

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**中 软 国 际**

**CHINASOFT INTERNATIONAL LIMITED**

**中 軟 國 際 有 限 公 司 \***

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

**(Stock Code: 354)**

**SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO THE 2024 ANNUAL REPORT  
AND  
CHANGE IN USE OF PROCEEDS**

References are made to (i) the announcements of Chinasoft International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 5 October 2021 and 12 October 2021 (collectively hereinafter referred to as the “**Announcements**”); (ii) the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”); and (iii) the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”). Unless the context otherwise requires, the capitalised terms used herein shall have the same meaning as those defined and used in the Announcements, the 2024 Annual Report and the 2025 Interim Report.

The board (the “**Board**”) of directors of the Company (the “**Directors**”) would like to provide supplementary information to the 2024 Annual Report in the section “Management Discussion and Analysis” under the paragraphs headed “Fund Raising Activities” on the amount of remaining unused proceeds from the Placing of approximately HK\$521 million up to 31 December 2024 (the “**Unutilized Net Proceeds**”), which was intended for developing hardware and software products and solutions for HarmonyOS and OpenHarmony, the research and development of full-stack technologies required for atomic services, making investments and mergers and acquisitions around the HarmonyOS and OpenHarmony industrial ecology (the “**Uses for Harmony OS and OpenHarmony**”).

The Board would also like to provide update on the change in the use of the Unutilized Net Proceeds.

## CHANGE IN THE USE OF PROCEEDS

The Company entered into the Placing Agreement on 4 October 2021 for the placing of up to an aggregate of 162,000,000 Placing Shares at the Placing Price of HK\$12.26 per Placing Share, which raised net proceeds of approximately HK\$1,970 million (the “**Net Proceeds**”) (after deduction of commission and other expenses of the placing) for the Company. Below sets forth the Company’s uses and intended uses of the Net Proceeds and the changes in the expected timeline in respect of the use of approximately HK\$788 million, representing approximately 40% of the Net Proceeds, in Uses for Harmony OS and OpenHarmony since the completion of the Placing:

- (1) As disclosed in the 2023 annual report of the Company, the Company had remaining unused proceeds from the Placing amounting to approximately HK\$557 million as of 31 December 2023 for the Uses for Harmony OS and OpenHarmony (the “**HK\$557 Million Unutilized Net Proceeds**”), and the expected timeline of utilizing such HK\$557 Million Unutilized Net Proceeds was extended from before 31 December 2023 to before 31 December 2024 (the “**1st Revised Timeline**”).
- (2) As disclosed in the 2024 Annual Report, the Company had Unutilized Net Proceeds for the Uses for Harmony OS and OpenHarmony amounting to approximately HK\$521 million as of 31 December 2024, and the 1st Revised Timeline was further extended from before 31 December 2024 to before 31 December 2025 (the “**2nd Revised Timeline**”).
- (3) As further disclosed in the 2025 Interim Report, the Company had remaining Net Proceeds amounting to approximately HK\$394 million as of 30 June 2025, and the expected timeline for utilizing such HK\$394 million Unutilized Net Proceeds remained to be the 2nd Revised Timeline.

The details of the uses of the Net Proceeds as disclosed in the 2025 Interim Report are as follows:

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds	The amount of the remaining net proceeds as disclosed in the 2025 Interim Report	Expected time of utilization (Note)
Approximately HK\$788 million	For the research and development of full-stack cloud smart products and solutions, as well as investments and mergers and acquisitions related to the Company’s main business	Approximately HK\$788 million were used for the research and development of full-stack cloud smart products and solutions, as well as investments and mergers and acquisitions related to the Company’s main business	–	–

<b>Net proceeds allocation</b>	<b>Intended use of the proceeds</b>	<b>Actual use of the proceeds</b>	<b>The amount of the remaining net proceeds as disclosed in the 2025 Interim Report</b>	<b>Expected time of utilization (Note)</b>
Approximately HK\$788 million	For developing hardware and software products and solutions for HarmonyOS and OpenHarmony, the research and development of full-stack technologies required for atomic services, making investments and mergers and acquisitions around the HarmonyOS and OpenHarmony industrial ecology	Approximately HK\$394 million were used for developing hardware and software products and solutions for HarmonyOS and OpenHarmony, the research and development of full-stack technologies required for atomic services, making investments and mergers and acquisitions around the HarmonyOS and OpenHarmony industrial ecology	Approximately HK\$394 million to be for the intended use	Before 31 December 2025
Approximately HK\$394 million	For general working capital of the Company	Approximately HK\$394 million were used for general working capital of the Company	–	–

*Note:* The expected time frame for fully applying the unutilized proceeds from the Placing is based on the best estimation of the future market conditions and strategic development made by the Group, which may be subject to changes and adjustments according to the future development of market conditions.

