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ZHONGJIN TECHNOLOGY SERVICES GROUP COMPANY LIMITED

中金科技服務集團股份有限公司

(formerly known as ZZ Capital International Limited 中植資本國際有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08295)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2021

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of Zhongjin Technology Services Group Company Limited 中金科技服務集團股份有限公司 (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- The Group recorded a revenue of approximately RMB184.6 million for the First Quarter Fiscal 2021 (2020: approximately RMB0.5 million). Such significant increase was mainly attributable to the revenue generated from the new business, namely the provision of value-added telecommunication and related services in the PRC.
- Profit attributable to owners of the Company for the First Quarter Fiscal 2021 was approximately RMB9.7 million, as compared to loss of approximately RMB10.5 million for the corresponding period in 2020.
- Basic and diluted earnings per share for the First Quarter Fiscal 2021 was approximately RMB0.23 cent (2020: Basic and diluted loss per share was approximately RMB0.30 cent).
- The Board does not recommend payment of a dividend for the First Quarter Fiscal 2021 (2020: Nil).

The board (the “Board”) of directors (the “Directors”) of Zhongjin Technology Services Group Company Limited 中金科技服務集團股份有限公司 (the “Company”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 30 June 2021 (the “First Quarter Fiscal 2021”), together with the comparative unaudited figures for the corresponding period in 2020, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2021

		Three months ended 30 June	
	<i>Notes</i>	2021	2020
		RMB'000	RMB'000
		(Unaudited)	(Unaudited and restated)
Revenue			
Value-added telecommunication and related services income	4	184,178	–
Corporate advisory income	4	83	135
Loan interest income	4	295	366
		<hr/>	<hr/>
Total revenue		184,556	501
Cost of services		(141,967)	–
		<hr/>	<hr/>
Gross profit		42,589	501
Other income and losses, net	5	4,780	3,431
Marketing expenses		(2,648)	–
Research and development expenses		(6,015)	–
Administrative expenses		(22,056)	(14,443)
Finance costs	6	(3,325)	(34)
		<hr/>	<hr/>
Profit/(loss) before tax	7	13,325	(10,545)
Income tax expense	8	(5,556)	–
		<hr/>	<hr/>
Profit/(loss) for the period		7,769	(10,545)
		<hr/>	<hr/>
Profit/(loss) for the period attributable to			
Owners of the Company		9,741	(10,545)
Non-controlling interests		(1,972)	–
		<hr/>	<hr/>
		7,769	(10,545)
		<hr/> <hr/>	<hr/> <hr/>
Earnings/(losses) per share attributable to owners of the Company			
— Basic (RMB cents)	9	0.23	(0.30)
		<hr/>	<hr/>
— Diluted (RMB cents)	9	0.23	(0.30)
		<hr/> <hr/>	<hr/> <hr/>

	Three months ended 30 June	
	2021	2020
<i>Notes</i>	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Profit/(loss) for the period	7,769	(10,545)
Other comprehensive loss		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	<u>(2,995)</u>	<u>(283)</u>
Total comprehensive income/(loss) for the period	<u>4,774</u>	<u>(10,828)</u>
Total comprehensive income/(loss) attributable to		
Owners of the Company	6,746	(10,828)
Non-controlling interests	<u>(1,972)</u>	<u>–</u>
	<u>4,774</u>	<u>(10,828)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2021

	Share capital	Share premium	Contributed surplus	Statutory reserve	Revaluation reserve	Translation reserve	Accumulated losses	Sub-total	Non- controlling interests	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 April 2021	35,395	944,878	7,944	7,740	(3,235)	28,477	(21,295)	999,904	15,727	1,015,631
Profit for the period	-	-	-	-	-	-	9,741	9,741	(1,972)	7,769
Other comprehensive loss for the period	-	-	-	-	-	(2,995)	-	(2,995)	-	(2,995)
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	400	400
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	(5,716)	(5,716)
At 30 June 2021	<u>35,395</u>	<u>944,878</u>	<u>7,944</u>	<u>7,740</u>	<u>(3,235)</u>	<u>25,482</u>	<u>(11,554)</u>	<u>1,006,650</u>	<u>8,439</u>	<u>1,015,089</u>
At 1 April 2020 (Restated)	29,848	584,350	7,944	-	-	66,196	(39,708)	648,630	-	648,630
Loss for the period	-	-	-	-	-	-	(10,545)	(10,545)	-	(10,545)
Other comprehensive loss for the period	-	-	-	-	-	(283)	-	(283)	-	(283)
At 30 June 2020 (Restated)	<u>29,848</u>	<u>584,350</u>	<u>7,944</u>	<u>-</u>	<u>-</u>	<u>65,913</u>	<u>(50,253)</u>	<u>637,802</u>	<u>-</u>	<u>637,802</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered address and principal place of business of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and 11/F., 8 Queen's Road Central, Hong Kong respectively. The shares of the Company are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in investment holding, provision of back-office services (primarily provision of customer service solutions, and setting up of contact service systems and centre), comprehensive marketing services and data centre services, proprietary investments and money lending.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the three months ended 30 June 2021 (the "First Quarterly Financial Statements") have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

