ltd. (銀河金匯證券資產管理有限公司) during the period from July 10, 2024 to July 12, 2024, the details of which are set out in the Company's announcement dated July 10, 2024, there has been no other significant event subsequent to June 30, 2024 and up to the date of this announcement that is required to be disclosed.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.zero2ipo.cn](http://www.zero2ipo.cn)). The interim report of the Company for the six months ended June 30, 2024 will be published on the aforesaid websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, bankers and other business associates for their trust and support.

By order of the Board  
**Zero2IPO Holdings Inc.**  
**NI Zhengdong**  
*Chairman and Chief Executive Officer*

Beijing, the PRC, August 13, 2024

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. NI Zhengdong, Ms. FU Xinghua and Ms. ZHANG Yanyan as executive Directors, Mr. KUNG Hung Ka as non-executive Director, and Mr. YE Daqing, Mr. ZHANG Min and Ms. YU Bin as independent non-executive Directors.*