## REASONS FOR DELAY IN THE USE OF UNUTILIZED NET PROCEEDS

The Unutilized Net Proceeds were originally intended to be utilized in the Uses for Harmony OS and OpenHarmony by 31 December 2024. However, the Unutilized Net Proceeds have not yet been utilized as planned within the expected timeframe mainly due to the strategic promotion by the Company of the deep integration of HarmonyOS ecosystem applications and artificial intelligence technologies (the “**AI technologies**”) across diversified business scenarios since 2024. Since then, the Company has implemented unified planning and centralized allocation of relevant resources to facilitate the sharing of underlying capabilities and to strengthen collaborative technological innovation. Certain research and development (R&D) activities and ecosystem construction related to HarmonyOS have become highly synergized with the AI technologies across multiple dimensions and have been deeply integrated into the Company’s overall technical layout and product solutions, the investments made in this area could not be separately delineated for HarmonyOS-specific purposes. Since management of technological work of the Group is performed at the project level, the attribution of R&D expenses to HarmonyOS-related projects depends on the nature of each project, in terms of whether it is a HarmonyOS-related project or a project that constitutes a converged business integrating HarmonyOS and AI technologies (the “**Integrated HarmonyOS & AI Project**”). If a project constitutes an Integrated HarmonyOS & AI Project, the related R&D expenses are not readily delineable. If a project was originally designated as HarmonyOS-related, the associated expenses would be allocated to the use of proceeds from the Placing. As the Group is undertaking more Integrated HarmonyOS & AI Projects, certain HarmonyOS-related R&D expenses due to classification considerations could not be separately allocated to relate to projects of Harmony OS and OpenHarmony. As a result, certain funds applied to the Integrated HarmonyOS & AI Projects could not be regarded as belonging to the Uses for HarmonyOS and OpenHarmony. This technically led to the Unutilized Net Proceeds not having yet been fully utilized as planned.

As disclosed in the section “Management Discussion and Analysis” under the paragraphs headed “Fund Raising Activities” of the 2025 Interim Report, the remaining net proceeds from the Placing amounted to approximately HK\$394 million as of 30 June 2025 (the “**Remaining Unutilized Net Proceeds**”). This is due to some of the Unutilized Net Proceeds being able to be allocated to R&D expenses incurred by the Company in the first half of 2025 that were clearly related to the Uses for HarmonyOS and OpenHarmony.

Based on the Company’s strategic positioning, the Remaining Unutilized Net Proceeds which were originally intended to be used for the Uses for Harmony OS and OpenHarmony are now intended to be extended to include investment in the full-spectrum artificial intelligence business direction, specifically including areas such as intelligent cloud infrastructure development, intelligent agent and model factories, Harmony AIOT and digital twin applications, ERP consulting and implementation services, etc. (the “**Extended Uses for Harmony and AI**”). This is mainly due to the rapid and ongoing breakthroughs in AI technologies, which have become a central force in global digital transformation. AI is now deeply integrated across both software and

hardware domains, with cross-industry applications forming a robust and evolving AI ecosystem. To meet market trends and customer demands, the Company aims to seize the opportunity to embed AI into full-scenario applications and will therefore allocate additional resources to the development of the full-scenario AI application industry.

Having considered the reasons set out above, the table below sets forth the revised change in the use and the updated expected timeline of the Remaining Unutilized Net Proceeds:

<b>Original intended use of the Remaining Unutilized Net Proceeds</b>	<b>Revised intended use of the Remaining Unutilized Net Proceeds</b>	<b>The amount of the Remaining Unutilized Net Proceeds as at 30 June 2025</b>	<b>Expected time of utilizing the Remaining Unutilized Net Proceeds</b>
Uses for Harmony OS and OpenHarmony	A combination of (1) Uses for Harmony OS and OpenHarmony and (2) Extended Uses for Harmony and AI	Approximately HK\$394 million to be for the intended use	Before 31 December 2026

The Board expects that the Remaining Unutilized Net Proceeds will be utilized by 31 December 2026, as the Company will allocate R&D funds as appropriate according to the needs of the progress of the Group's projects.

On behalf of the Board  
**Chinasoft International Limited**  
**Dr. Chen Yuhong**  
*Chairman and Chief Executive Officer*

Hong Kong, 22 September 2025

*As at the date of this announcement, the Board comprises three executive Directors, namely Dr. Chen Yuhong (Chairman and Chief Executive Officer), Dr. He Ning (Vice Chairman) and Dr. Tang Zhenming, two non-executive Directors, namely Dr. Zhang Yaqin and Mr. Gao Liangyu, and three independent non-executive Directors, namely Dr. Lai Guanrong, Professor Mo Lai Lan and Mr. Yeung Tak Bun J.P.*

\* For identification purposes only