As stated in the Group's annual financial statements for the year ended 31 March 2021, the Company has changed its the functional and presentation currencies from Hong Kong dollars ("HK\$") to Renminbi ("RMB") starting from 1 October 2020. As such, the presentation currency of the Group's First Quarterly Financial Statements is RMB. Comparative figures have been restated to reflect the change in the Group's presentation currency.

3. PRINCIPAL ACCOUNTING POLICIES

The First Quarterly Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The HKICPA has issued a number of new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Company. The adoption of these new and revised HKFRSs has no material effect on the First Quarterly Financial Statements, and there have been no significant changes to the accounting policies applied in the First Quarterly Financial Statements.

The principal accounting policies used in the preparation of the First Quarterly Financial Statements are consistent with those used in the preparation of the Group's audited annual financial statements for the year ended 31 March 2021. However, the First Quarterly Financial Statements do not include all of the information required for annual financial statements and they should be read in conjunction with the annual financial statements for the year ended 31 March 2021.

4. REVENUE AND SEGMENT INFORMATION

The executive directors have been identified as the chief operating decision-maker (“CODM”), responsible for making strategic decisions, allocating resources and assessing performance of the operating segments. The reportable operating segments and their results are as below:

- provision of value-added telecommunications and related services (including back-office services, comprehensive marketing services and data centre services); and
- provision of financial services (including corporate advisory service)

An analysis of the Group’s revenue from major services are as follow:

	Three months ended 30 June	
	2021	2020
	RMB’000	RMB’000
	(Unaudited)	(Unaudited and restated)
Value-added telecommunication and related services:		
— Back-office services		
• Provision of customer service solutions	144,177	–
• Setting up of contact service systems and centres	303	–
	144,480	–
— Comprehensive marketing services	22,838	–
— Data centre services	16,860	–
	184,178	–
Financial Services:		
— Corporate advisory services	83	135
— Loan interest income	295	366
Total	184,556	501

Timing of revenue recognition

	Value-added telecommunication and related services		Financial services		Total	
	Three months ended 30 June		Three months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited and restated)	(Unaudited)	(Unaudited and restated)	(Unaudited)	(Unaudited and restated)
At a point in time	303	–	83	135	386	135
Over time	183,875	–	–	–	183,875	–
	<u>184,178</u>	<u>–</u>	<u>83</u>	<u>135</u>	<u>184,261</u>	<u>135</u>

No other analysis of the Group's segment assets and liabilities is presented as the information is not regularly provided to the CODM for review.

Revenue by geographical location

	Three months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited and restated)
The People's Republic of China (the "PRC")	184,178	–
Hong Kong	83	135
The United States of America (the "USA")	295	366
	<u>184,556</u>	<u>501</u>

The revenue information above is based on the location of the customers.

Segment results

For the three months ended 30 June 2021

	Value-added telecommunication and related services <i>RMB'000</i> (Unaudited)	Financial services <i>RMB'000</i> (Unaudited)	Corporate <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Revenue	184,178	378	–	184,556
Gross profit	42,211	378	–	42,589
Other income and losses, net	3,215	–	1,565	4,780
Marketing expenses	(2,648)	–	–	(2,648)
Research and development expenses	(6,015)	–	–	(6,015)
Administrative expenses	(13,275)	(1,274)	(7,507)	(22,056)
Finance costs	(697)	–	(2,628)	(3,325)
Profit/(loss) before tax	22,791	(896)	(8,570)	13,325

For the three months ended 30 June 2020, there was only one operating segment. The Group does not present separate segment results.

5. OTHER INCOME AND LOSSES, NET

	Three months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited and restated)
Net investment income		
Net fair value gain on financial assets at fair value through profit or loss (“FVTPL”)	549	751
Interest income		
Interest income from financial assets at amortised cost		
— Bank deposits	482	1,002
Interest income from financial assets at FVTPL		
— Structured deposit	15	1,681
	497	2,683
Other income and losses, net		
Gain/(loss) on exchange difference	730	(146)
Government grants and subsidies	1,382	143
Value-Add Tax (“VAT”) refund	21	–
Others	1,601	–
	3,734	(3)
Total	4,780	3,431

6. FINANCE COSTS

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited and restated)
Interest on bank borrowings	406	–
Interest on lease liabilities	304	34
Interest on consideration payable	2,615	–
	<u>3,325</u>	<u>34</u>

7. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging:

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited and restated)
Directors' remuneration		
— Directors' fee, salaries and other benefits	1,384	2,186
— Discretionary bonus	–	174
— Retirement benefits scheme	11	14
Employee benefit expenses (excluding directors' remuneration)		
— Salaries and other benefits	69,490	3,180
— Discretionary bonus	–	767
— Retirement benefits scheme	5,868	98
— Amount capitalised	(2,147)	–
	<u>74,606</u>	<u>6,419</u>
Legal and professional fees	670	5,526
Depreciation of property and equipment	1,367	31
Depreciation of right-of-use assets	6,561	917
Amortisation of intangible assets		
— Cost of services	832	–
— Administrative expenses	4,510	–

8. INCOME TAX EXPENSE

	Three months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax	5,962	–
Deferred tax	(406)	–
	<u> </u>	<u> </u>
Income tax expense	<u>5,556</u>	<u>–</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both periods.

The basic tax rate of the Group’s PRC subsidiaries is 25% under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and implementation regulations of the EIT Law. For the current period, certain subsidiaries of the Group qualified as advanced technology enterprises and have obtained approvals from the relevant tax authorities for the reduction of the applicable tax rate to 15%.

9. EARNINGS/(LOSSES) PER SHARE

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

	Three months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited and restated)
Earnings/(losses):		
Earnings/(losses) for the period attributable to owners of the Company	<u>9,741</u>	<u>(10,545)</u>

Three months ended 30 June
2021 **2020**

Number of shares:

Weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings/(losses) per share	<u>4,188,519,590</u>	<u>3,550,496,836</u>
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Diluted earnings/(losses) per share amount was the same as basic earnings/(losses) per share amount as there were no potential dilutive ordinary shares outstanding for both periods.

10. DIVIDENDS

The Board does not recommend payment of a dividend for the First Quarter Fiscal 2021 (2020: Nil).

11. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

The Directors are the key management personnel of the Group. Details of their remuneration are disclosed in Note 7 to First Quarterly Financial Statements.

12. EVENT AFTER THE REPORTING PERIOD

As disclosed in the announcement dated 10 August 2021 published by the Company, it has entered into the equity transfer agreement with certain independent third parties as the purchasers (the “Purchasers”), pursuant to which the Company agreed to sell, and the Purchasers agreed to purchase the entire equity interest in Corporate Wise Limited, a wholly owned subsidiary of the Company, at a total consideration of approximately HK\$17.24 million. Corporate Wise Limited and its subsidiaries are principally engaged in the provision of corporate advisory services, investment advisory and asset management services. The completion of this transaction is subject to certain conditions precedent set out in the equity transfer agreement being satisfied or waived. Please refer to the Company’s announcement dated 10 August 2021 for further details of this transaction.

13. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

The First Quarterly Financial Statements were approved and authorised for issue by the Board on 10 August 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Company's wholly-owned subsidiary, KingNine Holdings Limited, together with its subsidiaries (collectively, "KingNine Group") posted revenue of approximately RMB165.8 million for the First Quarter Fiscal 2021, a year-on-year increase of 52.8% as compared with the previous year. Revenue from its back-office service amounted to approximately RMB144.5 million, accounting for 78.3% of the Group's overall revenue.

The top ten customers of the Group basically remained stable in this quarter. In the meantime, there were several newly-added customers in Internet education, finance & securities, e-commerce, community group buying and Internet manufacturing, which take the lead in their respective industries (including an Internet unicorn with business in fields such as information, short videos, education, and socialising and a new generation trendy community group-buying company), increasing the number of its customers from 125 as of 31 March 2021 to 134.

The outbreak of the COVID-19 pandemic at the beginning of 2020 has caused a huge impact on the global economy. However, the PRC government has managed to control the pandemic rapidly. China saw a V-shaped rebound in economic development in 2020, becoming the only major economy reporting positive growth. Relying on its deep experience in software development, IT security and data centre operation and orderly environmental management capability, KingNine Group worked closely with customers and complied with governments' epidemic prevention and control requirements, thanks to the effective containment of the pandemic in China and under a new development pattern in which domestic economic cycle plays a leading role while international economic cycle remains its extension and supplement. KingNine Group took some positive and effective measures, including epidemic prevention and control in the workplace, flexible working arrangements (including working from home) and business interoperability in the workplace, and no case was reported across the country. It had been operating its business smoothly and maintained steady growth with existing customers while securing new incremental markets from new customers.

KingNine Group received one patent for an invention and obtained two new software copyrights in this quarter in relation to customer service technologies, increasing the number of its patents for inventions and software copyrights to 2 and 136, respectively. Meanwhile, Dalian Kingwisoft was recognised as one of the 20th anniversary outstanding companies in Liaoning's software industry. In addition, the number of workstations from its 13 self-run contact service centres rose from 6,693 as of 31 March 2021 to 7,014, an increase of 321 as compared to 31 March 2021.

Another subsidiary of the Company, Qingdao Jinliang Technology Co., Ltd.* (青島金量科技有限公司) (“Jinliang Technology”), together with its subsidiaries (collectively, “Jinliang Technology Group”) are principally engaged in providing comprehensive and in-depth operation services in expanding customer base for clients in finance sectors, and providing integrated media services including “media agency operations”, “information streaming” and “financial professionals incubating and operation services” for financial customers (such as securities companies, credit, insurance, futures, bankers, funds, investment advisers), in a view to cater for needs of brands publicity, customer acquisition in marketing, internal streaming incubating and external streaming cooperation. With our experience in operating Internet streaming and our customer resources in finance sectors, we can provide vertical and in-depth services in every finance sectors and build a standardised SOP operating system with core competitiveness in each of business segments while establishing a solid and united team for business operation and strong TOB service team for the Internet sectors. Jinliang Technology Group posted revenue of approximately RMB18.4 million for the First Quarter Fiscal 2021, accounting for 10.0% of the Group’s overall revenue.

Revenue from corporate advisory business for the First Quarter Fiscal 2021 was approximately RMB0.083 million.

Financial review

The Group recorded a revenue of approximately RMB184.6 million for the First Quarter Fiscal 2021 (2020: approximately RMB0.5 million). Such significant increase was mainly attributable to the revenue generated from the new business, namely the provision of value-added telecommunication and related services in the PRC.

During the First Quarter Fiscal 2021, the Group incurred cost of services of approximately RMB142.0 million (2020: Nil) for the provision of value-added telecommunication and related services business. Cost of services primarily consisted of staff costs, subcontracting fees, depreciation and amortisation.

Net other income for the First Quarter Fiscal 2021 was approximately RMB4.8 million (2020: approximately RMB3.4 million).

The Group incurred marketing, research and development expenses of approximately RMB8.7 million (2020: Nil) in aggregate during the First Quarter Fiscal 2021. Such cost and expenses were incurred for the provision of value-added telecommunication and related services business.

* *For identification purposes only*

Administrative expenses for the First Quarter Fiscal 2021 was approximately RMB22.1 million (2020: approximately RMB14.4 million). The major expenses components were staff costs, amortisation of intangible assets and depreciation of right-of-use assets. The increase was mainly attributable to the increases in the abovementioned major expenses components resulting from consolidation of the expenses of the provision of value-added telecommunication and related services business in the First Quarter Fiscal 2021.

During the First Quarter Fiscal 2021, the Group incurred finance costs of approximately RMB3.3 million (2020: approximately RMB0.034 million) which mainly consisted of interests on consideration payable arising from the acquisition of KingNine Group, bank borrowings and lease liabilities.

The Group's income tax expense for the First Quarter Fiscal 2021 was approximately RMB5.6 million (2020: Nil) which mainly consisted of provision of PRC Enterprise Income Tax of approximately RMB6.0 million and deferred tax credit of approximately RMB0.4 million.

Profit attributable to owners of the Company for the First Quarter Fiscal 2021 was approximately RMB9.7 million, as compared to loss of approximately RMB10.5 million for the corresponding period in 2020.

Basic and diluted earnings per share for the First Quarter Fiscal 2021 was approximately RMB0.23 cent (2020: Basic and diluted loss per share was approximately RMB0.30 cent).

Outlook

Despite an evolving global epidemic and numerous external uncertainties, China's national economy showed a steady recovery with solid and sound growth. The continuously stable economic recovery is evidenced by a pickup in production demand, overall employment and price stability, rapid development of drivers of growth, stably improved quality and efficiency, and positive market expectations. According to the information published by the National Bureau of Statistics of China, China's GDP rose year-on-year by 7.9% in this second quarter, with a two-year average growth of 5.5%. It is expected that China's economy may continue the unbalanced recovery pattern, and macro policies may refocus on steady growth. The tertiary sector maintained steady recovery, with value added increased year-on-year by 8.3% in the second quarter and 15.6% in the first quarter, representing a two-year average growth of 5.1% and 4.7%, respectively. In terms of industries, the value added of transportation, storage and postal industries and information transmission, software and IT service industries grew year-on-year by 21.0% and 20.3%, respectively.

As KingNine Group's major customers are players in finance & securities, operators and Internet industries, all these sectors will recover quickly with the sustained economic recovery and the gradual rise of new endogenous driving forces. Meanwhile, the pandemic's profound impact on people's education, mobility, shopping and so forth will further boost the vigorous development of Internet companies, which is expected to bring more opportunities for rapid growth for KingNine Group.

In this context, KingNine Group will keep a close eye on macro policy's effect on its customers' business, maintain close communication with customers, and take diversified actions to actively respond. Moreover, efforts will be made to actively explore and seek for new business opportunities in the finance, Internet livestreaming and e-commerce fields, seize business development opportunities and continuously increase its footprints in China in an effective manner, so as to create more stable revenue and profitability and enhance shareholder value.

KingNine Group keeps refining and expanding its back-office services. Its orders from the existing customer increased consistently with the growth of their businesses, and KingNine Group has also obtained new orders from traditional finance sectors and new leaders of Internet companies, among which one of China's leading e-commerce platform for life services and a worldly-renowned information technology company have become our customers and we have proceeded to new businesses orderly. KingNine Group will continue to push for bidding and completion of projects to generate revenue and profit. Meanwhile, KingNine Group has commenced the construction of three self-run contact service centres in Shenyang, Lu'an and Puyang, providing support such as personnel and venues for newly added orders.

As for e-marketing, KingNine Group is accumulating knowledge and preparing for livestreaming e-commerce and livestreaming training fields by combining its existing capability in Internet marketing and promoting with relevant experience to create a new momentum driving KingNine Group to grow in B2B corporate services and livestreaming e-commerce fields. As for streaming allocation, we are gradually achieving our goal and making progress.

Jinliang Technology Group is actively exploring cooperation with customers in industry segments such as securities, insurance, banking and fund industries. In the meanwhile, it will continuously expand cooperation with domestic customers in consumer finance as they have great demand for attracting more customers. In terms of the incubation of financial professionals, Jinliang Technology Group will sign more financial professionals and improve their service capabilities of introducing and selling financial products to customers so as to increase revenue.

As disclosed in the announcement dated 10 August 2021 published by the Company, it has entered into the equity transfer agreement with certain independent third parties to sell the entire equity interest in Corporate Wise Limited, a wholly owned subsidiary of the Company, at a total consideration of approximately HK\$17.24 million. Corporate Wise Limited and its subsidiaries are principally engaged in the provision of corporate advisory services, investment advisory and asset management services. Please refer to the Company's announcement dated 10 August 2021 and Note 12 to the First Quarterly Financial Statements for further details of this transaction.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2021, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

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

As at 30 June 2021, so far as was known to the Directors, the following persons (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in shares of the Company

Name of shareholder	Capacity	Number of shares held	Approximate percentage of shareholding in the Company
Zhong Zhi Xin Zhuo Capital Company Limited (“Zhongzhi Xinzhuo”) (Note 1)	Beneficial owner	2,409,823,718	57.53%
Kang Bang Qi Hui (HK) Company Limited (“Kang Bang (HK)”) (Note 1)	Beneficial owner	455,820,525	10.88%
Tian Xi Capital Company Limited (“Tian Xi Capital”) (Note 1)	Interest of controlled corporation	2,865,644,243	68.41%
Zhong Zhi Ze Yun Capital Company Limited (“Ze Yun Capital”) (Note 1)	Interest of controlled corporation	2,865,644,243	68.41%
Mr. XIE Zhikun (“Mr. Xie”) (Note 1)	Interest of controlled corporation	2,865,644,243	68.41%
NINEGO Corporation (“NINEGO”) (Note 2)	Beneficial Owner	274,190,219	6.55%
Mr. Hu Shilong (“Mr. Hu”) (Note 2)	Interest of controlled corporation	274,190,219	6.55%
Ms. Liu Yingying (“Ms. Liu”) (Note 2)	Interest of controlled corporation	274,190,219	6.55%

Notes:

- Each of Zhongzhi Xinzhuo and Kang Bang (HK) is a wholly-owned subsidiary of Tian Xi Capital. Ze Yun Capital, a company wholly-owned by Mr. Xie, controls 100% of the voting power at general meetings of Tian Xi Capital. As such, each of Tian Xi Capital, Ze Yun Capital and Mr. Xie is deemed to be interested in an aggregate of 2,865,644,243 shares of the Company held by Zhongzhi Xinzhuo and Kang Bang (HK) by virtue of the SFO.
- NINEGO is held by Mr. Hu as to 40.60% and Ms. Liu as to 59.40%. As such, Mr. Hu and Ms. Liu are deemed to be interested in 274,190,219 shares of the Company held by NINEGO by virtue of the SFO.

Save as disclosed above, as at 30 June 2021, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the First Quarter Fiscal 2021.

COMPETING BUSINESS

As at 30 June 2021, none of the Directors was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Mr. Xie, a controlling shareholder of the Company, holding approximately 68.41% of the total issued share capital of the Company as at 30 June 2021 through Zhongzhi Xinzhuo and Kang Bang (HK), indirectly holds 100% equity interest in Zhongzhi Capital Management Company Limited* (中植資本管理有限公司) ("Zhongzhi Capital"). Zhongzhi Capital's key business include private equity investments in the primary market, private placement, mergers and acquisitions of overseas businesses and funds which may compete or are likely to compete with the business of the Group.

Mr. Xie also holds indirect interests in the following companies, which are corporations licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities: (1) 80% indirect interest in Tang Wealth International Limited, which mainly provides private banking services, including providing asset allocation and investment consultancy services, including agency sales of public funds and private equity funds, issue of private equity funds or asset management etc. but is not engaged in traditional investment services; and (2) 45.1% indirect interest in Hang Tang International Capital Management Limited, which mainly provides asset management and funds distribution services. Mr. Xie is also the sole shareholder of ZhongTai Financing (Hong Kong) Limited, which holds a Money Lenders Licence and conducts money lending business.

* *For identification purposes only*

Save as disclosed above, none of the Directors, controlling shareholder of the Company or their respective close associates had any direct or indirect interest in a business which competes or is likely to compete with the business of the Group.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee include reviewing and overseeing the financial reporting system, risk management and internal control systems of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Stephen MARKSCHEID (chairman of the audit committee), Mr. ZHANG Weidong and Mr. ZENG Liang.

The audit committee has reviewed the First Quarterly Financial Statements and is of the opinion that the preparation of those statements complies with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board
Zhongjin Technology Services Group Company Limited
中金科技服務集團股份有限公司
NIU Zhanbin
Chairman

Hong Kong, 10 August 2021

As at the date of this announcement, the executive Directors are Mr. NIU Zhanbin (Chairman), Mr. JIANG Yulin (Chief Executive Officer) and Mr. WU Hui (Chief Operating Officer); and the independent non-executive Directors are Mr. Stephen MARKSCHEID, Mr. ZHANG Weidong and Mr. ZENG Liang.

This announcement will remain on the “Latest Listed Company Information” page of the website of GEM at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.zhongjintechology.com.

* *For identification purpose only*